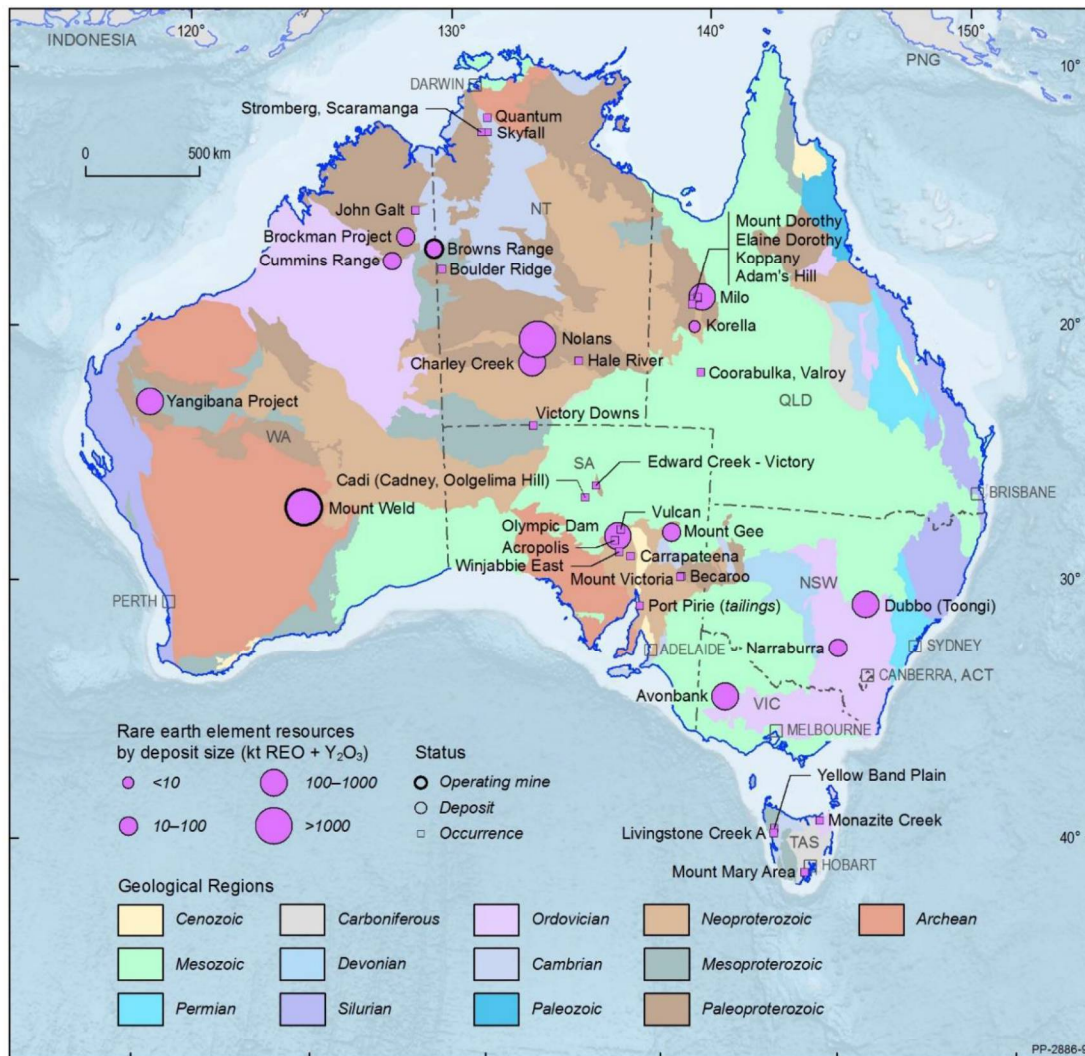


Figure 4.1 shows the location of Australia's known REE deposits as at 31 December 2018. Several significant Australian deposits include Mount Weld and Nolans Bore in Western Australia and Toongi in New South Wales. These deposits vary in age and mineralisation style, rock types, tectonic settings. Mount Weld is linked to lateritic regolith over a carbonatite intrusion, Nolans Bore is associated with carbonatite and alkali intrusive complexes, and the Toongi polymetallic deposit is connected to an alkaline intrusive complex.

**Figure 4.1: Australia rare earths deposits as at 31 December 2018**



<sup>25</sup> The named party has not consented to the use of their information in this report.

## 4.4 South Australia – rare earth elements

In South Australia, where the White Hill Project is located, several known REE deposits exist. These are associated with various mineralisation styles, including heavy mineral sands, iron-oxide-copper-gold, and IAC.

IAC mineralisation is the target deposit type at the White Hill Project area. IAC is classified as a weathering deposit but differs from weathered carbonatite deposits, such as Mount Weld. In IACs, REEs are mainly present in the ion-exchangeable phase of weathered granite, and are weakly absorbed onto clay minerals (primarily kaolinite and halloysite) or incorporated into specific mineral structures with ion-exchange capabilities.

A bulk-leaching process is typically used to extract REEs from IAC ores. This involves a diluted ammonium sulfate solution at ambient temperature to perform ion exchange and recover REEs through in situ or heap leaching. This method allows mining of relatively low-grade ores (500–2,000 ppm total rare earth oxide – TREO) at a low operational cost.

Most economically exploited IAC deposits are currently located in southern China, where REEs are hosted in weathered crusts over granitic bedrock, contributing to about 80% of global HREE supplies. These deposits develop over igneous rocks through in situ weathering, with REEs primarily absorbed onto kaolinite or halloysite clays (Hoshino et al., 2016<sup>26</sup>). Recently, IAC REE production has also been reported in Myanmar, Malaysia, and Laos, with ongoing exploration projects in Brazil, Malawi, Madagascar and Uganda.

In southeastern South Australia, a distinctive type of IAC has been discovered by Australian Rare Earth Limited (ASX ticker code:AR3). Unlike typical IAC deposits, that form above igneous rocks via weathering, the Koppamurra deposit lies within a <10 m thick Pleistocene lacustrine sedimentary clay unit, directly overlying the REE-barren Miocene Gambier Limestone. The high-grade zone forms immediately above the limestone contact. This clay unit is interpreted to have been deposited in an interdunal, lagoonal, or estuarine environment, and the REE source is reportedly unrelated to the barren Gambier Limestone immediately below. Exploration to date suggests the mineralisation may extend over a 100 km strike length and occur a few metres from the surface. The Koppamurra IAC deposit discovery has spurred exploration for similar mineralisation in the surrounding region. On 30 September 2024, Australian Rare Earths announced a new Mineral Resource estimate of 236 Mt<sup>27</sup> with an average TREO grade of 748 ppm<sup>28</sup>.

The enrichment process at Koppamurra remains unclear. Isotopic, geochemical, and mineralogical analyses recently by Löhr et al. (2024)<sup>29</sup> ruled out igneous rocks in the region, as the REE source. Instead, it is currently interpreted to originate from the weathering of sedimentary detritus deposited by the Murray River, with materials eroded from the Lachlan Orogen. These sediments were deposited in a coastal lacustrine setting, with tectonic uplift and shoreline progradation enabling subaerial weathering. Vertical and lateral solute transport concentrated REEs in local depressions on the karst weathering surface between the limestone and clays, facilitated by water table

<sup>26</sup> The named party has not consented to the use of their information in this report.

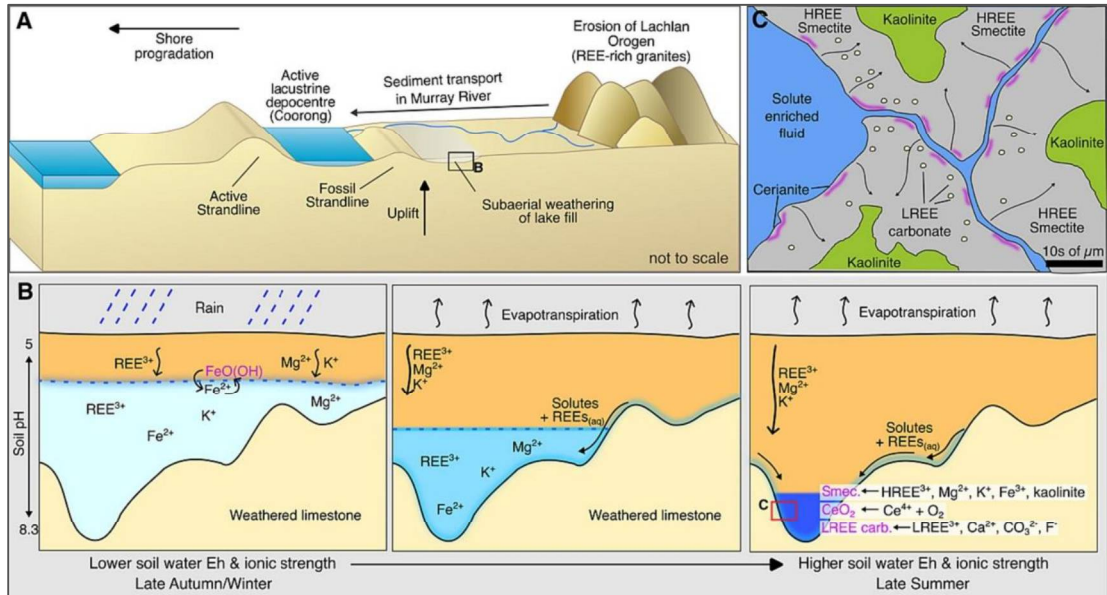
<sup>27</sup> Including 0.7 Mt at 813 ppm Measured, 112 Mt at 750 ppm Indicated and 123 Mt at 747 ppm Inferred.

<sup>28</sup> Including 35 ppm Pr<sub>6</sub>O<sub>11</sub>, 132 ppm Nd<sub>2</sub>O<sub>3</sub>, 3.5 ppm Tb<sub>4</sub>O<sub>7</sub> and 20 ppm Dy<sub>2</sub>O<sub>3</sub>.

<sup>29</sup> The named party has not consented to the use of their information in this report.

oscillation and pore water redox cycling driven by seasonal rainfall variations. Poor soil drainage, evaporative concentration of soil waters, and alkaline pH near the limestone immobilised REEs in secondary carbonates and iron-rich smectite (Löhr et al., 2024<sup>30</sup>).

**Figure 4.2: Conceptual mineralisation model of the Koppamurra IAC deposit**



Source: modified after Löhr et al. (2024)<sup>31</sup>

Note: January 2025, modified after by Gavin Chan

- <sup>1</sup> Sediments from the Murray River, eroded from the Lachlan Orogen, are deposited in lacustrine depocentres between active and fossil strandlines. Tectonic uplift and shore progradation then allow for subaerial weathering of the lake fill.
- <sup>2</sup> Subaerial weathering mobilises solutes from the upper sediment profile. Seasonal rainfall and poor drainage lead to solute accumulation in depressions on karst surfaces. Evaporative concentration of pore fluids, a strong pH gradient near the limestone, and seasonal oxygen ingress during the dry season facilitate the precipitation of REE-rich secondary phases, including LREE carbonates, cerianite, and HREE-rich smectite. Purple text in B denotes solid phases.
- <sup>3</sup> HREE-rich smectites form through the reaction of concentrated pore fluids with kaolinite. LREE carbonates precipitate from the same fluid, aligning with the spatial co-location of REE phases and their absence in kaolinite domains.

<sup>30</sup> The named party has not consented to the use of their information in this report.

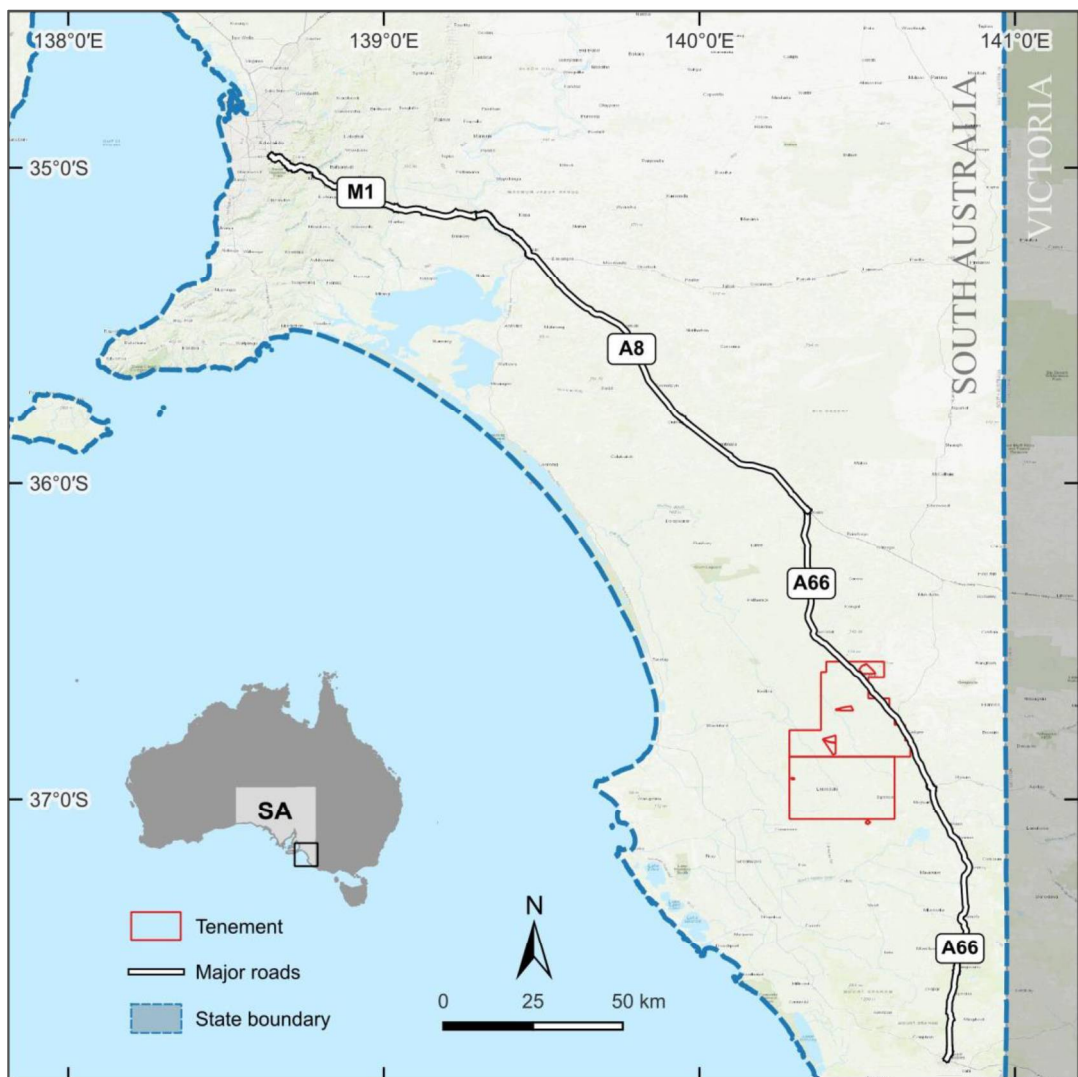
<sup>31</sup> The named party has not consented to the use of their information in this report.

## 5 White Hill Rare Earth Elements Project

### 5.1 Access and location

The White Hill Project is situated in the southeastern corner of South Australia, within the Limestone Coast area, approximately 250 km southeast of Adelaide, the state capital. The project is located near the towns of Padthaway, Lucindale and Naracoorte. Access from Adelaide to the project area is via South Eastern Freeway (M1), Duke Highway (A8) and Riddoch Highway (A66), followed by station or vineyard tracks (Figure 5.1).

**Figure 5.1: White Hill Project access**



Source: ESRI<sup>32</sup>, InVert Graphite

Note: January 2025, prepared by Gavin Chan

<sup>32</sup> The named party has not consented to the use of their information in this report.

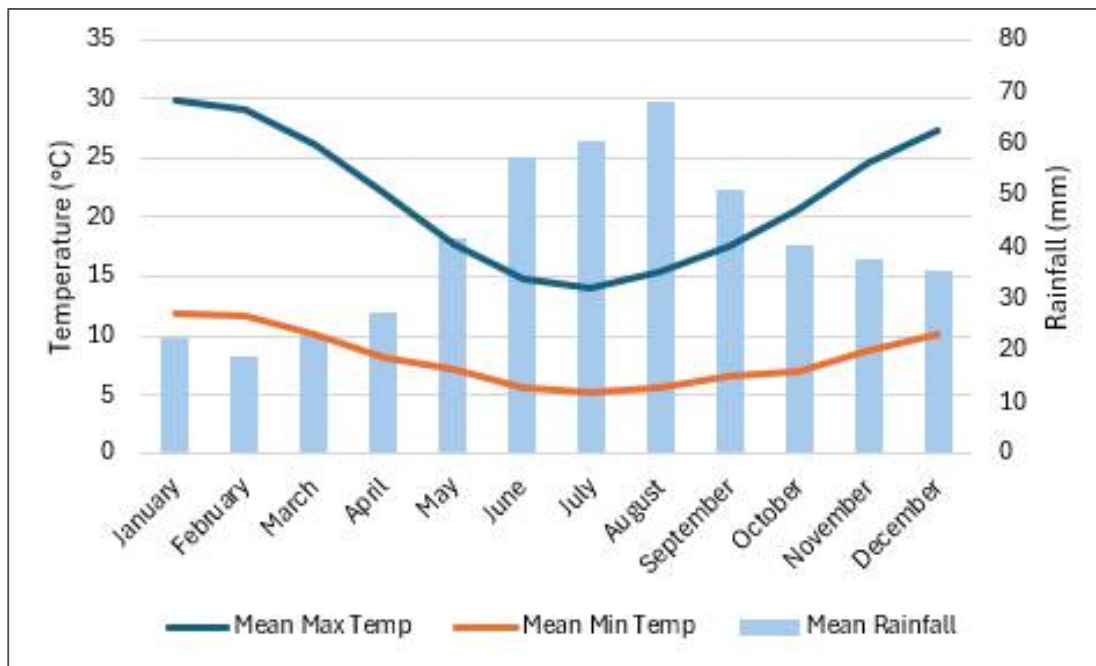
## 5.2 Physiography and climate

The White Hill Project area is characterised by a mediterranean climate with warm to hot summers and cool to mild winters. Most of the rain falls in winter and spring. At Padthaway, the hottest month is January, with an average temperature of 29.4°C and the coolest month is July, with an average temperature of 14.3°C. In July, the average precipitation reaches 64.0 mm (Figure 5.2) (Bureau of Meteorology, accessed on 15 September 2024<sup>33</sup>).

The area features flat to gently undulating terrain with underlying limestone geology. The fertile soils support extensive agricultural activities, such as viticulture and cropping. This region accommodates diverse land uses, including viticulture, livestock grazing, and conservation initiatives.

The topography and climate enable exploration and development activities to be conducted year-round.

**Figure 5.2: Temperatures and rainfall statistics of the White Hill Project region**



Source: Bureau of Meteorology, Australian Government<sup>34</sup>

Note: January 2025, prepared by Gavin Chan

<sup>33</sup> The named party has not consented to the use of their information in this report.

<sup>34</sup> The named party has not consented to the use of their information in this report.

## 5.3 Tenure

### 5.3.1 White Hill tenure

The White Hill Project consists of two granted exploration licences, EL6786 and EL6787, both wholly owned by White Hill Resources Pty Limited (WHPL). The current granted area for these tenements is 1,362 km<sup>2</sup> (Table 5.1 and Figure 5.3).

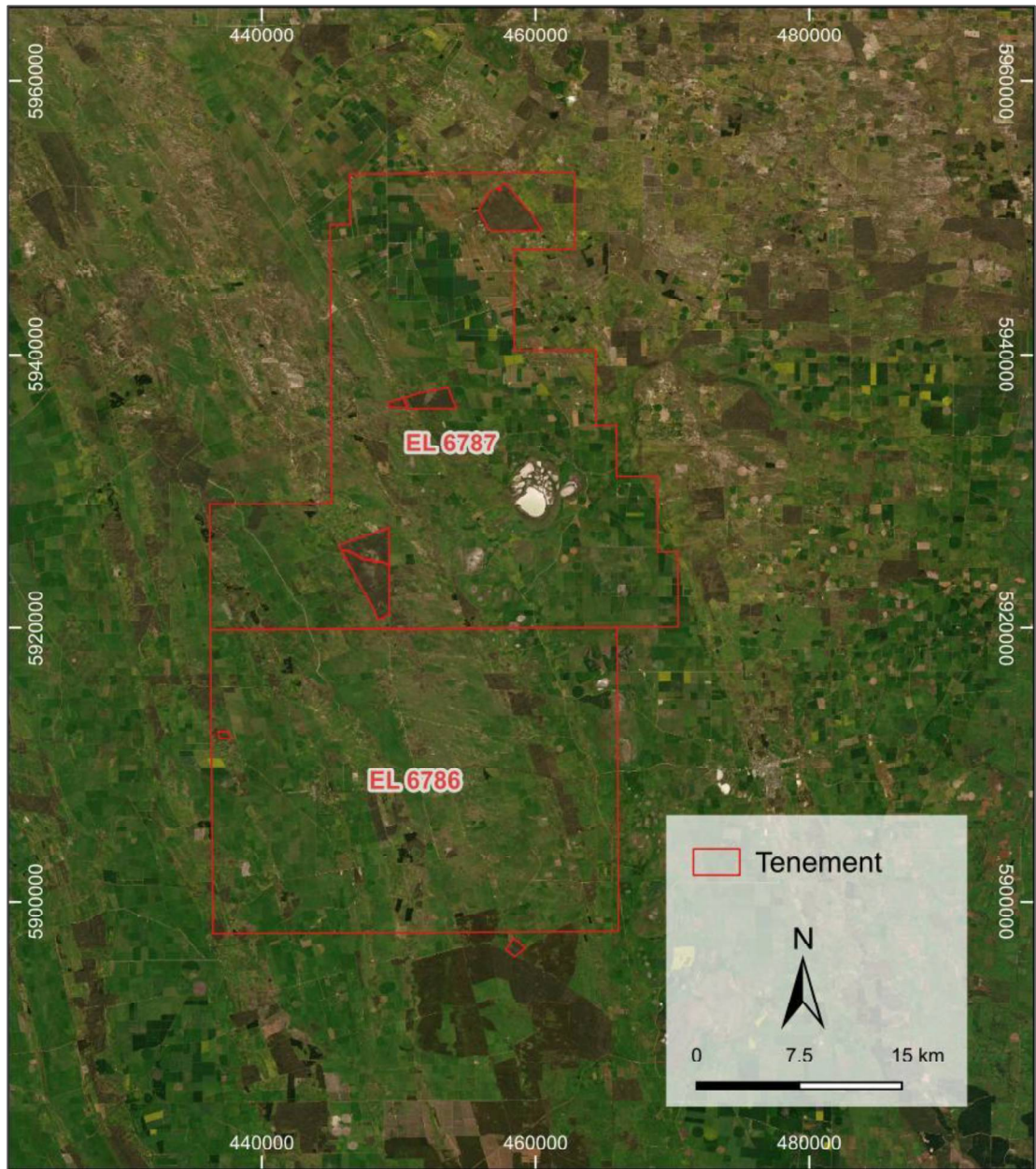
**Table 5.1: White Hill tenures status**

Tenement ID	Licence Holder	Grant date	Expiry date	Status	Area
EL6786	White Hill Resources Pty Limited	09/06/2022	08/06/2028	Granted	658 km <sup>2</sup>
EL6787	White Hill Resources Pty Limited	09/06/2022	08/06/2028	Granted	704 km <sup>2</sup>
<b>Total:</b>					<b>1,362 km<sup>2</sup></b>

Source: O'Loughlins Lawyers has acted as the tenement solicitors to InVert Graphite for the White Hill Licences, 2025

**Notes:** SRK has not conducted any legal due diligence on the status of the tenements and is not appropriately qualified to comment on the legal aspects associated with tenure. All tenements are granted. The geographical area where these tenements are located are shown in Figure 5.3. SRK understands that details regarding the legal status of the Company's tenures are discussed in the Independent Solicitor's Report, prepared by O'Loughlins Lawyers located elsewhere within InVert Graphite's prospectus.

Figure 5.3: White Hill tenements



Sources: InVert Graphite; SARIG<sup>35</sup>, ESRI<sup>36</sup>  
Note: January 2025, prepared by Gavin Chan

<sup>35</sup> The named party has not consented to the use of their information in this report.

<sup>36</sup> The named party has not consented to the use of their information in this report.

## 5.4 Geological framework

### 5.4.1 Regional geology

The White Hill licences are situated in the southwestern section of the Adelaide Fold and Thrust Belt, a deformed sedimentary basin of Late Proterozoic to Middle Cambrian age. This belt is bordered by the Palaeoproterozoic Gawler and Curnamona crystalline basement complexes to the west and east respectively (Figure 5.4) (Rowen et al., 2019<sup>37</sup>). The basin transitioned from a continental rift to a passive margin in the late Neoproterozoic, leading to the deposition of siliciclastic and minor carbonate sediments (Preiss, 1985<sup>38</sup>). During the Cambrian period, deep-water and reef carbonate, along with siliciclastic sediments, were deposited. The subaerial exposure of Wilkawillina Limestone led to widespread karst features and a regional unconformity. In some areas, the eroded Cambrian succession is overlain by Triassic to Jurassic sediments (Figure 5.4) (Preiss, 1985<sup>39</sup>).

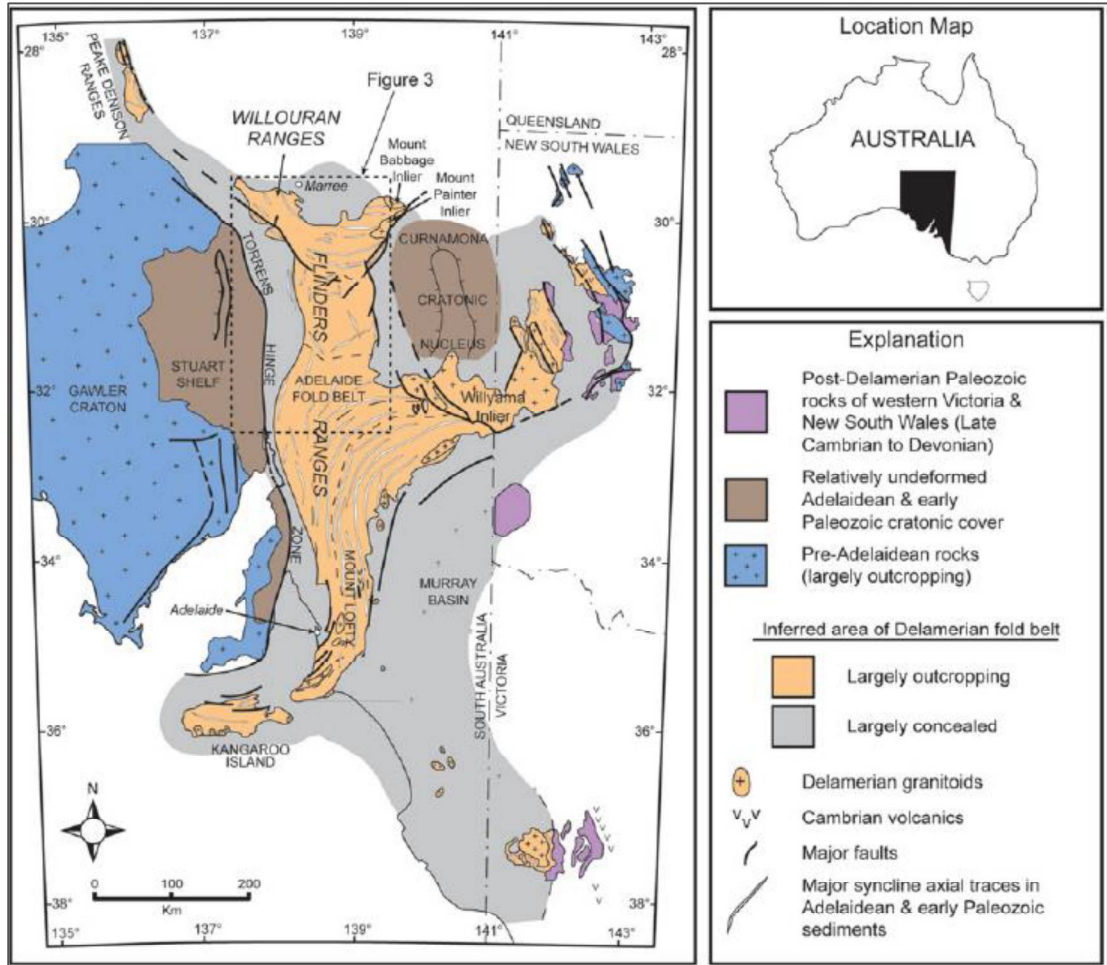
---

<sup>37</sup> The named party has not consented to the use of their information in this report.

<sup>38</sup> The named party has not consented to the use of their information in this report.

<sup>39</sup> The named party has not consented to the use of their information in this report.

Figure 5.4: Regional tectonic map



Source: Rowen et al. (2019)<sup>40</sup>

Note: January 2025, modified after by Gavin Chan

<sup>40</sup> The named party has not consented to the use of their information in this report.

Widespread fold patterns are evident throughout the basin due to the Early Palaeozoic Delamerian orogeny. The predominant fold orientation is northeast to north, with complex interference patterns observed. Subsequent exhumation events from the Devonian to Carboniferous periods may have reactivated some Delamerian and older structures (Drexel and Preiss, 1995<sup>41</sup>).

Overlying the older rocks of the Adelaide Fold Belt are sediments from the Cenozoic Murray and Gambier Basins (Figure 5.5).

Within the Murray Basin, Tertiary limestones extend from the Gambier Limestone in South Australia to westernmost Victoria and the Port Campbell Limestone further east, transitioning into the younger Quaternary calcareous dune limestones of the Bridgewater Formation. These are accompanied by calcareous marine and coastal sediments in inter-dune flats (Grimes, 2004<sup>42</sup>).

The Gambier Limestone is interpreted to have been deposited in a shallow sea that inundated the region during the Oligocene and Early Miocene. The Quaternary dune limestones form a series of calcareous coastal dunes along ancient shorelines, developed during a general sea regression in the Quaternary. In South Australia, they form linear northwest-trending ranges that extend northwards beyond the Gambier Basin, overlying the sediments of the Murray Basin.

#### 5.4.2 Mineralisation and local geology

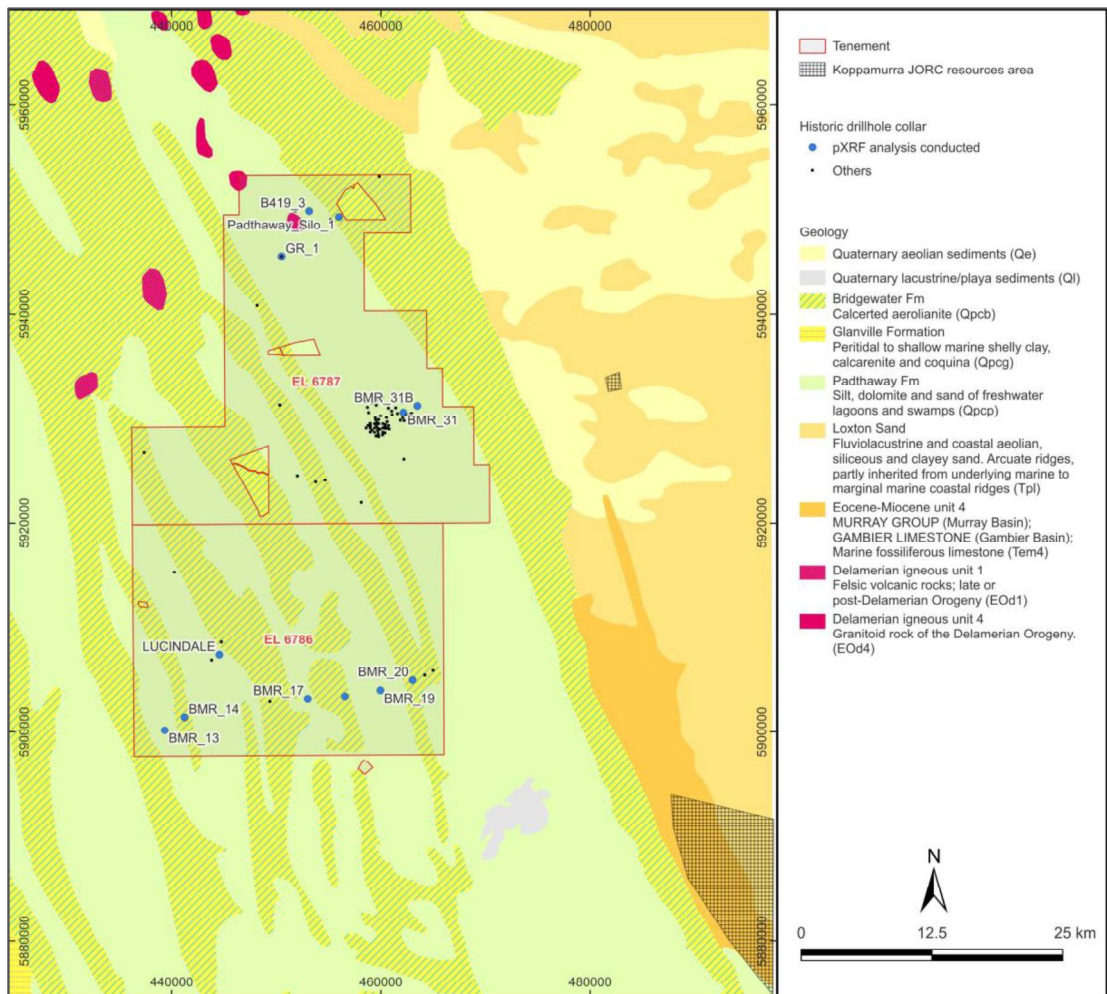
The White Hill Project lies along the southern margin of the Murray Basin. In this area, the basement rocks, associated with the Delamerian orogeny, are overlain by the Miocene Gambier Limestone. This unit is further covered by the Quaternary Padthaway Formation, which comprises silt, dolomite, and sands, forming inter-dunal flats with a maximum thickness of 20 m. Above this formation lies the Glanville Formation, consisting of peritidal to shallow marine shelly clay (Figure 5.5).

---

<sup>41</sup> The named party has not consented to the use of their information in this report.

<sup>42</sup> The named party has not consented to the use of their information in this report.

**Figure 5.5: Surface geology and drill hole locations**



Sources: SARIG<sup>43</sup>; InVert Graphite; AR3 announcement<sup>44</sup>

Note: January 2025, prepared by Gavin Chan

In South Australia, numerous REE occurrences have been reported in the Precambrian Gawler Craton (Figure 5.6). These REEs are interpreted to originate from intrusive bodies into the craton and are concentrated through secondary processes such as weathering, ionic adsorption, and sedimentation in Cenozoic basins and palaeochannels, often at significant distances to the source intrusive bodies.

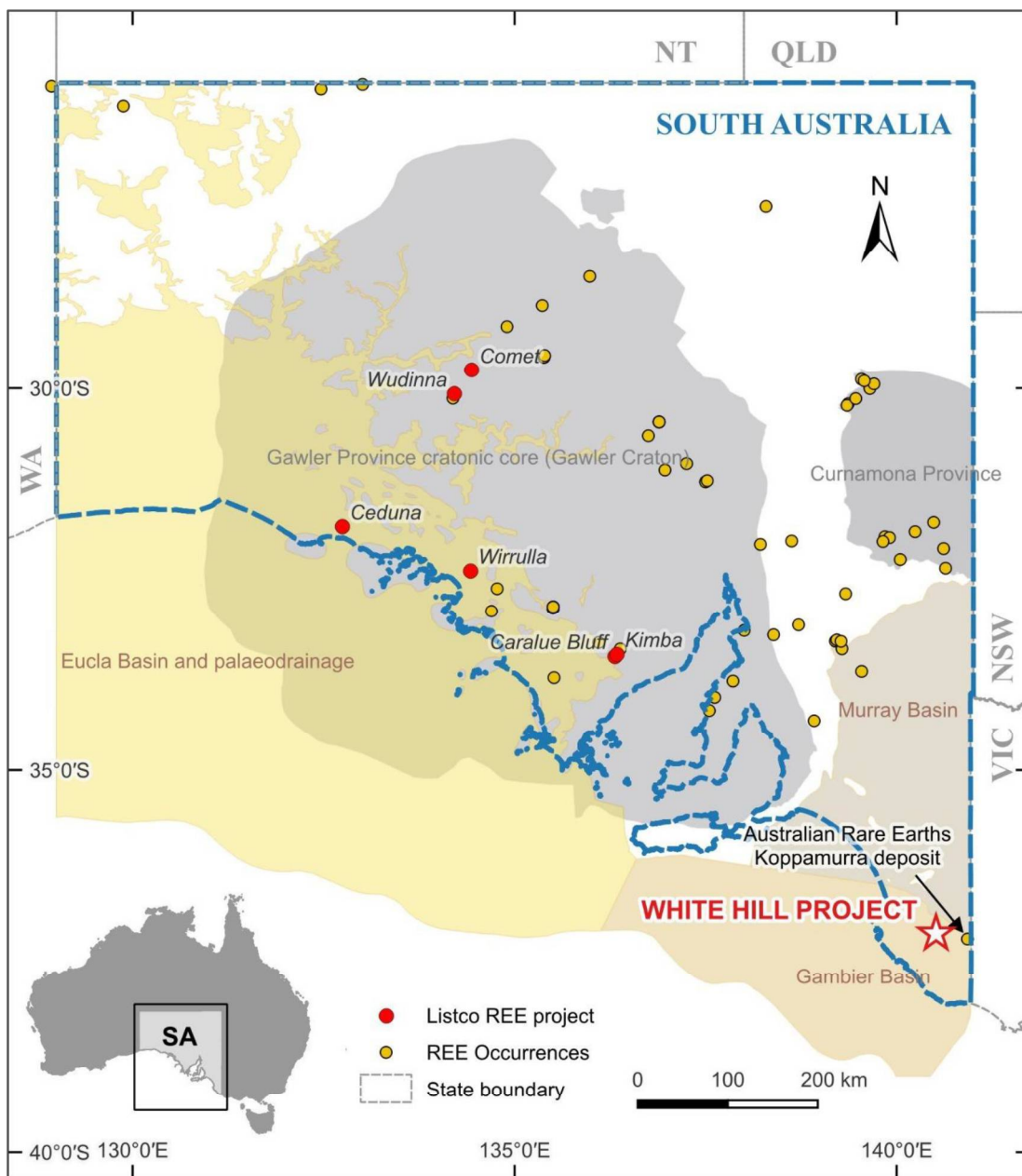
Several ASX-listed companies are currently conducting REE exploration activities in the region surrounding the White Hill area, including the Comet project (Petratherm Ltd – ASX:PTR), the Caralue Bluff and Kimba projects (Itech Minerals Ltd – ASX:ITM), the Ceduna and Sturt projects (Narryer Metals – ASX:NYM), and Wirrulla project (Pinnacle Minerals – ASX:PIM). Additionally,

<sup>43</sup> The named party has not consented to the use of their information in this report.

<sup>44</sup> The named party has not consented to the use of their information in this report.

Cobra Resources (LSE:COBR) is undertaking resource drilling and an in situ recovery study at its Wudinna project (Cobra Resources, 2024<sup>45</sup>).

**Figure 5.6: Rare earth element occurrences in South Australia**



Sources: SARIG<sup>46</sup>; S&P Global IQ Pro<sup>47</sup>

Note: January 2025, prepared by Gavin Chan

<sup>45</sup> The named party has not consented to the use of their information in this report.

<sup>46</sup> The named party has not consented to the use of their information in this report.

<sup>47</sup> The named party has not consented to the use of their information in this report.

In the southeastern corner of South Australia, a distinctive type of REE mineralisation is recorded above the REE-barren Gambier Limestone of the Murray Basin (Figure 5.6 and Figure 5.5) (refer Section 4.4). Here, Australian Rare Earths Limited (ASX:AR3) has been pioneering exploration and has identified the Koppamurra REE deposit, located in a clay unit immediately above the Gambier Limestone. This deposit is reported to contain a total Mineral Resource (reported in accordance with the JORC Code) of 236<sup>48</sup> Mt at 748<sup>49</sup> ppm TREO as at September 2024 (Australian Rare Earths, 2024).

The source of REEs at Koppamurra remains uncertain and is under discussion. Löhner et al. (2024) recently proposed a model suggesting that REE-rich granites in the Lachlan Orogen in southeast Australia are eroded and transported by the westward-flowing Murray River. The eroded materials are deposited in a lacustrine environment and enriched through precipitation and evapo-transpiration above the barren Gambier Limestone. This type of enrichment is expected to extend regionally.

InVert Graphite has proposed Koppamurra as an analogue to potential REE mineralisation styles within the White Hill licences.

### SRK comment

The White Hill Project is located 15 km west of the Koppamurra deposit and shares similar geology, positioned at a higher stratigraphic level. The project area is characterised by dune and intertidal sediments overlying the Gambier Limestone. SRK considers that the geology of the White Hill Project likely exhibits a similar mineralisation style. The exploration model applied by InVert Graphite is reasonable.

### 5.4.3 Previous exploration

Between 1974 and 1981, various mineral exploration companies and agencies conducted exploration in the White Hill Project area. Historical data compilation has revealed that 94 drill holes were completed across the current two project tenements. Of these, 12 are preserved in the Primary Industry and Regions SA (PIRSA) core facility. These include regional stratigraphic holes drilled by the Bureau of Mining Resources, Geology and Geophysics (BMR, now Geoscience Australia) in the 1970s, engineering and coal exploration drill holes by Western Mining Corp. (WMC) in the 1980s, and more recent deeper holes testing the Delamerian basement (Appendix A.1 and Appendix A.2).

There has been no systematic exploration for REE mineralisation styles in the area until recently, when Challenger Geological Service Pty Ltd (CGS) was commissioned by WHPL to compile information from the historical drill holes in the project area. CGS screened the core chips or cuttings from the 12 available drill holes using handheld XRF (pXRF) to detect REE mineralisation, analysing concentrations associated with five REEs: La, Ce, Pr, Nd and Y (Figure 5.7).

<sup>48</sup> Including 0.7 Mt at 813 ppm Measured, 112 Mt at 750 ppm Indicated and 123 Mt at 747 ppm Inferred.

<sup>49</sup> Including 35 ppm Pr<sub>6</sub>O<sub>11</sub>, 132 ppm Nd<sub>2</sub>O<sub>3</sub>, 3.5 ppm Tb<sub>4</sub>O<sub>7</sub> and 20 ppm Dy<sub>2</sub>O<sub>3</sub>.

Figure 5.7: Selected rock chip samples from drill hole BMR 20



Sources: InVert Graphite, PIRSA

Notes: 1.52–3.05 m, 3.99–4.29 m, 5.88–6.18 m, 7.93–8.53 m, 10.32–10.62 m, 12.49–12.79 m clayey sands; 2024, retrieved by Andrew Boyd

Table 5.2 presents the drillhole information along the maximum and minimum REE readings obtained by pXRF.

**Table 5.2: Drill hole summary**

Year drilled	Drill hole ID	Easting	Northing	Elevation	Minimum REE*(ppm)	Maximum REE*(ppm)
1974	BMR_19	459956	5903960	41.38	0	333
1974	BMR_20	463028	5904930		0	948
1975	BMR_13	439340	5900159		0	245
1975	BMR_14	441244	5901407		0	147
1975	BMR_17	453014	5903155	37.31	6	130
1975	BMR_18	456574	5903373		6	268
1975	BMR_31	462157	5930555	36.09	7	85
1975	BMR_31B	463491	5931190	37.12	5	214
1976	B419_3	453144	5949845	33.78	0	27
1977	GR_1	450508	5945495	33.36	6	132
1977	LUCINDALE	444565	5907385	29.21	5	374
1981	Padthaway_Silo_1	455993	5949283	60.23	3	384

Source: InVert Graphite

Note: Compiled by SRK 2025, prepared by Gavin Chan

\*REE denotes sum of Y, La, Ce, Pr and Y.

The pXRF readings range from 0–948 ppm REE, with the highest reading from drill hole BMR 20 which was completed in 1974. Intervals with elevated readings in BMR 20 include 948 ppm from 10.32–10.62 m, 722 ppm from 12.49–12.79 m and 787 ppm from 14.06–14.36 m downhole depths, respectively.

Other drill holes with maximum readings over 300 ppm REE include BMR\_19, LUCINDALE and Pathaway\_Silo\_1.

### SRK comments

Preliminary pXRF analysis of rock chips from historical drill holes suggests potential REE mineralisation in the White Hill Project area, where a sedimentary succession similar to the nearby Koppamurra deposit is present.

SRK cautions however, that pXRF readings should not be considered a substitute for laboratory assays. Laboratory assays are necessary to accurately determine the widths and grade of mineralisation as indicated in geological logging.

Despite this, SRK considers the area to prospective for similar type of REE mineralisation to that at Koppamurra and recommends that further investigation to test this exploration hypothesis is warranted.

## 5.5 Proposed exploration program

An exploration program has been prepared, starting with the sampling of higher-grade zones at an analytical laboratory to verify the initial pXRF results. Upon confirmation, a drilling program will be implemented, using existing access to verify the historical drill hole results and infill between them to confirm and refine the location of mineralisation.

Following the completion of drilling and receipt of subsequent assays, preliminary metallurgical and mineralogical analysis will be conducted to confirm the nature and distribution of the REE within the clays.

Based on the recent analysis of historical drill hole samples and the project's proximity to, and similar stratigraphy as, the Koppamurra deposit (to the east of the project area), SRK considers the area to be prospective for this style of mineralisation. InVert Graphite's proposed exploration approach will further enhance the current understanding of the geological setting and potential for such mineralisation.

The conceptual model proposed by Löhr et al. (2024) suggests that REE mineralisation often occurs in local depressions on the karst-weathering surface, which separates limestone from the overlying clay (see Section 4.4). SRK recommends incorporating geophysical methods, such as ground-penetrating radar, to gain a better understanding of the paleogeomorphology, alongside drill testing.

A 2-year exploration budget was presented to SRK (Table 5.3) and it is considered reasonable, providing a well-considered approach to the evaluation of this potential REE mineralisation style.

**Table 5.3: Exploration budget (thousand A\$)**

Activities	Minimum subscription			Maximum subscription		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Access and tenure	\$39	\$39	\$78	\$39	\$39	\$78
Drilling	\$141	\$159	\$300	\$141	\$159	\$300
<b>Total</b>	<b>\$180</b>	<b>\$198</b>	<b>\$378</b>	<b>\$180</b>	<b>\$198</b>	<b>\$378</b>

Source: InVert Graphite

Note: Compiled by SRK 2025, prepared by Gavin Chan

## 6 Conclusion

InVert Graphite Minerals Ltd (ASX:IVG) has announced its proposed acquisition of Exceptional Graphite (Aust) Pty Ltd, along with Exceptional Graphite Resources Limited. In a separate agreement, InVert Graphite intends to acquire the White Hill exploration licences. These transactions provide access to a 100% interest in the Morogoro Project in Tanzania, considered prospective for graphite mineralisation, and significant prospecting licences. The separate agreement secures a 100% interest in the White Hill Project, covering South Australian exploration licences EL6786 and EL6787, which are prospective for IAC-type REE mineralisation, akin to that at the nearby Koppamurra deposit.

The Morogoro Project lies 25 km south of Morogoro and 200 km west of Dar es Salaam. It comprises three granted PLs and five PL applications, covering a combined area of 386.30 km<sup>2</sup>. This area covers part of the Paleoproterozoic Usagaran Belt, featuring graphitic schist intercalated with quartzites and felsic gneisses.

Recent exploration by Exceptional Graphite Tanzania has identified seven graphite-bearing prospects, with Kasanga (North and South) and Kumba considered key prospects. The graphitic schist units are decametre-wide, with bands in Kumba dipping northeast. Geological mapping confirmed the presence and dimensions of these graphitic schist bands and discovered several new outcrops. Surface sampling yielded results from 5.77% to 30.3% TGC, averaging 12.6% TGC. In addition, eight trenches were excavated, totalling 2,502 m, with 1,109 channel samples collected. Additional metallurgy samples totalled 1,036 kg. These collected samples are scheduled for assay and testwork following the acquisition of the project.

Preliminary surface sampling results indicate the presence of potential graphite mineralisation with average grades similar to other regional deposits (8–10% TGC). Five metallurgical samples showed grades from 13.4% to 35.7% TGC, averaging 20.3% TGC. Preliminary testwork revealed a concentrate grade of 97.3% with an average recovery of 92.1%. The flake size distribution is comparable to other deposits, such as EcoGraf's Epanko deposit.

InVert Graphite has proposed a 2-year budget and exploration program pending completion of the acquisition transaction. This exploration program is focused on the key graphite prospects at Kumba and Kasanga, as well as other regional prospects. Key cost centres include access and tenure, drilling, geophysical surveys and metallurgical testwork. The identified prospects will be tested through drilling and geophysical surveys, with further metallurgical testwork to ascertain the properties of the rocks. SRK considers the area is prospective for graphite mineralisation and the proposed exploration program is justified and warranted.

The White Hill Project is located along the southern margin of the Murray Basin, characterised by the Early Miocene Gambier Limestone and overlying Quaternary sediments. The area is recognised for its potential REE mineralisation, particularly in the clay unit above the Gambier Limestone, as evident at the nearby Koppamurra deposit.

Historical exploration from 1974 to 1981 within the current project tenures included 94 drill holes. Recent pXRF analysis on rock chip samples collected from selected historical drill holes has revealed encouraging preliminary results, with several intervals returning elevated REE readings at shallow depths. While the pXRF results remain to be verified by laboratory assays, these findings suggest further investigation is warranted.

The proposed exploration program includes verifying pXRF results with laboratory assays, drilling to confirm mineralisation, and conducting metallurgical analysis. SRK considers the area prospective for REE mineralisation and recommends using geophysical methods to enhance understanding. A 2-year budget has been prepared, supporting this comprehensive exploration approach.

The geological and technical risks associated with the proposed acquisition and exploration activities are primarily centred around the assumptions of exploration potential and the accuracy of exploration data. Based on preliminary exploration findings, the Morogoro Project is considered prospective for graphite mineralisation, while the White Hill Project is considered prospective for IAC-type REE mineralisation. However, there is an inherent risk that further exploration may not substantiate these assumptions, potentially leading to lower-than-expected concentration of mineralisation. Additionally, any inaccuracies in the historical sampling methods or data interpretation could result in incorrect assessments of exploration potential. These uncertainties highlight the importance of employing rigorous exploration techniques and thorough data analysis to ensure accurate exploration targeting and project planning.

## Closure

This report, Independent Geologist's Report, was prepared by



---

Gavin Chan  
Principal Consultant

and reviewed by

 **srk** consulting

This signature has been scanned. The author has given permission to its use for this document. The original signature is held on file

---

Jeames McKibben  
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

## References

- African Development Bank Group, <https://www.afdb.org/en/countries/east-africa/tanzania>, accessed on 15 January 2024.
- Australian Rare Earths Limited, 2023. 84% increase in Resource confirms Koppamurra as a world-scale ionic clay-hosted rare earths Province, 19 September 2023.
- Australian Rare Earths Limited, 2024. AR3 Extends High-Grade mineralisation 60 km South of Koppamurra Resource.
- Australian Rare Earths Limited, 2024. Significant Resource Expansion at Koppamurra, 30 September 2024.
- Benchmark Mineral Intelligence, 2002. China's Battery Supply Chain Dominance.
- Borst, A M, Smith, M P, Finch, A A, Estrade, G, Villanova-de-Benavent, C, Nason, P, Marquis, E, Horsburgh, N J, Goodenough, K M, Xu, C, Kynický, J and Gerak, K, 2020. Adsorption of rare earth elements in regolith-hosted clay deposits, *Nature Communication*, 11; doi.org/10.1038/s41467-020-17801-5.
- Bureau de Recherches Géologiques et Minières (BRGM), 2004. Tanzania 1:2,000,000 Scale Geological Map.
- Cobra Resources, 2024. A rare earth discovery to reshape supply (Investor Presentation).
- Crossley P, 2000. Graphite: high-tech supply sharpens up. *Industrial Minerals* 398, 31-47.
- Direen, N G and Lyons, P, 2007. Regional crustal setting of iron oxide Cu-Au Mineral Systems of the Olympic Dam Region, South Australia: insights from potential field modelling, *Economic Geology*, 102, 1397–1414.
- Dominion Minerals, 2024. Binding Term Sheets Executed to Acquire Tanzanian Critical Mineral Project, 7 August 2024.
- Dominion Minerals, 2024. Dominion Minerals Company Update, 24 September 2024
- Grimes, K, 2004. Field Guidebook to Karst and Volcanic Pseudokarst Features of the Limestone Coast, Southeast South Australia and Western Victoria.
- Harben, P W and Kužvart, M, 1996. *Industrial minerals: a global geology*. Industrial Minerals Information Ltd, London.
- Harben, P W, 1999. *The industrial minerals handbook*, 3rd edition. Industrial Minerals Information Ltd, London.
- Hoshino, M, Sanematsu, K and Watanabe, Y, 2016. REE Mineralogy and Resources, *Handbook on the Physics and Chemistry of Rare Earths*, 49; dx.doi.org/10.1016/bs.hpcr.2016.03.006.
- Huleatt, M B, 2019. *Australian Resource Reviews: Rare Earth Elements 2019*. Geoscience Australia, Canberra. <http://dx.doi.org/10.11636/9781925848441>
- Jaireth, S, 2014. Geological setting of Rare-Earth-Element Deposits in Australia.
- Landis, C A, 1971. Graphitization of dispersed carbonaceous material in metamorphic rocks, *Contributions to Mineralogy and Petrology*, 30(1): 34–45 doi:10.1007/bf00373366.

- Li, Y H M, Zhao, W W and Zhou, M, 2017. Nature of parent rocks, mineralization styles and ore genesis of regolith-hosted REE deposits in South China: An intergrated genetic model, *Journal of Asian Earth Sciences*, 148, 65–95.
- Löhr, S C, Spandler, C and Baldermann, A, 2024. Controls on rapid rare earth element enrichment in sediments deposited by a continental-scale river system, *Geochimica et Cosmochimica Acta*, 366, 48–64.
- Robb, L, 2021. Introduction to Ore-forming Process(second edition). Wiley Blackwell, 456p.
- S&P Capital IQ, <http2://www.capitaliq.spglobal.com>.
- Sanematsu, K and Watanabe, Y, 2016. Characteristics and Genesis of Ion Adsorption-Type Rare Earth Element Deposits, in (eds: P L Verplanck and M W Hitzman), Rare Earth and Critical Elements in Ore Deposits, *Society of Economic Geologists*, 18; doi.org/10.5382/REV.18.
- South Australian Resources Information Gateway (SARIG). Accessed on 15 September 2024.
- The World Bank <https://www.worldbank.org/en/country/tanzania/overview>, accessed on 15 January 2024.
- U.S. Geological Survey, 2023. Mineral Commodity Summaries (Natural Graphite).
- U.S. Geological Survey, 2024. Mineral Commodity Summaries (Natural Graphite).
- Wang, Z, Fan, H, Zhou, L, Yang, K and She, H, 2020. Carbonatite-Related REE Deposits: An Overview, *Minerals*, 10: 965; doi:10.3390/min10110965.

---

**Appendix A.1 List of historical drill holes in the White Hill licences**

List of historical drill holes in the White Hill licences

DH ID	DH No	Eastings	Northing	Elevation	Dip	Azimuth	Hole depth	Drill method	Preserved in core library	Operator	Year	Target	Analysed by pXRF
MATTNER 10	95207	444750	5906598	43.88	-90	0	6.6	Cable Tool	N	South Australia Department of Mines and Energy	1956	Aggregate	N
MATTNER 37	95236	444750	5906598	43.88	-90	0	6.4	Cable Tool	N	South Australia Department of Mines and Energy	1956	Aggregate	N
B419_4	97420	453144	5949845	33.78	-90	0	6	Cable Tool	N	Electricity Trust of South Australia	1961		N
BMR_15	92069	442866	5901832	27.12	-90	0	24.5	Diamond Bit - Coring	N	Bureau of Mineral Resources, Geology and Geophysics	1974	Stratigraphy	N
BMR_16	92101	449396	5902902	38.96	-90	0	43.6	Diamond Bit - Coring	N	Bureau of Mineral Resources, Geology and Geophysics	1974	Stratigraphy	N
BMR_19	116348	459956	5903960	41.38	-90	0	28.9	Diamond Bit - Coring	Y	Bureau of Mineral Resources, Geology and Geophysics	1974	Stratigraphy	Y
BMR_20	113084	463028	5904930		-90	0	47.6	Rotary	Y	Bureau of Mineral Resources, Geology and Geophysics	1974	Stratigraphy	Y
BMR_13	92722	439340	5900159		-90	0	20.7	Diamond Bit - Coring	Y	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	Y
BMR_14	92721	441244	5901407		-90	0	21	Diamond Bit - Coring	Y	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	Y
BMR_17	92730	453014	5903155	37.31	-90	0	22.3	Diamond Bit - Coring	Y	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	Y
BMR_18	113085	456574	5903373		-90	0	38.1	Rotary	Y	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	Y
BMR_22	118259	464988	5905684		-90	0	31.6	Diamond Bit - Coring	N	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	N
BMR_23	118252	464199	5905398		-90	0	11.4	Diamond Bit - Coring	N	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	N
BMR_23A	118253	464199	5905398	43.73	-90	0	23.3	Diamond Bit - Coring	N	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	N
BMR_31	118150	462157	5930555	36.09	-90	0	27.2	Diamond Bit - Coring	Y	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	Y
BMR_31B	118151	463491	5931190	37.12	-90	0	42.4	Diamond Bit - Coring	Y	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	Y
BMR_32	118149	462019	5931550	46.42	-90	0		Diamond Bit - Coring	N	Bureau of Mineral Resources, Geology and Geophysics	1975	Stratigraphy	N
B419_1	97417	451827	5949859	33.41	-90	0	6	Cable Tool	N	Electricity Trust of South Australia	1976		N
B419_2	97418	451827	5949855	33.41	-90	0	7	Cable Tool	N	Electricity Trust of South Australia	1976		N
B419_3	97419	453144	5949845	33.78	-90	0	5	Cable Tool	Y	Electricity Trust of South Australia	1976		Y
GR_1	96909	450508	5945495	33.36	-90	0	7	Cable Tool	Y	Electricity Trust of South Australia	1977		Y
GR_2	96910	450508	5945495	33.36	-90	0	7	Cable Tool	N	Electricity Trust of South Australia	1977		N
P1163_1	97481	455226	5949070	35.32	-90	0	8	Cable Tool	N	Electricity Trust of South Australia	1977		N
P1163_2	97482	455227	5949070	35.32	-90	0	8	Cable Tool	N	Electricity Trust of South Australia	1977		N
WK 10	97484	450342	5931282	38.47	-90	0	8	Cable Tool	N	Electricity Trust of South Australia	1977		N
WK 11	97485	450341	5931283	38.42	-90	0	9	Cable Tool	N	Electricity Trust of South Australia	1977		N
LUCINDALE	97413	444565	5907385	29.21	-90	0	9	Rotary - Mud	Y	South Australia E and WS Department	1977	Water	Y
SE_13	97506	454675	5924082		-90	0	132	Rotary - Mud	N	Western Mining Corporation Exploration Division	1979	Coal	N
SE_18	147392	452023	5924529		-90	0	146.2	Rotary - Mud	N	Western Mining Corporation Exploration Division	1979	Coal	N
SE_6	97508	440254	5915286		-90	0	131	Rotary - Mud	N	Western Mining Corporation Exploration Division	1979	Coal	N
SE_8	97507	453767	5923909		-90	0	144.4	Diamond Bit - Coring, Rotary - Mud	N	Western Mining Corporation Exploration Division	1979	Coal	N
SE_81	147391	437372	5926729		-90	0	122	Rotary - Mud	N	Western Mining Corporation Exploration Division	1979	Coal	N
SE_120	147398	458122	5921979		-90	0	147		N		1979		N
SE_52	147390	448172	5940829		-90	0	147		N		1979		N
SE_359	147396	443822	5906879		-90	0	370	Rotary - Mud	N	Western Mining Corporation Exploration Division	1980	Coal	N
SE_400	147397	451322	5909079		-90	0	378	Rotary - Mud	N	Western Mining Corporation Exploration Division	1980	Coal	N
Padthaway_Silo_1	121006	455993	5949283	60.23	-90	0	20	Cable Tool	Y	Sa Co-operative Bulk Handling Co	1981	Engineering	Y
WH 16	151879	459653	5953099		-90	0	31	Reverse Circulation - Air	N	Mining Corporation of Australia Ltd	1989	Heavy Minerals	N
LC 22	169170	461862	5929769	36.20	-90	0	0.6	Push Tube	Y	Agricola Mining Pty Ltd	1995	Calestite, Dolomite	N

DH ID	DH No	Eastings	Northings	Elevation	Dip	Azimuth	Hole depth	Drill method	Preserved in core library	Operator	Year	Target	Analysed by pXRF
LC 27	169171	462942	5930479	35.32	-90	0	0.4	Push Tube	Y	Agricola Mining Pty Ltd	1995	Celestite; Dolomite	N
LC 28	169172	462232	5929739	35.51	-90	0	0.7	Push Tube	Y	Agricola Mining Pty Ltd	1995	Celestite; Dolomite	N
LC 29	169173	461592	5930459	35.07	-90	0	0.6	Push Tube	Y	Agricola Mining Pty Ltd	1995	Celestite; Dolomite	N
LC 30	169174	461072	5930349	34.94	-90	0	0.5	Push Tube	Y	Agricola Mining Pty Ltd	1995	Celestite; Dolomite	N
LC 31	169175	461042	5930699	34.89	-90	0	0.6	Push Tube	Y	Agricola Mining Pty Ltd	1995	Celestite; Dolomite	N
LC 32	169176	461422	5930999	34.97	-90	0	0.5	Push Tube	Y	Agricola Mining Pty Ltd	1995	Celestite; Dolomite	N
LC 1	169149	459147	5928834	34.72	-90	0	0.9	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 10	169158	459637	5929536	34.84	-90	0	0.8	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 11	169159	459472	5930019	34.82	-90	0	0.7	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 12	169160	458837	5930546	34.81	-90	0	1.4	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 13	169161	460432	5929355	34.75	-90	0	0.7	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 14	169162	460389	5928578	34.70	-90	0	1.1	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 15	169163	462088	5930014	35.14	-90	0	1.3	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 16	169164	462484	5930308	35.19	-90	0	0.5	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 17	169165	462883	5930433	35.61	-90	0	0.5	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 18	169166	462779	5930333	36.29	-90	0	0.6	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 19	169167	460789	5928936	35.62	-90	0	1.3	Auger (Hand)	N	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 2	169150	460130	5932079	34.89	-90	0	1.1	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 20	169168	460602	5929636	34.79	-90	0	1	Auger (Hand)	N	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 21	169169	459966	5930219	34.85	-90	0	1	Auger (Hand)	N	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 3	169151	459607	5931744	34.89	-90	0	1	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 4	169152	459173	5931490	34.78	-90	0	1	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 5	169153	458717	5931058	34.72	-90	0	0.8	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 6	169154	460722	5930979	34.86	-90	0	1.3	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 7	169155	459747	5928480	34.80	-90	0	0.9	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 8	169156	459903	5928919	34.84	-90	0	0.8	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LC 9	169157	458970	5929471	34.73	-90	0	0.2	Push Tube	Y	S and C R Kennedy	1995	Celestite; Dolomite	N
LD 1	169147	462204	5925105	41.21	-90	0	150	Diamond Bit - Coring, Rotary - Mud	Y	Agricola Mining Pty Ltd	1997	Gold; Base Metals	N
LD 2	169145	458496	5931584	36.16	-90	0	185	Diamond Bit - Coring, Rotary - Mud	Y	Agricola Mining Pty Ltd	1997	Gold; Base Metals	N
LD 3	169146	459557	5931263	34.84	-70	0	328.5	Diamond Bit - Coring, Rotary - Mud	Y	Agricola Mining Pty Ltd	1997	Gold; Base Metals	N
LC1	337734	458991	5928661		-90	0	0.9	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC10	337738	459566	5929256		-90	0	0.8	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC11	337739	459506	5929801		-90	0	0.7	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC13	337740	460366	5929116		-90	0	0.7	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC14	337741	460166	5928391		-90	0	1.1	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC7	337735	459536	5928291		-90	0	0.9	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC8	337736	459711	5928771		-90	0	0.8	Push Tube	N	Agricola Mining Pty Ltd	1999	Dolomite	N
LC33	337742	458991	5929276		-90	0	1	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N
LC34	337743	458591	5929041		-90	0	0.6	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N
LC35	337744	458991	5929041		-90	0	0.9	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N
LC36	337745	459391	5929041		-90	0	0.7	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N
LC37	337746	459691	5929041		-90	0	0.6	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N

DH ID	DH No	Eastings	Northings	Elevation	Dip	Azimuth	Hole depth	Drill method	Preserved in core library	Operator	Year	Target	Analysed by pXRF
LC38	337747	460191	5929041		-90	0	0.8	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N
LC39	337748	460591	5929041		-90	0	0.2	Push Tube	N	Agricola Mining Pty Ltd	2000	Dolomite	N
LC40	337749	458991	5929441		-90	0	0.6	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC41	337750	459391	5929441		-90	0	0.6	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC42	337751	459791	5929841		-90	0	0.4	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC43	337752	459791	5929441		-90	0	0.8	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC44	337753	460191	5929441		-90	0	0.7	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC45	337754	460191	5928641		-90	0	0.8	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC46	337755	459791	5928241		-90	0	0.8	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
LC47	337756	459391	5928641		-90	0	0.9	Push Tube	N	Agricola Mining Pty Ltd	2001	Dolomite	N
ML1	337759	458775	5929269		-90	0	0.3	Push Tube	N	Agricola Mining Pty Ltd	2002	Dolomite	N
ML2	337760	460446	5928994		-90	0	0.3	Push Tube	N	Agricola Mining Pty Ltd	2002	Dolomite	N
LC54	337757	460739	5929256		-90	0	1	Push Tube	N	Agricola Mining Pty Ltd	2003	Dolomite	N
LC55	337758	460538	5930041		-90	0	0.6	Push Tube	N	Agricola Mining Pty Ltd	2003	Dolomite	N

Notes: Coordinates in MGA Zone 54. Y – Yes; N – No.

---

**Appendix A.2 pXRF REE results for historical drill holes  
in the White Hill licences**

**pXRF REE results for White Hill historical drill holes**

Name"	Reading #	Date	Test type	Test label	From	To	Y (ppm)	La (ppm)	Ce (ppm)	Pr (ppm)	Nd (ppm)	REE (Y+La+Ce+Pr+Nd)	Error (±)
B419_3	8	31/08/2023	Cuttings	1	0.00	1.00	27	<LOD	<LOD	<LOD	<LOD	27	1
B419_3	9	31/08/2023	Cuttings	2	1.00	4.00	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
B419_3	10	31/08/2023	Cuttings	3	4.00	7.00	4	<LOD	<LOD	<LOD	<LOD	4	1
BMR_13	37	03/08/2023	Core chips	1	0.00	1.37	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_13	38	03/08/2023	Core chips	2	3.02	3.02	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_13	39	03/08/2023	Core chips	3	4.27	4.27	32	74	139	<LOD	<LOD	245	45
BMR_13	40	03/08/2023	Core chips	4	6.10	6.10	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_13	41	03/08/2023	Core chips	5	8.38	8.38	<LOD	60	<LOD	<LOD	<LOD	60	20
BMR_13	42	03/08/2023	Core chips	6	9.91	9.91	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_13	43	03/08/2023	Core chips	7	10.67	10.67	8	56	<LOD	<LOD	153	217	64
BMR_13	44	03/08/2023	Core chips	8	12.19	12.19	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_13	45	03/08/2023	Core chips	9	13.87	14.63	10	<LOD	<LOD	<LOD	<LOD	10	1
BMR_13	46	03/08/2023	Core chips	10	16.92	16.92	6	<LOD	71	<LOD	<LOD	77	25
BMR_13	47	03/08/2023	Core chips	11	17.68	18.29	8	<LOD	<LOD	<LOD	<LOD	8	1
BMR_13	48	03/08/2023	Core chips	12	20.72	20.72	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_14	20	03/08/2023	Core chips	1	0.76	0.76	4	67	<LOD	<LOD	<LOD	71	19
BMR_14	21	03/08/2023	Core chips	2	2.29	2.29	4	74	60	<LOD	<LOD	138	38
BMR_14	22	03/08/2023	Core chips	3	3.02	3.02	15	<LOD	<LOD	<LOD	<LOD	15	1
BMR_14	23	03/08/2023	Core chips	4	4.87	4.87	31	<LOD	<LOD	<LOD	<LOD	31	2
BMR_14	24	03/08/2023	Core chips	5	6.10	6.10	42	55	<LOD	<LOD	<LOD	97	16
BMR_14	25	03/08/2023	Core chips	6	6.68	6.68	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_14	26	03/08/2023	Core chips	7	8.17	8.53	8	<LOD	<LOD	<LOD	<LOD	8	1
BMR_14	27	03/08/2023	Core chips	8	9.83	10.67	6	<LOD	<LOD	<LOD	<LOD	6	1
BMR_14	28	03/08/2023	Core chips	9	11.43	12.19	8	63	76	<LOD	<LOD	147	46
BMR_14	29	03/08/2023	Core chips	10	13.71	14.02	5	<LOD	<LOD	<LOD	<LOD	5	1
BMR_14	30	03/08/2023	Core chips	11	16.00	16.76	9	<LOD	<LOD	<LOD	<LOD	9	1
BMR_14	31	03/08/2023	Core chips	12	18.29	18.75	9	<LOD	<LOD	<LOD	<LOD	9	1
BMR_14	32	03/08/2023	Core chips	13	20.10	20.10	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_14	33	03/08/2023	Core chips	14	20.96	20.96	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_17	5	03/08/2023	Core chips	1	0.76	0.76	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_17	6	03/08/2023	Core chips	2	2.29	2.29	6	<LOD	<LOD	<LOD	<LOD	6	1
BMR_17	7	03/08/2023	Core chips	3	4.57	4.57	13	<LOD	<LOD	<LOD	<LOD	13	1
BMR_17	8	03/08/2023	Core chips	4	5.64	6.40	10	<LOD	<LOD	<LOD	<LOD	10	1
BMR_17	9	03/08/2023	Core chips	5	7.62	8.53	12	<LOD	<LOD	<LOD	<LOD	12	1
BMR_17	10	03/08/2023	Core chips	6	9.75	10.21	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_17	11	03/08/2023	Core chips	7	11.58	12.80	6	<LOD	<LOD	<LOD	<LOD	6	1
BMR_17	12	03/08/2023	Core chips	8	13.71	14.17	10	55	65	<LOD	<LOD	130	39
BMR_17	13	03/08/2023	Core chips	9	16.00	16.76	9	<LOD	<LOD	<LOD	<LOD	9	1
BMR_17	14	03/08/2023	Core chips	10	17.53	18.29	16	<LOD	<LOD	<LOD	<LOD	16	1
BMR_17	15	03/08/2023	Core chips	11	19.81	20.57	17	<LOD	85	<LOD	<LOD	102	23
BMR_17	16	03/08/2023	Core chips	12	20.58	20.88	18	<LOD	<LOD	<LOD	<LOD	18	2
BMR_18	5	01/08/2023	Core chips	1	0.61	0.61	13	<LOD	<LOD	<LOD	<LOD	13	1
BMR_18	6	01/08/2023	Core chips	2	2.13	2.13	12	49	<LOD	<LOD	<LOD	61	19
BMR_18	7	01/08/2023	Core chips	3	3.96	3.96	18	<LOD	74	127	<LOD	219	61
BMR_18	8	01/08/2023	Core chips	4	6.71	6.71	15	67	<LOD	<LOD	<LOD	82	22
BMR_18	9	01/08/2023	Core chips	5	7.90	7.90	6	<LOD	<LOD	<LOD	<LOD	6	1
BMR_18	10	01/08/2023	Core chips	6	10.49	10.49	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_18	11	01/08/2023	Core chips	7	12.83	12.83	13	<LOD	<LOD	<LOD	<LOD	13	1
BMR_18	12	01/08/2023	Core chips	8	14.35	14.35	14	<LOD	<LOD	<LOD	<LOD	14	1
BMR_18	13	01/08/2023	Core chips	9	15.88	15.88	8	<LOD	<LOD	<LOD	<LOD	8	1
BMR_18	14	01/08/2023	Core chips	10	17.09	18.44	11	<LOD	84	130	<LOD	225	63
BMR_18	15	01/08/2023	Core chips	11	20.12	20.57	11	<LOD	67	<LOD	190	268	67
BMR_18	16	01/08/2023	Core chips	12	22.01	22.01	19	<LOD	<LOD	<LOD	95	114	33
BMR_19	4	07/08/2023	Core chips	1	0.00	0.26	5	<LOD	<LOD	<LOD	<LOD	5	1
BMR_19	5	07/08/2023	Core chips	2	2.44	2.74	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_19	6	07/08/2023	Core chips	3	4.92	5.22	8	<LOD	<LOD	<LOD	<LOD	8	2
BMR_19	7	07/08/2023	Core chips	4	5.52	5.79	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_19	8	07/08/2023	Core chips	5	8.16	8.26	6	67	<LOD	<LOD	<LOD	73	21
BMR_19	9	07/08/2023	Core chips	6	11.19	11.40	9	124	77	123	<LOD	333	78
BMR_19	10	07/08/2023	Core chips	7	12.64	12.88	15	<LOD	<LOD	<LOD	<LOD	15	2
BMR_19	11	07/08/2023	Core chips	8	14.48	14.78	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_19	12	07/08/2023	Core chips	9	15.68	15.93	9	<LOD	<LOD	<LOD	<LOD	9	1

Name*	Reading #	Date	Test type	Test label	From	To	Y (ppm)	La (ppm)	Ce (ppm)	Pr (ppm)	Nd (ppm)	REE (Y+La+Ce+Pr+Nd)	Error (±)
BMR_19	13	07/08/2023	Core chips	10	18.63	18.98	8	<LOD	<LOD	<LOD	<LOD	8	1
BMR_19	14	07/08/2023	Core chips	11	21.07	21.43	23	<LOD	75	<LOD	<LOD	98	24
BMR_19	15	07/08/2023	Core chips	12	22.66	22.96	13	<LOD	<LOD	<LOD	<LOD	13	1
BMR_19	16	07/08/2023	Core chips	13	24.01	24.31	5	<LOD	98	<LOD	<LOD	103	25
BMR_19	17	07/08/2023	Core chips	14	26.30	26.60	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_19	18	07/08/2023	Core chips	15	28.10	28.40	5	<LOD	<LOD	<LOD	<LOD	5	1
BMR_19	19	07/08/2023	Core chips	16	28.70	28.90	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_20	4	28/07/2023	Cuttings	1	1.52	3.05	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_20	5	28/07/2023	Core	2	3.99	4.29	10	<LOD	<LOD	<LOD	<LOD	10	2
BMR_20	6	28/07/2023	Core	3	5.88	6.18	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_20	7	28/07/2023	Cuttings	4	7.93	8.53	10	<LOD	<LOD	<LOD	<LOD	10	1
BMR_20	8	28/07/2023	Core	5	10.32	10.62	12	<LOD	<LOD	245	691	948	190
BMR_20	9	28/07/2023	Core	6	12.49	12.79	15	<LOD	<LOD	351	356	722	193
BMR_20	10	28/07/2023	Core	7	14.06	14.36	12	<LOD	<LOD	203	572	787	138
BMR_20	11	28/07/2023	Core	8	15.75	16.00	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_20	12	28/07/2023	Core	9	18.88	19.18	8	58	<LOD	<LOD	<LOD	66	21
BMR_20	13	28/07/2023	Core	10	20.10	20.40	15	<LOD	<LOD	<LOD	<LOD	15	2
BMR_20	14	28/07/2023	Core	11	21.85	22.25	9	<LOD	84	<LOD	<LOD	93	27
BMR_20	15	28/07/2023	Core	12	23.84	24.14	13	<LOD	<LOD	<LOD	<LOD	13	1
BMR_20	16	28/07/2023	Core	13	25.87	26.17	9	<LOD	<LOD	<LOD	<LOD	9	1
BMR_20	17	28/07/2023	Core	14	28.37	28.67	11	<LOD	65	<LOD	<LOD	76	23
BMR_20	18	28/07/2023	Core	15	29.71	30.01	12	<LOD	<LOD	<LOD	<LOD	12	1
BMR_20	19	28/07/2023	Core	16	31.77	32.07	12	<LOD	<LOD	<LOD	<LOD	12	1
BMR_20	20	28/07/2023	Core	17	33.00	34.14	16	<LOD	<LOD	<LOD	177	193	44
BMR_20	21	28/07/2023	Core	18	35.92	36.22	16	<LOD	<LOD	<LOD	<LOD	16	1
BMR_20	22	28/07/2023	Core	19	38.72	39.02	7	<LOD	<LOD	<LOD	<LOD	7	2
BMR_20	23	28/07/2023	Core	20	40.18	40.48	6	<LOD	<LOD	<LOD	<LOD	6	1
BMR_20	24	28/07/2023	Core	21	41.83	42.13	6	65	<LOD	<LOD	<LOD	71	20
BMR_20	25	28/07/2023	Core	22	43.93	44.23	5	<LOD	<LOD	<LOD	<LOD	5	1
BMR_20	26	28/07/2023	Core	23	45.99	46.29	<LOD	<LOD	<LOD	<LOD	174	174	48
BMR_20	27	28/07/2023	Core	24	48.14	48.30	<LOD	<LOD	<LOD	<LOD	<LOD	0	<LOD
BMR_31	4	09/08/2023	Cuttings	1	0.41	0.61	7	78	<LOD	<LOD	<LOD	85	21
BMR_31	5	09/08/2023	Cuttings	2	2.14	2.44	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_31	6	09/08/2023	Cuttings	3	2.64	2.74	5	68	<LOD	<LOD	<LOD	73	24
BMR_31	7	09/08/2023	Cuttings	4	4.42	4.57	9	57	<LOD	<LOD	<LOD	66	20
BMR_31	8	09/08/2023	Cuttings	5	6.56	6.71	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_31	9	09/08/2023	Cuttings	6	8.06	8.23	10	<LOD	<LOD	<LOD	<LOD	10	1
BMR_31	10	09/08/2023	Cuttings	7	10.10	10.40	8	<LOD	<LOD	<LOD	<LOD	8	1
BMR_31	11	09/08/2023	Cuttings	8	12.68	12.88	13	<LOD	<LOD	<LOD	<LOD	13	1
BMR_31	12	09/08/2023	Cuttings	9	14.39	14.69	12	<LOD	71	<LOD	<LOD	83	21
BMR_31	13	09/08/2023	Cuttings	10	16.46	16.76	16	<LOD	<LOD	<LOD	<LOD	16	2
BMR_31	14	09/08/2023	Core chips	11	17.45	18.06	12	47	<LOD	<LOD	<LOD	59	16
BMR_31	15	09/08/2023	Core chips	12	20.50	21.11	18	<LOD	<LOD	<LOD	<LOD	18	1
BMR_31	16	09/08/2023	Core chips	13	21.83	22.94	12	55	<LOD	<LOD	<LOD	67	19
BMR_31	17	09/08/2023	Core chips	14	24.16	24.77	17	<LOD	<LOD	<LOD	<LOD	17	1
BMR_31	18	09/08/2023	Core chips	15	25.37	25.98	16	<LOD	<LOD	<LOD	<LOD	16	1
BMR_31	19	09/08/2023	Core chips	16	26.59	27.20	19	<LOD	97	<LOD	<LOD	116	27
BMR_31b	23	09/08/2023	Cuttings	1	1.17	1.22	12	<LOD	<LOD	<LOD	<LOD	12	1
BMR_31b	24	09/08/2023	Cuttings	2	1.63	1.83	11	<LOD	<LOD	<LOD	<LOD	11	1
BMR_31b	25	09/08/2023	Cuttings	3	2.24	2.29	13	<LOD	86	<LOD	<LOD	99	20
BMR_31b	26	09/08/2023	Cuttings	4	2.98	3.20	12	<LOD	<LOD	<LOD	<LOD	12	2
BMR_31b	27	09/08/2023	Cuttings	5	4.11	4.41	11	71	87	<LOD	<LOD	169	42
BMR_31b	28	09/08/2023	Cuttings	6	6.38	6.68	14	<LOD	<LOD	<LOD	<LOD	14	1
BMR_31b	29	09/08/2023	Cuttings	7	8.43	8.73	14	<LOD	89	<LOD	<LOD	103	24
BMR_31b	30	09/08/2023	Cuttings	8	10.18	10.21	10	<LOD	<LOD	<LOD	<LOD	10	1
BMR_31b	31	09/08/2023	Cuttings	9	11.74	12.04	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_31b	32	09/08/2023	Cuttings	10	14.19	14.49	6	<LOD	<LOD	<LOD	<LOD	6	1
BMR_31b	33	09/08/2023	Cuttings	11	16.44	16.74	25	<LOD	<LOD	<LOD	<LOD	25	1
BMR_31b	34	09/08/2023	Cuttings	12	17.04	17.34	34	73	107	<LOD	<LOD	214	46
BMR_31b	35	09/08/2023	Cuttings	13	21.00	21.18	7	<LOD	<LOD	<LOD	<LOD	7	1
BMR_31b	36	09/08/2023	Cuttings	14	27.09	27.25	12	<LOD	<LOD	108	<LOD	120	32
BMR_31b	37	09/08/2023	Cuttings	15	31.55	31.85	18	<LOD	<LOD	<LOD	<LOD	18	1
BMR_31b	38	09/08/2023	Cuttings	16	34.02	34.32	8	<LOD	<LOD	<LOD	<LOD	8	1
BMR_31b	39	09/08/2023	Cuttings	17	36.33	36.58	10	66	93	<LOD	<LOD	169	46

Name*	Reading #	Date	Test type	Test label	From	To	Y (ppm)	La (ppm)	Ce (ppm)	Pr (ppm)	Nd (ppm)	REE (Y+La+Ce+Pr+Nd)	Error (±)
BMR_31b	40	09/08/2023	Cuttings	18	37.77	38.07	9	84	<LOD	<LOD	<LOD	93	22
BMR_31b	41	09/08/2023	Cuttings	19	39.27	39.57	6	<LOD	65	<LOD	<LOD	71	22
BMR_31b	42	09/08/2023	Cuttings	20	42.02	42.32	5	<LOD	<LOD	<LOD	<LOD	5	1
Lucindale	4	15/08/2023	Cuttings	1	0.00	1.00	26	<LOD	<LOD	<LOD	<LOD	26	1
Lucindale	5	15/08/2023	Cuttings	2	1.00	6.00	7	<LOD	<LOD	<LOD	<LOD	7	2
Lucindale	6	15/08/2023	Cuttings	3	6.00	10.00	25	105	121	123	<LOD	374	89
Lucindale	7	15/08/2023	Cuttings	4	10.00	15.00	12	<LOD	<LOD	<LOD	<LOD	12	1
Lucindale	8	15/08/2023	Cuttings	5	15.00	20.00	11	<LOD	<LOD	<LOD	<LOD	11	1
Lucindale	9	15/08/2023	Cuttings	6	20.00	25.00	9	<LOD	73	<LOD	<LOD	82	25
Lucindale	10	15/08/2023	Cuttings	7	25.00	30.00	10	69	<LOD	<LOD	<LOD	79	19
Lucindale	11	15/08/2023	Cuttings	8	30.00	35.00	10	<LOD	<LOD	140	<LOD	150	33
Lucindale	12	15/08/2023	Cuttings	9	35.00	40.00	9	<LOD	<LOD	<LOD	<LOD	9	1
Lucindale	13	15/08/2023	Cuttings	10	40.00	45.00	10	<LOD	<LOD	<LOD	<LOD	10	1
Lucindale	14	15/08/2023	Cuttings	11	45.00	50.00	13	<LOD	<LOD	<LOD	<LOD	13	2
Lucindale	15	15/08/2023	Cuttings	12	50.00	55.00	12	<LOD	67	<LOD	<LOD	79	21
Lucindale	16	15/08/2023	Cuttings	13	55.00	60.00	11	<LOD	<LOD	<LOD	<LOD	11	1
Lucindale	17	15/08/2023	Cuttings	14	60.00	65.00	7	<LOD	<LOD	<LOD	<LOD	7	1
Lucindale	18	15/08/2023	Cuttings	15	65.00	70.00	10	60	<LOD	<LOD	<LOD	70	20
Lucindale	19	15/08/2023	Cuttings	16	85.00	90.00	7	<LOD	<LOD	<LOD	<LOD	7	1
Lucindale	20	15/08/2023	Cuttings	17	120.00	125.00	5	<LOD	<LOD	<LOD	<LOD	5	1
Lucindale	21	15/08/2023	Cuttings	18	170.00	175.00	7	58	<LOD	85	123	273	77
Lucindale	22	15/08/2023	Cuttings	19	240.00	245.00	7	<LOD	<LOD	<LOD	<LOD	7	1
Lucindale	23	15/08/2023	Cuttings	20	280.00	285.00	13	<LOD	69	<LOD	<LOD	82	23
Padthaway_Silo_1	5	14/08/2023	Cuttings	1	0.30	0.60	5	62	78	<LOD	<LOD	145	38
Padthaway_Silo_1	6	14/08/2023	Cuttings	2	1.60	1.90	6	<LOD	<LOD	<LOD	<LOD	6	1
Padthaway_Silo_1	7	14/08/2023	Cuttings	3	2.20	2.50	13	<LOD	<LOD	69	<LOD	82	23
Padthaway_Silo_1	8	14/08/2023	Core	4	3.00	3.00	18	<LOD	<LOD	<LOD	<LOD	18	1
Padthaway_Silo_1	9	14/08/2023	Core	5	4.15	4.15	15	<LOD	127	<LOD	<LOD	142	23
Padthaway_Silo_1	10	14/08/2023	Core	6	5.00	5.00	31	<LOD	<LOD	<LOD	<LOD	31	1
Padthaway_Silo_1	11	14/08/2023	Core	7	6.00	6.00	52	72	112	<LOD	148	384	87
Padthaway_Silo_1	12	14/08/2023	Core	8	7.00	7.00	32	83	<LOD	<LOD	<LOD	115	21
Padthaway_Silo_1	13	14/08/2023	Core	9	8.00	8.00	18	<LOD	66	<LOD	<LOD	84	21
Padthaway_Silo_1	14	14/08/2023	Core	10	9.00	9.00	7	<LOD	<LOD	<LOD	<LOD	7	1
Padthaway_Silo_1	15	14/08/2023	Cuttings	11	10.00	10.50	12	<LOD	<LOD	<LOD	<LOD	12	1
Padthaway_Silo_1	16	14/08/2023	Cuttings	12	12.00	12.50	4	<LOD	<LOD	<LOD	<LOD	4	1
Padthaway_Silo_1	17	14/08/2023	Cuttings	13	14.00	14.50	6	73	<LOD	<LOD	<LOD	79	20
Padthaway_Silo_1	18	14/08/2023	Cuttings	14	16.00	16.50	5	<LOD	<LOD	<LOD	<LOD	5	1
Padthaway_Silo_1	19	14/08/2023	Cuttings	15	18.00	18.50	4	<LOD	<LOD	<LOD	<LOD	4	1
Padthaway_Silo_1	20	14/08/2023	Cuttings	16	19.50	20.00	3	<LOD	<LOD	<LOD	<LOD	3	1

Notes:

<LOD denotes lower than detection limit.

---

**Appendix B      Table 1 – JORC Code 2012**

## JORC Code, 2012 Edition – Table 1

### Morogoro Project

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>■ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>■ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>■ Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>■ In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><b>Grab samples</b></p> <ul style="list-style-type: none"> <li>■ Twenty-one surface grab samples were taken by hammering or digging surface material with visual indications of a graphite content.</li> <li>■ Samples may not be representative of the whole prospective system as only the outcropping portions of graphitic mineralisation were available for surface sampling.</li> <li>■ A sample of 2–3 kg was collected.</li> <li>■ Samples were crushed and pulverised by Nesch Mintech Tanzania with a 250 g pulp sent to ALS (Johannesburg) for analysis.</li> </ul> <p><b>Metallurgical</b></p> <ul style="list-style-type: none"> <li>■ At five locations with strong visual indications of graphite mineralisation a larger ~20 kg sample was collected from surface material for preliminary metallurgical testwork.</li> <li>■ The samples were sent to AMML Laboratories (Australia) for flotation testwork.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>■ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>■ N/A (no drilling has been undertaken).</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>■ Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>■ Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>■ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>■ N/A (no drilling has been undertaken).</li> </ul>

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li>■ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>■ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>■ The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>■ Samples are logged for rock type and qualitatively estimated mineralisation percentage and visual graphite flake size.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>■ If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>■ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>■ For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>■ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>■ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>■ Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p><b>Grab Samples</b></p> <ul style="list-style-type: none"> <li>■ A 2–3 kg grab sample was collected by hammering or digging of a sample from surface outcrop. This sample size is considered appropriate for the style of mineralisation.</li> <li>■ The 2–3 kg sample was crushed and pulverised by Nesch Maintech Tanzania with 250 g pulverised samples then dispatched to ALS Johannesburg for analysis.</li> <li>■ Certified reference materials (CRMs) from Geostats Pty Ltd and blank material sourced from nearby marble deposits were inserted by Exceptional Graphite Tanzania into the sample stream. All CRMs and blank returned results within acceptable tolerances.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>■ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>■ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>■ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<p><b>Grab samples</b></p> <ul style="list-style-type: none"> <li>■ Quality control (QC) pulverising screens were completed by ALS upon receipt with additional pulverising to provide 250 g at 85% &lt; 75 µm completed.</li> <li>■ Analysis of total carbon, graphitic carbon and total sulfur by IR spectroscopy was completed.</li> </ul> <p><b>Metallurgical</b></p> <ul style="list-style-type: none"> <li>■ The five samples were control crushed to 100% &lt; 3.35 mm and riffle split into 2 kg testwork portions and a 100 g sample sent for head grade analysis for total graphitic carbon.</li> <li>■ A master composite was prepared by combining 6 kg from each and used to derive a crush, grind and flotation flowsheet for the individual samples.</li> <li>■ Individual samples were all run under the derived parameters with total graphitic carbon being analysed for each sample at 500, 300, 180, 106, 75 and 38 µm mesh sizes.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>■ The verification of significant intersections by either independent or alternative company personnel.</li> <li>■ The use of twinned holes.</li> <li>■ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>■ Discuss any adjustment to assay data.</li> </ul>	<p><b>Grab samples</b></p> <ul style="list-style-type: none"> <li>■ Sample results were initially reviewed and presented by consultants within Tanzania and were further recompiled and reviewed by the Competent Person (CP). No adjustments have been made to the data from those supplied by the analytical laboratory.</li> <li>■ Data are recorded and stored in an Access based relational database.</li> </ul>

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> <li>■ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>■ Specification of the grid system used.</li> <li>■ Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sample locations were collected by a handheld non-differential GPS with an X-Y accuracy of ±5 m.</li> <li>■ The positional accuracy is suitable to the style and level of exploration sampling as reported.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>■ Data spacing for reporting of Exploration Results.</li> <li>■ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>■ Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>■ Surface grab sampling was undertaken on a random and ad hoc nature subject to the observed outcrop distributions.</li> <li>■ Surface sampling of this nature and distribution is not suitable to establish geological grade continuity and is not appropriate to be used in estimation.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>■ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>■ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>■ Surface grab sampling is reliant on outcrop of mineralised units and is not likely to be unbiased in its nature.</li> <li>■ The sampling may be biased by:                             <ul style="list-style-type: none"> <li>– particular units having better preservation or exposure</li> <li>– sampler taking the best observed material in a small area to indicate areas for future follow-up.</li> </ul> </li> </ul>
Sample security	<ul style="list-style-type: none"> <li>■ The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>■ Samples were taken and transported by VOT Mwanza Limited staff to the laboratories in use as well as facilitating tracked courier shipping between the laboratories in use. VOT is a contractor to Exceptional Graphite Tanzania, the licensed owner of the tenements (see below).</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>■ The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>■ No audits or reviews have been undertaken over and above normal industry good practice of use and review of CRM samples within the sample stream.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>■ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>■ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>■ All samples were collected on granted PLs under the Tanzanian Mining Act.</li> <li>■ The granted PLs are PL12043/2022 (65 km<sup>2</sup>), PL 12150/2022 (74 km<sup>2</sup>) and PL12151/2022 (85 km<sup>2</sup>) and are 100% wholly owned by Exceptional Graphite Tanzania, a Tanzanian registered company.</li> <li>■ All prospecting licences were granted in 2022 and have a 4-year term prior to requiring a renewal.</li> <li>■ All active prospecting licences and applications for prospecting licences are to prospect for graphite.</li> <li>■ The shareholders of Exceptional Graphite Tanzania have an agreement for sale with InVert Graphite, Green Valley and Exceptional Graphite, as detailed in this Report.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>■ Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>■ No prospecting licences have been held over the areas for graphite with the last reported graphite surveys being undertaken by the Geological Survey of Tanganika in the 1940s and incorporated into government mapping at a 1:200,000 scale.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>■ Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Morogoro Project lies within the Uluguru Mountains of Tanzania consisting of a steep and rugged terrain.</li> <li>■ The mountains consist of predominantly granulites with minor marbles.</li> <li>■ The Msuluzi and Tegetereo Graphite Granulite formations are at the upper part of the sequence and are mapped as forming multiple, long strike length horizons</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>■ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> <li>– easting and northing of the drillhole collar</li> <li>– elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</li> <li>– dip and azimuth of the hole</li> <li>– downhole length and interception depth</li> <li>– hole length.</li> </ul> </li> <li>■ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>■ No drilling has been undertaken.</li> <li>■ Maps and diagrams show all sample locations and grades of samples which is considered appropriate for grab sample exploration appraisal work.</li> </ul>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> <li>■ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>■ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>■ The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>■ No data aggregation or truncation of grades has been undertaken.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>■ These relationships are particularly important in the reporting of Exploration Results.</li> <li>■ If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</li> <li>■ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>■ Grab samples represent local point samples and provide no indication of a width.</li> <li>■ Surface mapping indicate that units generally dip at 20– 0° in an easterly direction.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>■ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>■ Plans are provided in the main body of the report.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>■ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>■ All collected grab samples have been presented.</li> <li>■ It is noted that the physical sampling was ad hoc in nature based on the exposure and accessibility of outcropping mineralisation and may be biased in its nature as outlined above.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>■ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>■ Geological mapping by the Geological Survey of Tanganyika in the 1940s and incorporated into government mapping at a 1:200,000 scale shows extensive strike lengths and multiple horizons of mapped graphitic units. Outlines of these are provided within the body of this report.</li> <li>■ The work reported herein was from an initial reconnaissance field campaign and sighter metallurgical work to provide an indication if mineralisation was readily recoverable.</li> <li>■ No other exploration data has been collected by Exceptional Graphite Tanzania.</li> </ul>

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> <li>■ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>■ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>■ Planned work includes:                             <ul style="list-style-type: none"> <li>– field mapping</li> <li>– trenching</li> <li>– electromagnetic surveys</li> <li>– reverse circulation and diamond drilling</li> <li>– metallurgical testwork.</li> </ul> </li> <li>■ Work is intended to confirm the number and strike lengths of mapped graphite units, to understand depth extensions from surface and understand the grade and specification of material within the licence areas.</li> </ul>

## JORC Code, 2012 Edition – Table 1

### White Hill Project

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>■ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>■ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>■ Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>■ In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>Sampling of 12 historical drill holes located at the South Australian Core Library from drilling completed by various companies between 1974 and 1981.</p> <ul style="list-style-type: none"> <li>■ 205 samples taken from 12 available drill holes.</li> <li>■ Sampling limited to available material and drill holes.</li> <li>■ Sampling and analysis was undertaken by CGS on behalf of the Company.</li> <li>■ Sampling was undertaken using a handheld Olympus Vanta-M pXRF in a three-beam mode and was intended to screen available material for the presence (or otherwise) of rare earth mineralisation.</li> <li>■ Single measurements at ~2 m spacing downhole were undertaken and no compositing or averaging of data is used in data presented in this document.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>■ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>■ Historical holes include cable, mud rotary and diamond core.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>■ Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>■ Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>■ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>■ Not available – historical drill core</li> </ul>

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li>■ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>■ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>■ The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>■ Qualitative logging of available material was recorded; dunal and intertidal sediments, and limestones recorded.</li> <li>■ Work completed is appropriate for first pass exploration and reconnaissance.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>■ If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>■ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>■ For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>■ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>■ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>■ Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sampling was intended as a first pass exploration screen of available material for further follow-up with laboratory grade analysis.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>■ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>■ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>■ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sampling was undertaken using a handheld Olympus pXRF in a three-beam mode and was intended to screen available material for the presence (or otherwise) of rare earth mineralisation.</li> <li>■ The operator of the pXRF undertakes a calibration check, readings of a known CRM along with a blank at the beginning and end of each measurement session to ensure instrument stability.</li> <li>■ A duplicate reading is taken approximately every 25 samples along with a measurement of the CRM and blank sample.</li> <li>■ Review of the QC measurements indicated correct functioning and appropriately accurate equipment and that data were appropriate for use and interpretation.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>■ The verification of significant intersections by either independent or alternative company personnel.</li> <li>■ The use of twinned holes.</li> <li>■ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>■ Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>■ No verification has been undertaken given the small number of samples and early exploration phase.</li> <li>■ Follow-up laboratory analysis and further drilling will be used to further confirm results.</li> <li>■ Results are reported as TREEs, which includes La, Ce, Pr, Nd, and Y and no conversion or adjustment for oxide concentration has been made.</li> <li>■ The calculation used is: TREE = La, Ce, Pr, Nd and Y.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>■ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>■ Specification of the grid system used.</li> <li>■ Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sample locations are as shown in Appendix A.2 of this Report.</li> <li>■ Coordinates are provided as MGA Zone 54.</li> </ul>

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> <li>■ Data spacing for reporting of Exploration Results.</li> <li>■ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>■ Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>■ Spacing is on an 'as available' basis and is not representatively distributed.</li> <li>■ It is indicative of exploration potential and early reconnaissance work warranting further systematic exploration.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>■ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>■ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>■ Spacing is on an 'as available' basis and is not representatively distributed.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>■ The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>■ Data collection and measurement was undertaken by CGS and provided to the Company as an Excel file.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>■ The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>■ No audits or reviews have been undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>■ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>■ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>■ Samples are contained on EL6786 and EL6787, granted on 9 June 2022 for 6 years (being the White Hill licences).</li> <li>■ The White Hill licences are held 100% by White Hill Resources Pty Limited.</li> <li>■ No native title agreements are currently in place.</li> <li>■ The Big Heath Park is located in the southeast of EL6787 with ~15 km<sup>2</sup> of the licence being within the park and not accessible for exploration.</li> <li>■ There are no other known access issues.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>■ Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>■ The data compilation has identified 94 holes that had been drilled within the two tenements, with samples from 12 of these within PIRSA's core facility. Drilling includes regional stratigraphic holes that were drilled by the BMR in the 1970s, as well as engineering holes, coal exploration holes drilled by WMC, and some more recent deeper holes testing the Delamerian basement.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>■ Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>■ The geology consists of dunal and intertidal sediments overlying the Gambier Limestone with REE mineralisation being hosted/targeted within the regolith and clays.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>■ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:                             <ul style="list-style-type: none"> <li>– easting and northing of the drillhole collar</li> <li>– elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</li> <li>– dip and azimuth of the hole</li> <li>– downhole length and interception depth</li> <li>– hole length.</li> </ul> </li> <li>■ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>■ Provided in this Report.</li> </ul>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> <li>■ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>■ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>■ The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>■ Results are reported as TREE which includes La, Ce, Pr, Nd, and Y and no conversion or adjustment for oxide concentration has been made.</li> <li>■ The calculation used is: TREE = La, Ce, Pr, Nd and Y.</li> <li>■ Grade is reported as the best sample observed in the hole.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>■ These relationships are particularly important in the reporting of Exploration Results.</li> <li>■ If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</li> <li>■ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>■ These are not well understood given the early reconnaissance nature of the sampling conducted to date.</li> <li>■ True widths and thicknesses are not yet understood at this early stage.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>■ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>■ Provided in the body of the report.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>■ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>■ The table provided in the report.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>■ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>■ No other REE related exploration has been undertaken on the exploration licences.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>■ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>■ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>Further work will include:</p> <ul style="list-style-type: none"> <li>■ Submission of samples for fused disk XRF at an analytical laboratory.</li> <li>■ Reconnaissance drilling along existing established tracks to replicate and extend historical drilling to establish potential extents and continuity of the TREE (La, Ce, Pr, Nd and Y) distribution.</li> </ul>

## **8 INDEPENDENT SOLICITORS' REPORTS**

### **8.1 Tanzanian Independent Solicitor's Report**

For personal use only

Our Reference: CM/6239053/2025

Your Reference: Exceptional Graphite Resources Limited

Direct Line: +255 76 898 8640

Date: 10 March 2025

Email Address: [charles.mmasi@bowmanslaw.co.tz](mailto:charles.mmasi@bowmanslaw.co.tz)  
[kelvin.mosha@bowmanslaw.co.tz](mailto:kelvin.mosha@bowmanslaw.co.tz)

InVert Graphite Limited  
Level 21, 10 Eagle Street,  
Brisbane, QLD 4000,  
Australia.

Attention: Louisa Martino

Email: [Louisa.Martino@invertgraphite.com.au](mailto:Louisa.Martino@invertgraphite.com.au)

Dear Sirs,

## LAWYER'S REPORT ON EXCEPTIONAL GRAPHITE RESOURCES LIMITED.

### 1. REQUEST FOR LAWYER'S REPORT

1.1 We have acted as legal counsel in the United Republic of Tanzania (Mainland) (**Tanzania**) to InVert Graphite Limited ACN 101 955 088 (**IVG**) in connection with the acquisition by IVG of 100% of the issued capital of Exceptional Graphite (Aust) Pty Ltd ACN 667 051 372 (**EGA**), an Australian-incorporated private Company, and its wholly-owned subsidiary (Green Valley Resources Pty Ltd ACN 664 301 679 (**GVA**)) and the acquisition by EGA and GVA of a 100% ownership interest in Exceptional Graphite Resources Limited (**EGRT** or the **Company**) (together, the **Transaction**).

1.2 IVG have requested we issue this lawyer's report (**Report**) on matters relevant to the Transaction for inclusion in the prospectus to be issued by IVG for re-listing on the Australian Securities Exchange (**ASX**) (the **Prospectus**).

### 2. SCOPE OF REVIEW

2.1 Pursuant to the Transaction, we provide this Report on the following relating to Tanzanian laws:

- corporate structure;
- material contracts and arrangements;
- financing arrangements;

- mining;
- environmental, health and safety;
- regulatory compliance;
- real property / surface rights;
- employment and contracting arrangements;
- litigation and disputes; and
- other general issues.

2.2 For the purposes of this Report:

- we have reviewed the laws identified in Schedule 1 of this Report;
- we have reviewed the documents identified in Schedule 2 of this Report; and
- we have undertaken the searches identified in Schedule 3 of this Report in respect of the Company.

2.3 Terms defined in the Schedules of this Report have the same meanings when used in this Report.

### 3. **CORPORATE MATTERS**

#### Company profile

3.1 The Company is duly incorporated as a private limited liability company and validly exists in Tanzania. The Company was incorporated on 04 April 2022 and given incorporation number 155732989.

3.2 The Company's registered office is at Kuzenza, near Nganza Secondary School, Nyegezi, Nyamagana, P.O Box 4127, Mwanza, Tanzania.

3.3 In terms of the provisions of clause 3 of the Memorandum and articles of association of the Company dated 20 March 2022 (**MEMARTS**), the Company's main object is to carry on business of mining of hard coal, lignite, iron ores, uranium and thorium ores, non-ferrous metal ores and chemical, fertilizer minerals and other mining and quarrying activities not specifically defined.

3.4 The Company has the corporate power and capacity under its MEMARTS and the laws of Tanzania to carry on business in Tanzania.

#### Current shareholding structure

3.5 The authorised share capital of the Company as noted under the Register of Members is Tanzania Shillings (**TZS**) one million (TZS 1,000,000) divided into one thousand (1,000) shares of one thousand (TZS 1,000) each. The shares are issued to:

- Prisin Priver Moshi - (490 ordinary shares);
- Hashimu Musedem Millanga – (410 ordinary shares); and
- Happiness Steven Ibaso – (100 ordinary shares).

3.6 The shares have been legally and duly issued and fully paid-up.

#### Register of Members

3.7 The Company Search Report confirms the current shareholding structure of the Company noted in paragraph 3.5 above.

3.8 Under section 115 of the Companies Act, all companies are required to maintain a register of members. The register of members is root to legal title. One can only become a shareholder in a company by having their name entered in the register of members.

#### Register of Directors

3.9 The Register of Directors confirms that the current directors of the Company are recorded as Hashimu Musedem Millanga and Prisin Priver Moshi. Under section 210(1) of the Companies Act, all companies are required to maintain a register of directors.

#### Register of Secretaries

3.10 The Register of Secretaries confirms that the current company secretary of the Company is recorded as Hashimu Musedem Millanga.

#### Register of Charges

3.11 The Company has confirmed that it is not party to any charge, as such, it does not have a Register of Charges. Under section 108(1) of the Companies Act, all companies are required to maintain a register of charges, to the extent that they are party to any charge.

3.12 The Company Search Reports have also confirmed that there are no charges registered against the Company at the Registry of Companies at the Business Registrations and Licensing Agency (**BRELA**).

#### Annual Returns

- 3.13 Section 128 of the Companies Act requires every company having a share capital to deliver to BRELA successive returns made in the prescribed form each of which must be made up to the date not later than the return date, being the anniversary of the company's incorporation or where the return has been made up to a different date, the anniversary of that date. Given that the Company was incorporated on 04 April 2022, the return date, in respect to the anniversary of the Company's incorporation is 04 April each year.
- 3.14 From our review of the Company Search Reports, we note that the Company has filed its annual returns up to 2024.

#### Bankruptcy and winding up

- 3.15 We have undertaken an insolvency search against the records held by the Registration of Insolvency and Trusteeship Agency (**RITA**) in respect to the Company and obtained the Insolvency Search Report.
- 3.16 The Insolvency Search Report does not reveal that the Company is in liquidation, administration, receivership or administrative receivership or that a winding up petition has been presented against the Company.

### 4. **MINERAL RIGHTS AND STATUS**

#### General

- 4.1 Rights for prospecting or mining for minerals are licenced under the Mining Act together with the Mineral Rights Regulations. The Mining Act establishes the Mining Commission as the licensing authority with powers to grant, renew, suspend, or cancel any licence. The Minister for Minerals (**Minister**) is responsible for monitoring the issuance by the Mining Commission of licences for mining activities in Tanzania among other roles that the Minister has under the Mining Act.
- 4.2 The powers of the Minister and the Mining Commission are exercisable in accordance with the Mining Act. A Mineral Right is deemed a requisite and sufficient authority over the land in respect of which the right is granted. However, a separate authority (i.e., water grant) is required to divert water where applicable. A holder of a Mineral Right is also obliged to consult with the relevant local government authority and village counsel and thereafter to obtain the written consent of lawful occupiers before he can exercise his rights under the Mining Act. All licences issued under the Mining Act are referred to as mineral rights (**Mineral Rights**).

#### Types of Mineral Rights

- 4.3 The types of rights which may be granted under the Mining Act include (but not limited to) a prospecting licence, special mining licence, mining licence, gemstone prospecting licence, primary mining licence, processing licence and a smelting licence.
- 4.4 A special mining licence is granted for large-scale mining operations, where the capital investment is not less than USD 100 million or its equivalent in TZS.
- 4.5 Primary mining licences are restricted to Tanzanian citizens or corporate entities whose memberships are composed exclusively of Tanzanian citizens. Equally, gemstone mining licences are restricted to Tanzanians only unless the Minister determines that the development of the gemstone resource requires specialized skills, technology, or a high level of investment in which instance the gemstone mining licence may be held jointly up to 50% by a non-citizen.

#### Licences wholly held by the Company

##### 4.6 Prospecting Licences (PLs):

- 4.6.1 Subject to the contents of paragraph 5 below, we note that the Company has lodged five (5) PL applications which are still pending, i.e., (i) PL/20379/2022; (ii) PL/20388/2022; (iii) PL/20389/2022; (iv) PL/20390/2022; and (v) PL/22336/2022. Upon grant of the PL applications, the new PLs will be wholly owned by the Company.
- 4.6.2 The Company currently holds three (3) prospecting licences - (i) PL 12043/2022; (ii) PL 12150/2022; and (iii) PL 12151/2022 (**PLs**) which it owns 100%..
- 4.6.3 The Company also lodged an application for enlargement of PL 12151/2022 by merging the Company's previous primary mining licenses (**PMLs**) (i.e., (i) PML 2116MOR; (ii) PML 2117MOR; (iii) PML 2118MOR; (iv) PML 2119MOR; and (v) PML 2120MOR) with the existing PL 12151/2022 (the **Enlargement Application**). The Enlargement Application has been approved by the Mining Commission.
- 4.6.4 A prospecting licence once granted allows a person to enter the prospecting area and pursuant to section 35(1) of the Mining Act it confers on the holder the exclusive right to carry out prospecting operations on the prospecting area for minerals to which the licence applies. Prospecting operations refer to all activities undertaken in the course of prospecting, which typically include exploration, sampling, geophysical surveys, and any other activities related to locating and identifying minerals within the licensed area. Section 34 (1) of the Mining Act requires that the prospecting licence state the group and type of mineral to which it applies.
- 4.6.5 A prospecting licence is issued for minerals falling under metallic minerals, energy minerals, gemstones excluding kimberlitic diamond, kimberlitic diamond, industrial minerals or building materials) as specified under the Mining Act. A prospecting licence is granted for an initial

period of four years and may be extended for a further three years. Following this, it may be renewed for a further two years. After the second renewal period, the licence is no longer eligible for further renewal.

Conditions of the PLs:

4.6.6 Clause 1 of Annex B of the PLs contains specific conditions in relation to local content as follows:

- 1) *The licensee and their contractor, subcontractor, corporation or other allied entity carrying out mineral prospecting operations shall ensure that local content component is engaged in.*
- 2) *Subject to clause 1 and to the requirement of any law relating to immigration, the licensee, contractor and its sub-contractors may bring into Tanzania such expatriate personnel as in the licensee's judgement, required to carry out mineral prospecting operations efficiently and successfully and the Government shall expeditiously provide the necessary work permits and other approvals required for the employment of such expatriate.*
- 3) *A non-indigenous Tanzanian company which intends to provide goods or services to a licensee, contractor, subcontractor, corporation or other allied entity within Tanzania carrying out mining activities shall incorporate a joint venture company with an indigenous Tanzanian company and afford that the indigenous Tanzanian company has an equity participation of at least twenty (20%) per centum.*
- 4) *The licensee, contract, subcontractor, corporation or other allied entity shall procure goods and services (legal, insurance and financial) available in the United Republic of Tanzania in accordance with the approved procurement plan.*
- 5) *The licensee shall on annual basis prepare a credible social responsibility plan jointly agreed by the relevant Local Government Authority or local government authorities in consultation with the Minister responsible for local government authorities and the Minister responsible for Finance.*

4.6.7 In addition to the above, we note that section 36(1) of the Mining Act places the following general obligations on a holder of a PL:

4.6.7.1 commence prospecting operations within a period of three months, or such further period as the licensing authority may allow, from the date of the grant of the licence or such other date as is stated in the licence on commencement period;

4.6.7.2 give notice to the licensing authority of the discovery of any mineral deposit of potential commercial value;

- 4.6.7.3 adhere to the prospecting programme appended to the prospecting licence; and
- 4.6.7.4 expend on prospecting operations not less than the amount prescribed.

Consequences of non-compliance with the conditions of the PLs:

- 4.6.8 We note that breach of any condition under section 36(1) of the Mining Act including making false statements or presentations to the Mining Commission may result in a fine of not less than twenty million shillings (TZS 20,000,000) (approximately USD 7,320).
- 4.6.9 Further, pursuant to section 63 (1) of the Mining Act, the Mining Commission has the authority to either suspend or cancel a mineral right by notice in writing served on the holder of the licence on grounds of non-compliance with a condition of a licence or failing to comply with the requirements of the Mining Act or any regulations which are binding on the licence holder. However, we note that the Mining Commission shall not suspend or cancel a licence unless:
- 4.6.9.1 it has first served on the holder a default notice specifying the grounds on which the licence is liable to be suspended or cancelled;
- 4.6.9.2 the holder has failed within a period of thirty (30) days from the date on which the default notice was served or such longer period as the licensing authority may allow to remedy the default specified or, where such default is not capable of being remedied, has failed to offer in respect thereof reasonable compensation; and
- 4.6.9.3 for matters related to licences other than primary licences, the matter has been referred to the Mining Commission for advice.

Save as provided in this Report, we are not aware of any breach by the Company of the conditions set out in section 36(1) of the Mining or the specific conditions contained in the PLs and the Tenement Search Report does not indicate any such breach or non-compliance by the Company.

Renewal of prospecting licences:

- 4.6.10 According to section 32 of the Mining Act, a prospecting licence is issued for an initial prospecting period not exceeding four (4) years. Upon expiry of the initial prospecting period, the first period of renewal of a PL shall not exceed three (3) years and the second period of renewal of a PL shall not exceed two (2) years. A PL is not renewable after the second period of renewal.
- 4.6.11 The renewal of a PL is not automatic, an application for renewal must be made to the Mining Commission by the licence holder before the PL expires. Pursuant to section 32(2) of the Mining Act, an application for renewal of a PL must be lodged within one (1) month before the expiry date of the PL.

- 4.6.12 The success of the renewal depends on several factors, primarily the license holder's compliance with the terms and conditions of the existing PL. If all conditions have been met, including submission of required reports, payment of fees, and compliance with environmental and operational obligations, the chances of a successful renewal are high. However, non-compliance with these conditions may lead to the application being denied. The Mining Commission gives priority to the current licence holder when considering renewal applications, further increasing the likelihood of success if all obligations are fulfilled.
- 4.6.13 The renewal application process involves completing and submitting Form No. MRF 3 to the Mining Commission, along with a plan of the mining area being applied for, drawn on a topographic map at a 1:50,000 scale, showing geographical coordinates in Arc 1960 datum and the dimensions of the applied mining area. A renewal application fee of USD 300 must be paid to the Mining Commission, along with an annual rent fee of USD 150 for the first renewal of a PL or USD 200 for the second renewal. Additionally, a preparation fee of USD 300 is payable for all PLs for all minerals.
- 4.6.14 Where the PL is no longer renewable and the licensee has not applied for either a mining licence or special mining licence over the prospecting area, the prospecting area shall revert to the Government and the Minister of Minerals may designate the area vacant and invite invitations by public tender for a mineral right over that area.
- 4.6.15 Any person who wants to conduct prospecting work in an area over which a PL(s) has been issued to a local mining company, is required to conclude an arrangement with that particular company after approval by the cabinet of Tanzania established under Article 54 of the Constitution of the United Republic of Tanzania which comprises the Vice President, the Prime Minister, the President of Zanzibar, and all the Ministers (the **Cabinet**).
- 4.6.16 Further to the above, a holder of a prospecting licence who intends to renew the licence shall submit an application for renewal within one (1) month before the expiry date of the licence.

Minimum expenditure and annual rent:

- 4.6.17 Regulation 9 of the Mineral Rights Regulations provides a minimum expenditure requirement in terms of the amount per square kilometre or per hectare which a holder of a prospecting licence is required to expend annually on prospecting operations in the licence area.
- 4.6.18 The minimum expenditure requirements are as follows:
- 4.6.18.1 For all minerals other than gemstones, industrial minerals (including Graphite) or building materials:
- in the case of the initial prospecting period expenditure on prospecting operations of shall not be less than USD 500 per square kilometre;

- in the case of the first renewal period, an amount of not less than USD 2,000 per square kilometre; and
- in the case of the second renewal period, an amount of not less than USD 6,000 per square kilometre.

4.6.18.2 The minimum expenditure under a prospecting licence is USD 100 for industrial minerals and building materials and USD 250 for prospecting for gemstones.

4.6.18.3 Mineral Rights holders are required to pay annual rental fees with respect to the mining areas on which the rights are granted. Pursuant to the First Schedule of the Mineral Rights Regulations, the fees are charged for each square kilometre and vary depending on the type of Mineral Rights that a person holds. Rental fees for prospecting licences range from USD 100 to USD 200 depending on the category of minerals for which the prospecting licence is issued. The fees are USD 5,000 for a special mining licence, USD 3,000 for a mining licence for metallic minerals, energy minerals, gemstones or kimberlitic diamonds and USD 2,000 for building materials and industrial minerals.

#### Use of funds

4.6.18.4 Considering the documents describing the use of funds by IVG and its subsidiaries made available to us (as described in the Prospectus), we conclude that all funds allocated to the Company to be spent in matters regarding the tenements are legally able to be spent on those purposes. Furthermore, we confirm that there are no identified legal, regulatory, statutory, or contractual impediments to conducting prospecting operations on the granted PLs.

4.6.18.5 The validity of the tenements will surpass the period for the estimated expenditure to be incurred, provided that an application to extend the prospecting licence term is timely lodged regarding the prospecting licences that expire before two (2) years from the date of the Prospectus.

#### Claims of lawful occupiers

4.6.19 Pursuant to section 96 (1) of the Mining Act, rights conferred by a mineral right shall be exercised reasonably and shall not be exercised so as to affect injuriously the interest of any owner or occupier of the land over which those rights extend.

4.6.20 The Mining Act regulates certain aspects of the relationship between a lawful occupier (*in relation to any land means the lawful occupier of land in accordance with the Land Act, and the Village Land Act*) and Mineral Rights holder. The lawful occupier requires the consent of the registered Mineral Rights holder prior to constructing any building or structure in the area. However, the Minister may give consent to the lawful occupier if the Mineral Rights holder unreasonably withhold consent required by the lawful occupier.

4.6.21 A lawful occupier has the right to receive fair and reasonable compensation from the Mineral Rights holder in respect of any disturbance of the rights of lawful occupier of any land or damage to any crops, trees, buildings, stock or works according to the respective rights or interest of the lawful occupier in the property concerned. As stipulated in section 97 (2) of the Mining Act, the compensation shall be determined in accordance with the procedures established under the Land Act and the Village Land Act.

4.6.22 For any dispute on the compensation referred to above, either party may refer the matter to the Mining Commission for determination and any party aggrieved by the decision of the Mining Commission has the right to appeal to the High Court pursuant to Part XI of the Mining Act.

4.6.23 Based on our review, there are no owners/occupiers of the land in which the PMLs and PLs cover. As such, no consents by lawful occupiers would be required.

#### 4.7 Mining License(s):

4.7.1 The Company does not hold any mining licence currently. However, on completion of exploration on the PLs, the Company can apply for a mining licence from the Mining Commission. Unlike a PML, which is restricted to Tanzanian citizens or entities wholly owned by Tanzanians, a mining licence is not subject to such ownership restrictions. Therefore, the Company may apply for and hold a mining licence even if its members are not exclusively Tanzanian citizens.

4.7.2 Pursuant to section 51 of the Mining Act, a mining licence confers on the holder the exclusive right to carry on mining operations in the mining area for minerals specified in the licence. A mining licence is granted for operations for which the capital investment is between USD 5 million and USD 100 million or its equivalent in TZS. It is granted for a maximum initial period of 10 years and may be renewed once for a period not exceeding 10 years.

#### Conditions of the ML:

4.7.3 Section 52 of the Mining Act places the following general obligations on a holder of a mining licence:

4.7.3.1 to commence mining operations within eighteen months and develop the mining area in substantial compliance with the programme of mining operations with due diligence;

4.7.3.2 demarcate and keep demarcated in the prescribed manner the mining area;

4.7.3.3 to take all appropriate measures for the protection of the environment in accordance with the EMA;

4.7.3.4 implement the proposed plan for relocation, resettlement of, and payment of compensation to people within the mining areas in accordance with the Land Act;

4.7.3.5 employ and train citizens of Tanzania and implement the succession plan on expatriate employees in accordance with the Employment and Labour Relations Act; and

4.7.3.6 implement plan for procurement of goods and services available in Tanzania.

4.7.4 Further, the Local Content Regulations requires that licensees, contractors and subcontractors ensure that they are compliant with the local content requirements, and this includes the requirements for participation of Tanzanian citizens. In this regard, regulation 8(2) interest of the Local Content Regulations provides that there shall be at least a 5% equity participation of an indigenous Tanzanian company to be qualified for grant of a mining licence. An "indigenous Tanzanian company" is defined to mean, a company incorporated under the Companies Act that has at least 20% of its equity owned by a citizen or citizens of Tanzania; and has Tanzanian citizens holding at least 80% of executive and senior management positions and 100% of non-managerial and other positions. However, we note that this provision is not being enforced, particularly since the introduction of the State Participation Regulations through which the Government of Tanzania is entitled to a minimum of 16% non-dilutable free carried interest (**FCI**) shares in the capital of any mining company operating under a mining licence (ML) or a special mining licence (SML).

Consequences of non-compliance with the conditions of the ML:

4.7.5 Pursuant to section 63 (1) of the Mining Act, the Mining Commission has the authority to either suspend or cancel a mining licence by notice in writing served on the holder of the mining licence on grounds of non-compliance with a condition of a mining licence or failing to comply with the requirements of the Mining Act or any regulations which are binding on the mining licence holder. However, we note that the Mining Commission shall not suspend or cancel a licence unless:

4.7.5.1 it has first served on the holder a default notice specifying the grounds on which the licence is liable to be suspended or cancelled;

4.7.5.2 the holder has failed within a period of thirty (30) days from the date on which the default notice was served or such longer period as the licensing authority may allow to remedy the default specified or, where such default is not capable of being remedied, has failed to offer in respect thereof reasonable compensation; and

4.7.5.3 for matters related to licences other than primary licences, the matter has been referred to the Mining Commission for advice.

4.8 State Participation:

4.8.1 According to Section 10 of the Mining Act, the Government of Tanzania is entitled to a minimum of 16 percent non-dilutable free carried interest (**FCI**) shares in the capital of any mining company operating under a Mining Licence (ML) or a Special Mining Licence (SML).

For the purposes of acquisition of FCI shares, the Mining Commission in consultation with the Treasury Registrar's office (as the government shareholder) and Tanzania Revenue Authority (**TRA**) shall determine the types of minerals or level of investment made by a holder of SML or ML on which the Government shall be entitled to acquire the 16 percent non-dilutable FCI shares or more. Whilst there is no express formula or schedule to determine the number of FCI to be acquired by the Government, the following aspects are considered in determining the level of investment made by a SML or ML holder:

- capital invested;
- mining technology involved;
- profit; and
- total value of tax expenditures enjoyed by the mining company.

4.8.2 The State Participation Regulations requires any person holding a mining licence or special mining licence to give notice to the Mining Commission within 90 days from the date of publication of the Regulations, to initiate negotiations for a framework agreement for the Government to acquire 16 percent non-dilutable FCI shares in the capital of a mining company depending on the type of minerals and the level of investment.

4.8.3 The Government does not currently own any FCI shares in the Company. However, we understand that the market practice is for the Government to take the FCI shares in companies conducting mining operations under a mining licence or a special mining licence around the time at which the Company has obtained either a mining licence or a special mining licence and is ready to move into production.

4.8.4 In addition to the FCI shares, the Government shall be entitled to acquire, in total, up to fifty percent (50%) of the shares (ordinary shares) of the mining company commensurate with the total tax expenditures incurred by the Government in favour of the mining company. Acquisition by the Government of these additional shares (i) is determined by the total value of the tax expenditures enjoyed by the mining company; and (ii) is subject to discussions and agreement with the mining company. The computation of these shares is not expressly set out in law and this requirement is still novel in the market. As such, it is still unclear how the Government will compute such tax expenditures incurred by the Government in favour of the mining company. However, in practice, the method of computation of the tax expenditures may typically be determined through discussions with tax consultants (of the mining company), the TRA, and the Treasury Registrar's Office (as the Government shareholder in mining companies). In this context, tax expenditures includes tax exemptions, tax relief and any tax stabilization clauses permitted under section 100E of the Mining Act.

Income Tax:

- 4.9 Once production starts, the immediate tax impact is the taxes based on turnover, and then (once the project moves to profit) corporate income tax at 30% of taxable profit, and finally imposts at the time of distribution of profits by way of the free carry interest earned by Government as well as withholding tax (10%) on dividends paid to the investors.
- 4.10 In terms of taxes on turnover, an Alternative Minimum Tax (**AMT**) of 0.5% of gross turnover is payable for companies that have been in tax loss position for a period of three consecutive years of income and the AMT would start to be paid from year 3 onwards until the company starts to make taxable profit (in practice, the TRA have historically not applied this AMT to the extractive sector).
- 4.11 Further, Section 87 of Mining Act provides for the following royalty rates charged on the gross values of the minerals produced:
- Metallic minerals such as copper, gold and silver – 6%;
  - Gold sold to refinery centres and Bank of Tanzania – 4%;
  - Uranium – 5%;
  - Gemstones and diamonds – 6%;
  - Gem – 1%;
  - Phosphates ore or limestone solely and directly used in manufacturing of fertilisers duly certified by the Ministry responsible for industries – 1%;
  - Salt – 1%; and
  - Other minerals, including industrial minerals such as Graphite – 3%.
- 4.12 Pursuant to the binding term sheet for the Acquisition of the Company by EGA and GVA and subject to the Royalty Agreement summarised in section 10.9(c) of the Prospectus, the Company's shareholders as described in paragraph 3.5 above, are to receive a Net Sales Return (**NSR**) royalty of 0.25% (in aggregate) from any future production from the PLs and the PL applications referred to in paragraphs 4.6.1 and 4.6.2.
- 4.13 There is also a clearance/inspection fee of 1% of gross revenue and service levy of 0.3% on turnover, payable to the Government of Tanzania.
- 4.14 The rules that creates a virtual barrier that segregate two operations of a company (ring fencing rules) applies to each mineral operation and each mineral right constitutes a separate mineral operation (subject to special considerations in relation to interaction of prospecting and mining licences, and extension of mining licences). Ring fencing ends at the point minerals from mining operations are sufficiently processed to produce a first saleable product. Since ring fenced activities would be deemed as two separate business activities from a tax perspective, to the extent they transact with one another they would be required to transact at a price that reflects the price that would have been charged between two independent parties.

- 4.15 With respect to tax losses, there is no limit on the carry-forward period for tax losses. However, unrelieved losses incurred on mining operations can only be deducted in calculating the person's income derived from that mining area. The unrelieved losses can only shelter 70% of taxable profit in a given year. This means where a mining company has current year taxable profits (before brought forward losses), tax will be payable on at least 30% of those profits.
- 4.16 Capital expenditure incurred by a mining operation is depreciated at a fixed 20% straight line basis (a straight-line write-off over 5 years) and cannot be deferred to a later period.
- 4.17 The ability to claim rehabilitation expense against the taxable income is only available when contributions are paid into a rehabilitation fund. The money in the fund is required to be placed outside the control of the person conducting the operations. Further, relief is available for contributions to a rehabilitation fund and other expenses incurred in respect of a rehabilitation fund as required by law or approved by the Minister under a mining development agreement/concession. Further, relief is not available for expenses incurred in implementing an approved mine closure fund in excess of the amount contributed to the approved rehabilitation fund.
- 4.18 Royalty payments made by a mining company are not an allowable expense when calculating the taxable income of the mining company despite this payment being a mandatory payment under the Mining Act.
- 4.19 Charitable or community relations expenditure by a mining company are not an allowable expense when calculating the taxable income despite the fact that mining companies view this expenditure as a necessary cost in doing business.

#### Withholding tax

- 4.19.1 In terms of withholding tax, payment for management or technical services by persons conducting mining business to another resident person is subject to 5% withholding tax. Technical services in respect of mining activities are defined as: "*services in respect of earthmoving, engineering and construction and includes geological, geotechnical and metallurgical services, seismic survey, data interpretation, drilling or any such services*".
- 4.19.2 We have enclosed in Schedule 4 a summary of payments that are subject to withholding tax and the applicable rates.
- 4.19.3 It is not uncommon for parties to agree on gross – up provisions whereby the payer bears the withholding tax on behalf of the recipient. However, for Tanzania, "gross-up" clauses in service (or employment) agreements should be avoided due to a July 2017 amendment in the Income Tax Act which introduced a new category of excluded expenditure namely "*withholding tax paid by a withholder*" - a change that appears to support the TRA's position of disallowing the gross-up component for corporate tax purposes. Although the

interpretation of this change may be disputed, it is likely that the TRA and appellate bodies will adopt the approach of the TRA.

- 4.19.4 The application of tax may be modified where a non-resident payee is resident in a country with which Tanzania has a double tax treaty. Tanzania currently has nine such treaties, with South Africa, Canada, Italy, India, Zambia, Sweden, Denmark, Norway and Finland. In general, these treaties do not provide for withholding tax rates that are lower than those in the domestic legislation. Notwithstanding this, the treaties should be consulted to ascertain any modification required to the application of domestic legislation.

#### Employment Tax

- 4.19.5 The following payroll taxes/levies are applicable to employers in Tanzania:
- pay as you earn – ranging from 8% to 30% based on prescribed income bands. The tax is deducted from the employee's gross salary;
  - skills and development levy – payable by employers at 3.5% of gross emoluments paid to the employees;
  - national social security fund - 10% payable by employers and 10% by employees; and
  - workers compensation fund – payable by the employer at the rate of 0.5% of the gross monthly emoluments made to the employees.

#### Custom duty

- 4.19.6 Customs duty generally applies at the following rates:
- raw materials, capital goods, agricultural implements, pharmaceutical - 0%;
  - semi-finished goods - 10%; and
  - finished consumer goods - 25%
  - certain prescribed goods or special taxes items - 35%.
- 4.19.7 In addition, paragraph 30(b) of part B of the Fifth Schedule to the EACCMA includes a specific exemption for mining, which reads: "*Machinery and spare parts thereof used in mining imported by licenced mining companies*". In practice, TRA have disputed the application of this exemption on items imported by sub-contractors as importers of record.

#### Valued Added Tax

- 4.19.8 From a value added tax (**VAT**) perspective, the supply of minerals is a taxable supply of goods. Accordingly, the supply of minerals will be subject to the zero rate (0%) if the customer

is outside the United Republic of Tanzania, and the standard rate (18%) applies if the customer is domestic. In practice minerals are likely to be exported and hence zero-rated.

4.19.9 Importation of goods by a licenced explorer or prospector of minerals for the exclusive use in prospective/exploration activities is exempt from VAT to the extent that the goods are also exempted from custom duties under the EACCMA, while local supplies made to mining companies, other than "exempt supplies", are subject to VAT at 18%. Also, the VAT legislation recognises reliefs previously granted in Mining Development Agreements between the Government of Tanzania before 1 July 2015, in respect of exploration or prospecting activities.

4.19.10 Any VAT charged to the mining company should then be reclaimed as an input tax credit on the VAT return. Recently, the TRA has been denying issuing VAT refund to exploration / prospecting companies on the basis that they do not generate taxable income and therefore the input VAT incurred cannot be refunded until such time where production starts. The matter is still being disputed by a number of exploration companies and we are yet to see the final decision of the court in this regard.

#### Stamp duty

4.19.11 Stamp duty applies to several instruments, principally in relation to capital transactions. For example, a 1% stamp duty payable by the transferee applies to conveyances, transfers of debentures, and to assignments of leases. Leases are also subject to stamp duty. There is a proviso that where there is a conveyance or transfer of assets in a group, then stamp duty will not be chargeable.

#### Change in control provisions under the Income Tax Act

4.19.12 The change of control provisions are set out in section 56 of the Income Tax Act whose subsection (1) states (an extract of section 56 of the ITA has been provided under schedule 5 of the report):

*"Where the underlying ownership of an entity changes by more than fifty percent as compared with that ownership at any time during the previous three years, the entity shall be treated as realising any assets owned and any liabilities owed by it immediately before the change."*

4.19.13 Based on the above, a relevant change in control takes place where there is a change in the underlying ownership of an entity by more than 50% as compared with that ownership at any time during the previous three years.

4.19.14 Although section 56 of the Income Tax Act was intended to apply to indirect disposals of shares<sup>1</sup>, its wording is ambiguous, and its scope may be interpreted to cover direct share transactions including farm out arrangements which are common in the extractive sector and in some cases only involve a commitment to fund future exploration or raising of new share capital without an actual receipt of funds. Consequently, the local entity whose underlying ownership has changed by more than 50% would be deemed to have disposed its assets and liabilities as per the provisions of section 56(1) above, resulting into a tax obligation on both a direct disposal of shares and the deemed disposal of business.

4.19.15 There are exemptions to the applicability of section 56 of the Tax Act which are:

- where the change in underlying ownership is a result of allotment of new membership in a Tanzanian entity; and
- where the change is a result of a sole transfer of shares from a local entity to another local person.

4.19.16 Despite this ambiguity, in most cases the TRA have been applying a reasonable approach to tax direct disposals of shares through normal disposal rules and not applying section 56 of the Income Tax Act.

#### Repatriation of Cash

4.19.17 From a tax perspective, there is no restriction on the amount of funds that can be repatriated by a company in a particular year. However, where cash is repatriated by way of dividend, interest or service fee, withholding tax as stipulated under paragraph 4.19.1 and Schedule 4 below would be applicable. Further financial institutions, before making payments outside Tanzania are required to obtain relevant documentation for the payment being made such as contractual documents, relevant invoices of fees notes and tax clearance certificate(s) from the TRA.

4.19.18 Repatriation of dividend to a foreign shareholder must be done through a bank or financial institution in Tanzania. Before making the remittance, the bank or financial institution will require the following document to be submitted by the applicant/transferor:

- audited financial statements or dividend payment notice indicating declared dividends or profit to be repatriated and approval of board of directors or shareholders for payment of dividends; and
- documents confirming payments of all relevant taxes from the TRA.

---

<sup>1</sup> This position is based on the 2012 Tanzania National Budget speech by the Finance Minister who stated the following in relation to this amendment and its intention: "iv. Impose capital gain tax on sale of shares relating to local company by the parent/offshore company. This measure is intended to control tax avoidance malpractice".

4.19.19 In addition, and in the context of foreign lenders, loan agreements whose term exceed 365 days must be registered with the Bank of Tanzania (**BOT**) and be issued with a Debt Registration Number (**DRN**). The requirement to register for a DRN enables the borrower's commercial banks in Tanzania to remit repayments of the principal or interest accrued under the loan agreement to the foreign (non-Tanzanian) lender as the DRN must be quoted under each such remittance for BOT monitoring purposes.

4.19.20 We note that Company has outstanding loans amounting to TZS 520,781,399.94 (approximately USD 190,963), as indicated in its audited financial statements for the half year ended 30 June 2024. These funds were provided by Mr Andrew Boyd on behalf of EGA and the loan agreement has been registered with BOT and issued with DRN 20228916.

#### Transfer pricing considerations

4.19.21 The ITA contains transfer pricing provisions that require transactions between associates to be undertaken on an arm's length basis. In simple terms, an arm's length price is the one that would arise if such a transaction was made between independent parties under the same or similar circumstances.

4.19.22 Where the Commissioner of the TRA considers that associates have applied a price that is not the arm's length principle, he is empowered to make corrective adjustments. Therefore, any expenses incurred by the local entity or income earned by the local entity from its associates (particularly non-resident associates) should be at arm's length.

4.19.23 Recent activities of the TRA suggest that they are becoming more focused on the area of transfer pricing, especially in relation to payments of goods, service fees, interest and royalties by Tanzanian companies or branches to their foreign associates. They have been requesting documents such as analysis of functions, assets and risks (e.g. considering the functions performed, types of assets used, and risks assumed by each party) and documentary support of how intra-group fees have been arrived at.

4.19.24 In 2018, the Government issued Tax Administration (Transfer Pricing Regulations) 2018 (TP Regulations) that among other things provide guidance on the determination of arm's length price for various intra-group arrangements such as services, intangible property and commodity transactions.

4.19.25 The TP Regulations also require a taxpayer with related party transactions to have in place a transfer pricing documentation at the time of filing the tax return and filing this document with the return where transactions with associates exceed TZS 10 billion (approximately USD 4 million). Otherwise, the transfer pricing documentation should be in place and available within 30 days of demand by the TRA.

4.19.26 The TP Regulations further impose penalty provisions for non-compliance. The penalty for any transfer pricing adjustment made is 100% of the tax on the short fall. In addition, the

Regulations also impose penalties for non-compliance with the requirement to have a transfer pricing documentation which include imprisonment for a maximum of 6 months and/or a fine of not less than TZS 52.5 million (approximately USD 21,000).

Interest capping rules

- 4.19.27 Generally, interest incurred by an entity on funds borrowed for use in generating business income is an allowable deduction for income tax purposes. However, section 12(2) of the ITA contains a thin capitalisation restriction on the amount of deductible interest for an Exempt-Controlled Resident Entity. The total amount of interest that an Exempt-Controlled Resident Entity may deduct for a year of income should not exceed the sum of interest equivalent to debt-to-equity ratio of seven to three (7:3).
- 4.19.28 The term Exempt-Controlled Resident Entity refers to an entity in which 25% or more of the underlying ownership is held by entities exempted from payment of tax under the ITA, approved retirement funds, charitable organizations, non-residents persons or associates of the entity.
- 4.19.29 For the purposes of arriving at the 7:3 ratio, debt includes all debt obligations with exception of non-interest-bearing loans, loans owed to a resident financial institution and a loan owed to a non-resident bank or financial institution whose withholding tax on interest has been deducted. Moreover, where there is a change of the amount of debt over the year of income, the amount of debt shall be the average of balances of amount of debt at the end of each period. On the other hand, the amount of equity for thin capitalisation purposes has been defined to mean paid up share capital at the end of the year of income.
- 4.19.30 To the extent that the loan is interest free and in meeting the loan obligation, the company accrues realized foreign exchange losses, for income tax purposes the company would be allowed to take deduction only to the tune of 70% of such loss. In other words, 30% of realized foreign exchange loss on interest free loan will be disallowed when computing taxable income of the entity.

4.20 **Transfer of control of a Mineral Rights holder**

Mining Commission:

- 4.20.1 Section 127 of the Mining Act provides that, "where a mineral right or dealer's licence is granted to a company, or other body corporate, the company, or such body corporate, shall not, after the date of the grant of the right, without the written consent of the Mining Commission:

*(a) register the transfer of any share or shares in the company to any particular person or his nominee; or*

*(b) enter into an agreement with any particular person,*

*if the effect of doing so would be to give that person control of the company or other body corporate."*

4.20.2 The section goes on to say that "a person is deemed to have control of a company or other body corporate:

*(a) if the person or his nominee holds, or the person and his nominee hold, a total of fifty per centum or more of the equity shares of the company; or*

*(b) if the person is entitled to appoint, or to prevent the appointment of, half or more than half of the number of directors of the company."*

4.20.3 The Mining Commission may not, in terms of the legislation, unreasonably withhold its consent.

4.20.4 Properly considered, this section can only be read to require the consent of the Mining Commission for purposes of a transaction where a transfer of shares in a company holding a Mineral Right occurs or where that Mineral Right holding entity itself enters into an agreement with a third person, in either case where doing so would result in a change of control of that Mineral Right holder (i.e. in essence, a direct change of shareholding which results in a change of control).

4.20.5 However, we are aware that the Mining Commission, in practice, interprets section 127 of the Mining Act more broadly and informally asserts jurisdiction over indirect changes of control and minority acquisitions of interests in Tanzanian Mineral Right holders. Although this broader interpretation is not explicitly stated in the statute, the Mining Commission appears to consider these transactions to fall within its jurisdiction. As such, obtaining the Mining Commission's consent, even for indirect or minority acquisitions, is advisable to mitigate regulatory risks and avoid potential challenges to the validity of the Company's Mineral Rights. The same would apply if there is a change of control of IVG after the Transaction.

4.20.6 For clarity, this requirement does not extend to the normal trading of IVG shares on the ASX, provided that such trading does not result in a change of control of IVG. However, if any transaction involving IVG shares, whether direct or indirect, results in a change of control of IVG post-Transaction, the prior consent of the Mining Commission will be required. Failure to obtain such consent may lead to regulatory non-compliance and potential legal challenges.

4.20.7 On 30 January 2025, the Mining Commission issued its consent to the transfer of 100% of the shares in the Company to EGA and GVA (comprising part of the Transaction).

Competition:

4.20.8 A transaction involving transfer of control of a Mineral Rights holder would require approval from the FCC to the extent that the transaction is: (i) a "merger"; and (ii) meets the prescribed

financial thresholds. A “merger” is defined in the FCA as “an acquisition of shares, a business or other assets, whether inside or outside Tanzania, resulting in the change of control of a business, part of a business or an asset of a business in Tanzania”. Neither the term “change of control”, nor the term “control” is defined in the FCA, and the Fair Competition Tribunal has not, to our knowledge, published any decision which seeks to expressly define the term “change of control”.

4.20.9 However, notwithstanding the language used in the FCA and the respective interpretations of that legislation, and regardless of whether a change control, properly considered, takes place, in practice, the FCC adopts a very wide view of its own jurisdiction and considers any change of shareholding, direct or indirect, in respect of a Tanzanian company, to constitute a merger (including minority acquisitions and internal reorganisations).

4.20.10 With regard to the relevant financial threshold, this is currently 3.5 billion Tanzanian shillings (approximately USD1,500,000) and is determined by reference to (i) the aggregate turnover or (ii) the aggregate asset value of the named merging parties (whichever is higher) (i.e., not Tanzania-specific turnover or asset values) for purposes of ascertaining whether the financial threshold is satisfied and, subsequently, the applicable filing fees.

4.20.11 EGA lodged a request for an opinion from the FCC regarding the Transaction. On 28 January 2025, the FCC responded by issuing a letter to EGA confirming that the Transaction is notifiable. Therefore, FCC approval of the Transaction will be required. EGA submitted a merger notification to the FCC on 5 February 2025.

#### 4.21 **Restrictions under the foreign exchange laws**

##### Bank of Tanzania:

4.21.1 The FX Regulations restrict a resident (a person who resides consecutively or whose centre of predominant economic interest is in Tanzania for 12 months or more), from acquiring, selling or transferring security (including shares) or coupon outside member countries of the East African Community (EAC) or Southern Africa Development Community (SADC) (the **Prescribed Territory**), unless funded exclusively by externally acquired funds.

4.21.2 In light of the FX Regulations restriction, on 30 September 2024, IVG sought an exemption from the governor of the Bank of Tanzania (BOT) noting that no monetary consideration will be required from the Company's shareholders for purpose of obtaining shares in IVG upon completion of the Transaction. On 01 November 2024 the BOT responded to the IVG request for exemption and formed a preliminary view that since the Company has been developed using resources (funds) from Tanzania, issuing of share as consideration for the Transaction will result in externalisation of funds which is restricted under the FX Regulations.

4.21.3 On the basis of the BOT's reasoning, the Transaction structure has been modified to account for the FX Regulations restriction. An alternative structure that in our view, is compliant with

the Tanzanian foreign exchange control is for the Company's shareholders to incorporate a Special Purpose Vehicle (**SPV**) in a jurisdiction within the SADC (i.e. Mauritius) or the EAC that does not impose foreign exchange restrictions on transactions with Australia. The proposed structure would involve the Company's shareholders holding shares in the SPV instead of directly in IVG. The SPV would, in turn, hold the shares in IVG as the registered owner. By structuring the Transaction this way, the Company's shareholders would not directly own shares in IVG, thereby avoiding the need for BOT exemption. The Company's shareholders' shares in the SPV, situated in a SADC or EAC jurisdiction, would not trigger Tanzanian foreign exchange control restrictions or BOT approval.

4.21.4 We understand that Company's shareholders are in the process of setting up the SPV in Mauritius.

## 5. **LEGAL CONFIRMATION ON THE TRANSACTION**

5.1 Based on our review of the relevant laws and regulations in Tanzania and supporting documents provided by the Company regarding the Transaction, we confirm as follows:

### 5.1.1 **Compliance with Tanzanian law**

To the best of our knowledge and based on our review, the Transaction does not contravene any applicable statute, law, rule, judgment, regulation, or decree in Tanzania. However, this confirmation is subject to ongoing compliance with applicable regulatory requirements and any future amendments to the relevant laws.

### 5.1.2 **Authorisations and Regulatory Approvals**

The Transaction requires certain authorisations, approvals, or regulatory actions, including notifications or consents from relevant governmental authorities or regulatory bodies in Tanzania. These include:

5.1.2.1 Mining Commission – where the Transaction involves a change of control of an entity holding a Mineral Right, written consent from the Mining Commission is required under section 127 of the Mining Act. The Mining Commission may also require consent for indirect changes in control or minority acquisitions, as interpreted in practice. We understand the Mining Commission consent has been obtained pursuant to paragraph 4.20.7 above.

5.1.2.2 FCC – where the Transaction constitutes a merger or acquisition that meets the prescribed financial thresholds, FCC approval may be required under the FCA. We understand that pursuant to paragraph 4.20.11 above, approval from the FCC will be required.

5.1.2.3 TRA – where the TRA assesses the Transaction and determines that it is subject to taxation, a tax clearance certificate must be obtained from the TRA prior to completion of the Transaction.

5.1.2.4 BRELA – where the Transaction has obtained the Mining Commission approval, the FCC approval and has been issued with a tax clearance certificate from the TRA, a notification must be made to the Registrar of Companies at BRELA in order to record the Transaction and changes in shareholders on the companies register.

5.1.3 **Conflicts**

Based on our review of the information provided to us by the Company, the Transaction does not conflict with, result in a breach or violation of, or constitute a default under any material contract or any other contract (limited to the contracts we have reviewed as set out in Schedule 2 of this Report) to which the Company is a party.

6. **CONFIRMATIONS AND FINDINGS IN RESPECT TO MINERAL RIGHTS HELD BY THE COMPANY**

6.1 Based on confirmations received from the Company and the searches undertaken at the Mining Commission in respect of the tenements that the Company holds, our findings are as follows:

**Table of Mineral Rights Applications**

S/N	Application No. <sup>2</sup>	Name of Applicant	Location	Area Km <sup>2</sup>	Licence Type	Type of mineral	Application date	Expiry date	First renewal	Annual Expenditure (USD)	Annual Rent (USD)	Status
1.	PL/20379/2022	Exceptional Graphite Resources Limited	Morogoro (Nyingwa / Ngweme)	35.30 km <sup>2</sup>	Prospecting Licence Application	Graphite	12/05/2022	N/A	N/A	N/A	N/A	Application pending
2.	PL/20388/2022	Exceptional Graphite Resources Limited	Morogoro (Mvuha)	33.33 km <sup>2</sup>	Prospecting Licence Application	Graphite	12/05/2022	N/A	N/A	N/A	N/A	Application pending
3.	PL/20389/2022	Exceptional Graphite Resources Limited	Morogoro (Lundi)	23.04 km <sup>2</sup>	Prospecting Licence Application	Graphite	12/05/2022	N/A	N/A	N/A	N/A	Application pending
4.	PL/20390/2022	Exceptional Graphite Resources Limited	Morogoro (Nyingwa / Ngweme)	65.05 km <sup>2</sup>	Prospecting Licence Application	Graphite	12/05/2022	N/A	N/A	N/A	N/A	Application pending
5.	PL/22336/2022	Exceptional Graphite Resources Limited	Morogoro (Mvomero)	4.30 km <sup>2</sup>	Prospecting Licence Application	Graphite	18/11/2022	N/A	N/A	N/A	N/A	Application pending

<sup>2</sup> As of the date of this Report, the PL applications remain pending and have not yet been granted by the Mining Commission. As such, no legal or equitable rights in the relevant areas arise until a PL has been formally issued. Accordingly, the pending PL applications are not subject to legal challenge in the manner applicable to granted licences. While the Mining Commission retains discretion in granting PLs and may consider competing applications, priority is generally determined based on the order of submission and compliance with statutory requirements. To the best of our knowledge, and based on the information available to us, there are no known disputes, objections, or competing applications that would adversely affect the issuance of the PLs. This confirmation is provided based on our review of available records and does not constitute a guarantee that the Mining Commission will grant the PLs.

**Table of Mineral Rights Licences**

S/N	Licence No.	Name of Holder	Location	Area Km2	Licence Type <sup>3</sup>	Type of mineral <sup>4</sup>	Date issued / Application date	Expiry date	First renewal	Annual Expenditure (USD)	Annual Rent (USD)	Status
1.	PML 2116MOR	Exceptional Graphite Resources Limited (no longer the holder as this PML has been surrendered, as noted to the right)	Morogoro		Primary Mining Licence	Graphite	10/10/2023	10/10/2030	Initial Period	N/A	N/A	<b>Surrendered to the Mining Commission for purposes of the enlargement of PL 12151/2022</b>
2.	PML 2117MOR	Exceptional Graphite Resources Limited (no longer the holder as this PML has been surrendered, as noted to the right)	Morogoro		Primary Mining Licence	Graphite	10/10/2023	10/10/2030	Initial Period	N/A	N/A	<b>Surrendered to the Mining Commission for purposes of the enlargement of PL 12151/2022</b>
3.	PML	Exceptional Graphite	Morogoro		Primary Mining	Graphite	10/10/2023	10/10/	Initial	N/A	N/A	<b>Surrendered to the Mining</b>

<sup>3</sup> The Mining Act restricts ownership of PMLs by non Tanzanian citizens, partnerships that are not wholly composed of Tanzanian citizens or corporations that are not 100% Tanzanian owned. As such, given the current Transaction, the Company was required to surrender all PMLs to the government as the Acquisition of the Company by EGA and GVA will result in the Company being 100% foreign owned.

<sup>4</sup> Once a mineral right licence is issued, it will only relate to the specified minerals recorded under the mineral right licence. We understand from our review of the PLs and PL applications pertaining to the Company, the mineral to be prospected is Graphite. To the extent other minerals are prospected during the PLs tenure, the Mining Act requires that the Company informs the Mining Commission on discovery of other minerals.

	2118MOR	Resources Limited (no longer the holder as this PML has been surrendered, as noted to the right)			Licence			2030	Period				<b>Commission for purposes of the enlargement of PL 12151/2022</b>
4.	PML 2119MOR	Exceptional Graphite Resources Limited (no longer the holder as this PML has been surrendered, as noted to the right)	Morogoro		Primary Mining Licence	Graphite	10/10/2023	10/10/2030	Initial Period	N/A	N/A		<b>Surrendered to the Mining Commission for purposes of the enlargement of PL 12151/2022</b>
5.	PML 2120MOR	Exceptional Graphite Resources Limited (no longer the holder as this PML has been surrendered, as noted to the right)	Morogoro		Primary Mining Licence	Graphite	10/10/2023	10/10/2030	Initial Period	N/A	N/A		<b>Surrendered to the Mining Commission for purposes of the enlargement of PL 12151/2022</b>
6.	PL 12043/2022	Exceptional Graphite Resources Limited	Morogoro (Tawa)	65.06 km <sup>2</sup>	Prospecting Licence	Graphite	23/09/2022	23/09/2026	Initial Period	19, 518	6,506		The licence is active and in good standing.  No

												encumbrances.
7.	PL 12150/202 2	Exceptional Graphite Resources Limited	Morogoro (Kasanga / Kasanga East)	74.09 km <sup>2</sup>	Prospecting Licence	Graphite	23/12/2022	23/12/ 2026	Initial Period	22,227	7,409	The licence is active and in good standing.  No encumbrances
8.	PL 12151/202 2	Exceptional Graphite Resources Limited	Morogoro (Kumba)	86.12 km <sup>2</sup>	Prospecting Licence	Graphite	23/12/2022	23/12/ 2026	Initial Period	25,698	8,566	The licence is active and in good standing.  No encumbrances.

- 6.1.1 the PLs are validly held by the Company and are in good standing.
- 6.1.2 as noted in paragraphs 4.6.10 above, a prospecting licence is issued for an initial prospecting period not exceeding four (4) years. Upon expiry of the initial prospecting period, the first period of renewal of the prospecting licence shall not exceed three (3) years. The second period of renewal is provided and it shall not exceed two (2) years. In this regard, pursuant to section 32 (1) (c) of the Mining Act, a prospecting licence shall not be renewable after the second period of renewal. That said, the first renewal will be in 2026 following which the second renewal will be 2029. We are of the view that the Mining Commission would issue the renewals when due subject to the Company complying with all requirements so there will be no basis to refuse grant of the renewals.
- 6.1.3 there are no disputes that we are aware of relating to the Mineral Rights with any governmental or regional authority or any unrelated third party.
- 6.1.4 the pending PL applications are currently pending issuance of PLs for each by the Mining Commission. If a PL application is rejected, the Mining Commission is required to notify the applicant and give reasons for rejecting the application. We understand that the Company is following up with the Mining Commission on the issuance of these PLs.
- 6.2 Confirmations on Mineral Rights related filings and statutory compliance in respect of EGRT:
- Local content plan
- 6.2.1 The Local Content Regulations as read together with the Local Content Guidelines require every Mineral Rights holder to file, with the Mining Commission, a long-term local content plan and an annual local content plan in respect of each year. The Company has provided a copy of the Annual Local Content Plan for 2022 as required by regulation 10 of Local Content Regulations.
- 6.2.2 We understand that the Company will prepare and submit copies of the long-term local content plan and the annual local content plan for 2024 as required by regulation 10 of Local Content Regulations.
- Annual local content performance reporting
- 6.2.3 According to regulation 37 (1) of the Local Content Regulations, a contractor, subcontractor, licensee or other allied entity is required within 45 days of the beginning of each year after commencement of mining activities, to submit to the Mining Commission an annual local content performance report covering all its projects and activities for the year under review. This report shall be in the format prescribed by the Mining Commission and shall specify by category of expenditure the local content on both current and cumulative cost basis and show the employment achievement in terms of hours worked by Tanzanians and foreigners as well as their job positions and remuneration.



6.2.4 We understand that the Company will prepare and submit copies of annual local content performance report for the year 2024 in compliance with regulation 37 (1) of the Local Content Regulations.

Quarterly performance reports

6.2.5 Pursuant to regulation 20 (2) of the Local Content Regulations a contractor, subcontractor, licensee or other allied entity is required to submit quarterly reports on the following:

- employment and training activities for the reporting period; and
- a comparative analysis of the employment and training sub-plan and the employment and activities to monitor compliance.

6.2.6 The quarterly report shall also state the number of new Tanzanian employees employed during the respective quarter and their job descriptions. The Company has prepared and submitted copies of the local content quarterly performance reports for the first and second quarters of 2024 to the Mining Commission. We understand that the Company will prepare and submit copies of the Q4 local content quarterly performance report to the Mining Commission as required by the Local Content Regulations.

Succession plan

6.2.7 Further to the above and as stipulated in the Local Content Regulations, a contract, subcontractor, licensee or other allied entity shall, as part of the employment and training sub-plan, is required to submit to the Mining Commission a succession plan for any employment position that is occupied by a non- Tanzanian to ensure that the minimum local content levels specified in the First Schedule of the Local Content Regulations are met.

6.2.8 We note from the succession plan contained in the 2022 Annual Local Content Plan that the Company does not have any non-Tanzanian / expatriate employees and is therefore not required to submit a Succession Plan to the Mining Commission.

Submission of quarterly forecasts for proposed contracts and purchase orders

6.2.9 According to regulation 17(1) of the Local Content Regulations a contractor, subcontractor, licensee or other allied entity shall not later than the first day of each quarter submit to the Mining Commission a list of:

- contract of purchase orders to be sole sourced; and
- contracts or purchase orders estimated to exceed the equivalent of USD 100,000 (one hundred thousand United States Dollars) and intended to be tendered for or executed in the next quarter.

6.2.10 The information to be provided to the Mining Commission for purposes of the quarterly forecasts in respect of each contract or purchase order includes the following information as set out in the Second Schedule of the Local Content Regulations:

- a description of the service or items to be contracted or purchased including the material and equipment specification if requested;
- the estimated value of the contract, subcontract or purchase order;
- the anticipated dates for the following:
  - the issuance and closure of the request for proposals; and
  - contract award.
- any other information requested by the Commissioner for Minerals for the implementation of the Local Content Regulations.

6.2.11 We understand from the Company that it has not submitted any quarterly forecasts for proposed contracts and purchase orders to the Mining Commission, however, details are included in the quarterly local content performance report with respect to local content.

Integrity Pledge

6.2.12 The Integrity Pledge Regulations require every Mineral Rights holder to sign and file an integrity pledge with the Mining Commission. We have been provided with confirmation of filing of the Integrity Pledge by the Company. We have been provided with copies of the Integrity Pledge by the Company dated 13 September 2022, 15 November 2022 and 11 September 2024 in respect of the PLs. The Integrity Pledge Regulations set out the objectives, principles and format of the integrity pledge and requires a holder of a mineral right to ensure that any person it engages with in undertaking any activity in connection with mining activities complies with the integrity pledge requirements. A Mineral Right holder who fails to comply with the requirement of the integrity pledge shall be liable to the following penalties:

- suspension of a licence or permit to engage in mining operation or activity;
- withdrawal or cancellation of a licence;
- payment of fine as prescribed in the Mining Act and any other applicable laws; and
- any other penalty as prescribed under the Mining Act and any other Written Laws of Tanzania.

6.2.13 Further, the Permanent Sovereignty Act as read together with the Code of Conduct Regulations require every investor dealing in natural resources to sign and file with the Minister

responsible for constitutional affairs, an integrity pledge prescribed in the Schedule to the Code of Conduct Regulations in order to abide with ethical business practice to support national campaign against corruption. An investor has been broadly defined to include an entity, consultant, supplier, contractor, investor, partner and agent. We have reviewed the executed integrity pledge dated 11 September 2024 and we also received confirmation from the Company on 12 September 2024 that the integrity pledge has been submitted to the the Minister responsible for constitutional affairs.

Corporate social responsibility

- 6.2.14 As per section 105 of the Mining Act and regulation 4 of the CSR Regulations, a mineral rights holder such as the Company is required to prepare a credible corporate social responsibility plan (**CSR Plan**) jointly agreed by the relevant local government authority or local government authorities in consultation with the Minister responsible for Local Government Authorities and the Minister responsible for Finance. The development projects identified by the Local Government Authorities must be reviewed by the Ward Development Committees, involving the mineral right holder, before submission to the District, Municipal, or City Council for further evaluation by October each year. Additionally, the CSR plan's resource allocation must follow a 40% to 60% ratio, benefiting both the local area where mining occurs and the broader District, Municipal, or City Councils, respectively. In addition to this, the CSR Plan shall take into account environmental, social, economic and cultural activities based on local government authority priorities of host community and shall be submitted by a mineral right holder to a local government authority for consideration and approval. Implementation of the approved CSR plan is monitored by the Mining Commission.
- 6.2.15 We understand from the Company that it does not have an approved CSR Plan but intends to prepare a CSR Plan in consultation with the local communities and local government as it moves closer to project development.

Geological survey reporting

- 6.2.16 The Mining Act as read together with the Geological Survey Regulations require every Mineral Rights holder to submit geological data, in a prescribed manner, to the Geological Survey of Tanzania. We have not been provided with confirmation of filing of the geological survey reports by the Company.
- 6.2.17 We understand that the Company will be making the geological data submissions in due course.

Environmental confirmations

- 6.2.18 Mining activity is one of the listed items that require an Environmental Impact Assessment (**EIA**) by virtue of Section 81(1) read together with the Third Schedule of the EMA. We have enclosed in Schedule 6 the list and categories of projects requiring an EIA.
- 6.2.19 As part of our review, we have not been provided with any documentation evidencing an EIA has been conducted over the prospecting areas under the PLs. However, as noted in section 4.6.18.4 above, the budgeted activities described in the Prospectus are valid and can proceed without an EIA and an EIA certificate being required over the PL area.
- 6.2.20 We note that the Company will be required to conduct an EIA and obtain an EIA certificate from the National Environment Management Council (**NEMC**) before obtaining either an ML or SML.

**7. EMPLOYMENT AND CONTRACTING ARRANGEMENTS**

- 7.1 The Company has entered into a conditional employment contract with Hashimu Musedem Millanga (as summarised in section 10.9(d) of the Prospectus), who is a current shareholder and director of the Company. Tanzanian employment laws permit employers and employees to agree to different compensation arrangements, provided they are lawful. In this regard, and as outlined in section 4.21.3, the revised Transaction structure mitigates the need for BOT approval or exemption in respect of foreign exchange restrictions, ensuring compliance while facilitating the Transaction.
- 7.2 Accordingly, issuing performance shares to Hashimu Musedem Millanga and/or his nominee as part of his employment compensation is permissible. However, under Section 28(1) of the ELRA, if the employee share offering requires withholding or deducting money from the employee's salary to purchase the shares, the employee's consent to the deduction must be obtained, either separately or within the employment contract.

**8. LITIGATION AND DISPUTES**

- 8.1 We are not aware of any information confirming or indicating that there is any litigation, arbitration, administrative proceeding, criminal or regulatory investigation pending or threatened against the Company.
- 8.2 We note that it is difficult to conduct a registry search for the Company in the courts of Tanzania without any information on pending cases. The court registry archives records of all proceedings and can only provide specific details of pending litigation once provided with details of parties and the relevant case number.
- 8.3 It is important to note that any litigation that involves disputes arising from extraction, exploitation or acquisition and use of natural wealth and resources shall be adjudicated by judicial bodies

or other organs established in Tanzania under the laws of Tanzania. This is provided for by the Permanent Sovereignty Act.

9. **ASSUMPTIONS**

9.1 The documents provided to us by the Company for review are complete, accurate, true copy of the original documents and up-to-date and are not misleading in any way.

9.2 To the extent that the ability of the Company or any of its directors to enter into any agreement requires the determination of a matter of fact, that requirement has been complied with.

10. **LIMITATION OF LIABILITY**

10.1 Notwithstanding the foregoing, Bowmans does not accept any liability, nor shall it be liable for anything stated in or done in connection with the documents reviewed, this Report or any related enquiries and work:

10.1.1 for any aspect, issue, subject or consideration which falls outside the scope of the review as set out in this Report; or

10.1.2 for any incorrect or incomplete information provided to Bowmans.

10.2 Bowmans' aggregate liability for any loss, liability, damage or expense arising from, or resulting from placing any reliance on, this Report shall be limited to the aggregate amount of fees (exclusive of VAT and expenses) received by Bowmans in respect of the preparation and delivery of this Report.

10.3 Bowmans shall only be liable to the extent that it is negligent and shall not have any liability for any consequential loss (including, without limitation, any loss of profit or bargain) in respect of this Report.

10.4 Without limiting the foregoing, the partners, professionals with similar status, consultants and other employees of Bowmans or any of its affiliates shall not be liable in their personal capacity for any claim whatsoever arising, directly or indirectly, in connection with any advice or opinions given in, views expressed in, errors in, or omissions from, this Report, and all such claims shall be enforceable only against the partnership and may be satisfied only from the assets of the partnership, including the partnership's professional indemnity cover (and not from the personal estates of any individual referred to above).

Yours Sincerely,



Charles Mmasi

**PARTNER**

### Schedule 1 – Laws reviewed

For the purposes of this Report, we have reviewed the following laws:

1. the Companies Act, No. 12 of 2002, Cap 212 of the Laws of Tanzania (as amended) (**Companies Act**);
2. the Competition Rules, 2018 (**Competition Rules**);
3. the East African Community Customs Management Act, 2004 as amended by the East African Community Customs Management (Amendment) Act, 2011 (**EACCMA**);
4. the Employment and Labour Relations Act, R.E. 2019, Cap 366 of the Laws of Tanzania (**ELRA**);
5. the Environmental Management Act, No. 20 of 2004 (**EMA**);
6. the Fair Competition Act, 2003 (**FCA**);
7. the Foreign Exchange Regulations, 2022 (as amended) (the **FX Regulations**);
8. the Income Tax Act, R.E 2019, Cap 332 of the Laws of Tanzania (**Income Tax Act**);
9. the Mining (Corporate Social Responsibility) Regulations, 2023 (**CSR Regulations**);
10. the Mining (Geological Survey) Regulations, 2018 (**Geological Survey Regulations**);
11. the Mining (Integrity Pledge) Regulations, 2018 (**Integrity Pledge Regulations**);
12. the Mining (Local Content) Regulations, 2018 (as amended) (**Local Content Regulations**);
13. the Mining (Mineral Rights) Regulations, 2018 as amended by the Mining (Mineral Rights) (Revocation of the First Schedule) Regulations, 2018 and the Mining (Mineral Rights) (Amendment) Regulations, 2020 (**Mineral Rights Regulations**);
14. the Mining (State Participation) Regulations 2022 (as amended) (the **State Participation Regulations**);
15. the Mining Act, R.E. 2019, Cap 123 of the Laws of Tanzania (as amended) (**Mining Act**);
16. the Mining Commission (Guideline for Submission of Local Content Plan) 2018 (**Local Content Guidelines**);
17. the Natural Wealth and Resources (Permanent Sovereignty) (Code of Conduct for Investors in Natural Wealth and Resources) Regulations, 2020 (**Code of Conduct Regulations**); and
18. the Natural Wealth and Resources (Permanent Sovereignty) Act of 2017 (as amended) (**Permanent Sovereignty Act**).

### Schedule 2 – Documents reviewed

For the purposes of this Report, we have reviewed the following documents

<b>CORPORATE STRUCTURE</b>	
1.	Certificate of incorporation dated 04 April 2022.
2.	Memorandum and articles of association of the Company dated 20 March 2022 (the <b>MEMARTS</b> ).
3.	BRELA consolidated form for application for registration of the Company dated 17 March 2022.
4.	Organisational and Management Structure of the Company.
5.	Company Profile.
6.	Register of Directors of the Company
7.	Register of Secretaries of the Company
8.	Register of Members and Beneficial Owners of the Company
9.	Proof of submission of Beneficial Owner details through BRELA Beneficial Ownership portal.
<b>MATERIAL CONTRACTS AND ARRANGEMENTS</b>	
1.	Draft prospectus for the the offer of fully paid ordinary shares in InVert Graphite Limited (formerly Dominion Minerals Limited)
2.	Draft royalty agreement between the Company and Prisin Priver Moshi, Hashimu Musedem Millanga and Happiness Steven Ibaso.
3.	Binding Term Sheet for the acquisition of EGA signed but undated.
4.	Binding Term Sheet for the acquisition of the Company signed but undated.
<b>FINANCING ARRANGEMENTS</b>	
1.	Executed Loan Agreement between Andrew Ian Boyd and the Company signed on 20 May 2022.
2.	Certified copy of Andrew Ian Boyd Passport.
3.	CRDB Bank PLC bank statement for the period between 01 April 2022 and 01 November 2024.

4.	Andrew Ian Boyd declaration of income dated 15 May 2022.
5.	Board of Directors resolution of the Company approving entering into a loan agreement with Andrew Ian Boyd passed on 15 May 2022.
6.	Letter from the Company to CRDB Bank PLC applying for foreign loan registration dated 30 October 2024.
7.	Letter from the Company to the Bank of Tanzania regarding registration of the foreign loan dated 30 October 2024.
8.	Loan repayment schedule for Loan Agreement between Andrew Ian Boyd and the Company
9.	Letter issued by the Bank of Tanzania confirming registration of the Loan Agreement between Andrew Ian Boyd and the Company dated 10 December 2024.
10.	Executed Intercompany Loan between Exceptional Graphite (Aust) Pty Ltd and the Company undated.
<b>MINING</b>	
1.	PML 2116MOR dated 10 October 2023
2.	PML 2117MOR dated 10 October 2023
3.	PML 2118MOR dated 10 October 2023
4.	PML 2119MOR dated 10 October 2023
5.	PML 2120MOR dated 10 October 2023
6.	PL 12043/2022 dated 23 September 2023
7.	PL 12150/2022 dated 23 December 2023
8.	PL 12151/2022 dated 23 December 2023
9.	Certificate of Enlargement of Prospecting Licence PL 12151/2022 dated 28 October 2024
10.	Exceptional Graphite Resources Limited list of submitted tenements applications.
11.	Exceptional Graphite Resources Limited excel document list of all licences and applications.



12.	Exceptional Graphite Resources Limited list of allocation for enlargement of prospecting licence application.
13.	Bill of payment for payment of application fees for Enlargement of Prospecting Licence PL 12151/2022 dated 10 September 2024.
14.	Exchequer Receipt for payment of application fees for Enlargement of Prospecting Licence PL 12151/2022 dated 10 September 2024.
15.	Bill of payment for part payment of second annual rent for Prospecting Licence PL 12151/2022 after Enlargement dated 11 September 2024.
16.	Application for PL/20379/2022 dated 12 May 2022.
17.	Application for PL/20388/2022 dated 12 May 2022.
18.	Application for PL/20389/2022 dated 12 May 2022.
19.	Application for PL/20390/2022 dated 12 May 2022.
20.	Application for PL/22336/2022 dated 18 November 2022.
21.	Application for PL/28846/2024 dated 29 May 2024.
22.	Application form MRF 1 for Prospecting Licence with size of 35.30 km <sup>2</sup> dated 06 May 2022.
23.	Application form MRF 1 for Prospecting Licence with size of 33.33 km <sup>2</sup> dated 06 May 2022.
24.	Application form MRF 1 for Prospecting Licence with size of 23.04 km <sup>2</sup> dated 06 May 2022.
25.	Application form MRF 1 for Prospecting Licence with size of 65.05 km <sup>2</sup> dated 06 May 2022.
26.	Application form MRF 1 for Prospecting Licence with size of 4.30 km <sup>2</sup> dated 11 November 2022.
27.	Application form MRF 1 for Prospecting Licence with size of 0.31 km <sup>2</sup> dated 31 July 2023.
28.	Licence application PML 183892/EZ acceptance letter from Mining Commission dated 11 October 2023.
29.	Licence application PML 183900/EZ acceptance letter from Mining Commission dated 11 October 2023.
30.	Licence application PML 183904/EZ acceptance letter from Mining Commission dated 11 October 2023.

31.	Licence application PML 189568/EZ acceptance letter from Mining Commission dated 11 October 2023.
32.	Licence application PML 189565/EZ acceptance letter from Mining Commission dated 11 October 2023.
33.	Mine manager appointment form undated and unsigned.
34.	Letter issued by the Mining Commission detailing the Primary Mining Licence obligations dated 12 October 2023.
35.	Introduction letter issued by the Mining Commission dated 12 October 2023.
36.	List of applications and licences held by Exceptional Graphite Resources Limited updated on 30 May 2024.
37.	Integrity pledge signed by Exceptional Graphite Resources Limited under the Integrity Pledge Regulations for Prospecting Licence PL12043/2022 dated 13 September 2022.
38.	Integrity pledge signed by Exceptional Graphite Resources Limited under the Integrity Pledge Regulations for Prospecting Licence PL12150/2022 and PL12151/2022 dated 15 November 2022.
39.	Integrity pledge signed by Exceptional Graphite Resources Limited under the Code of Conduct Regulations dated 11 September 2022.
40.	Bill of payment for second annual rent for Prospecting Licence PL 12043/2022 dated 11 October 2023.
41.	Exchequer Receipt for payment of second annual rent for Prospecting Licence PL 12043/2022 dated 11 October 2023.
42.	Bill of payment for second annual rent for Prospecting Licences PL 12150/2022 and PL 12151/2022 dated 05 January 2024.
43.	Exchequer Receipt for payment of second annual rent for Prospecting Licences PL 12150/2022 and PL 12151/2022 dated 05 January 2024.
44.	Bill of payment for preparation fees and first annual rent for Primary Mining Licences PML 183892/EZ, PML 183900/EZ, PML 183904/EZ, PML 189565/EZ and PML 189568/EZ dated 26 September 2023.
45.	Exchequer Receipt for payment of preparation fees and first annual rent for Primary Mining Licences PML 183892/EZ, PML 183900/EZ, PML 183904/EZ, PML 189565/EZ and PML 189568/EZ dated 26 September 2023.
46.	Exchequer Receipt for payment of preparation fees and first annual rent for Primary Mining Licences PML 183892/EZ, PML 183900/EZ, PML 183904/EZ, PML 189565/EZ and PML 189568/EZ dated 26 September 2023.
47.	Exchequer Receipt for payment of annual rent for Primary Mining Licences PML 2116MOR dated 02 November 2023.
48.	Guideline for Submission of Local Content Plan for Prospecting Licence PL 12043/2022 dated 13 September 2022.

49.	Guideline for Submission of Local Content Plan for Prospecting Licence PL 12150/2022 dated 14 November 2022.
50.	Guideline for Submission of Local Content Plan for Prospecting Licence PL 12151/2022 dated 14 November 2022.
51.	Work plan, Procurement plan and Employment and Training Programme.
52.	Exceptional Graphite Resources Limited Local Content 2022 Annual Performance Report.
53.	Exceptional Graphite Resources Limited Local Content 2023 Annual Performance Report.
54.	Exceptional Graphite Resources Limited Local Content Q3 2022 Performance Report.
55.	Exceptional Graphite Resources Limited Local Content Q4 2022 Performance Report.
56.	Exceptional Graphite Resources Limited Local Content Q1 2023 Performance Report.
57.	Exceptional Graphite Resources Limited Local Content Q2 2023 Performance Report.
58.	Exceptional Graphite Resources Limited Local Content Q3 2023 Performance Report.
59.	Exceptional Graphite Resources Limited Local Content Q4 2023 Performance Report.
60.	Exceptional Graphite Resources Limited Local Content Q1 2024 Performance Report.
61.	Exceptional Graphite Resources Limited Local Content Q2 2024 Performance Report.
62.	Exceptional Graphite Resources Limited Local Content Q3 2024 Performance Report.
63.	Letter issued by the Mining Commission confirming submission of Local Content 2023 Annual Performance Report dated 08 January 2024.
64.	Letter issued by the Mining Commission confirming submission of Local Content Q2 2024 Performance Report dated 09 September 2024.
65.	Letter issued by the Mining Commission confirming submission of 2024 Local Content Plan dated 09 September 2024.
66.	Local Content Submission Declaration Form dated 09 September 2024.
67.	Letter issued by the Mining Commission confirming submission of Local Content Q3 2024 Performance Report dated 10 December 2024.
68.	2023 Local Content Plan part 1.

For personal use only

69.	2023 Local Content Plan part 2.
70.	2023 Local Content Plan part 3.
71.	2023 Local Content Plan part 4.
72.	2023 Local Content Plan part 5.
73.	2023 Local Content Plan part 6.
74.	2023 Local Content Plan part 7.
75.	2023 Local Content Plan part 8.
76.	2023 Local Content Plan part 9.
77.	2023 Local Content Plan part 10.
78.	2023 Local Content Plan part 11.
79.	2023 Local Content Plan part 12.
80.	2023 Local Content Plan part 13.
81.	2023 Local Content Plan part 14.
82.	2024 Local Content Plan part 4.
83.	2024 Local Content Plan part 5.
84.	2024 Local Content Plan part 6.
85.	2024 Local Content Plan part 9.
86.	2024 Local Content Plan part 10.
87.	2024 Local Content Plan part 11.
88.	2024 Local Content Plan part 12.
89.	2024 Local Content Plan part 13.
90.	2024 Local Content Plan part 14.
<b>ENVIRONMENT, HEALTH AND SAFETY</b>	

1.	No documents have been reviewed.
<b>REGULATORY COMPLIANCE</b>	
1.	Taxpayer identification number (TIN) certificate with certificate number 396097 issued on 04 April 2022.
2.	Business licence issued by BRELA with business licence number 20000074602 and a validity period from 03 September 2024 to 18 May 2025.
3.	Business licence issued by Mwanza city council with business licence number 4131533 and a validity period from 09 May 2022 to 08 May 2023.
4.	Tax clearance certificate issued by TRA with tax certificate number 261-0127-8105 valid until 31 December 2022.
5.	Tax clearance certificate issued by TRA with tax certificate number 261-0214-5082 valid until 31 December 2024.
<b>REAL PROPERTY/SURFACE RIGHTS</b>	
1.	No documents have been reviewed.
<b>EMPLOYMENT AND CONTRACTING ARRANGEMENTS</b>	
1.	Draft employment agreement between the Company and Hashimu Musedem Millanga.
<b>LITIGATION AND DISPUTES</b>	
1.	No documents have been reviewed.
<b>OTHER GENERAL ISSUES</b>	
1.	No documents have been reviewed.

For personal use only

### Schedule 3 – Searches undertaken

For the purposes of this Report, we have undertaken the following searches in respect of the Company:

1. Registry of Companies: Custom search report dated 21 January 2025 and Standard search report dated 06 September 2024 (**Company Search Reports**);
2. Mining Commission: Search report dated 28 February 2025 (**Tenement Search Report**); and
3. RITA: Insolvency search report lodged on 20 January 2025 and issued on 07 March 2025 (**Insolvency Search Report**).

For personal use only

**Schedule 4 – Withholding tax**

Category of payment	Resident	Non-resident
Dividend <ul style="list-style-type: none"> <li>Made by resident corporation to another resident corporation where the receiving corporation holds 25% or more of the shares</li> <li>Made by corporation listed on Dar es Salaam Stock Exchange</li> <li>Made by other corporations</li> </ul>	5% 5% 10%	n/a 5% 10%
Payment made to a resident individual who is a holder of primary mining licence or artisanal miner for sale of minerals	2%	n/a
General Insurance premium	0%	5%
Payment made to a Local Government Authority, local community or any resident individual in respect of verified carbon emission reduction	10%	n/a
Interest	10%	10%
Money transfer commission paid to money transfer agent	10%	n/a
Natural resource payment	15%	15%
Payments for goods by the Government of Tanzania	2%	n/a
Rent <ul style="list-style-type: none"> <li>Land, buildings, construction equipment or machinery and aircraft lease</li> <li>Other assets</li> </ul>	10% n/a	10% 15%
Royalty	15%	15%
Payment on professional and other service fee	5%	15%
Technical and management services to mining companies	5%	15%
Commission, fees and other charges to commercial bank agent or digital payment agent	10%	n/a
Agricultural, livestock and fishery products	2%	n/a
Directors fee (other than full time directors)	15%	15%

**Schedule 5 – Extract of section 56 of the Income Tax Act, 2004**

56 (1) Where the underlying ownership of an entity changes by more than fifty percent as compared with that ownership at any time during the previous three years, the entity shall be treated as realising any assets owned and any liabilities owed by it immediately before the change.

(2) Subject to the provisions of subsection (4), where there is a change in ownership of the type referred to in subsection (1), after the change the entity shall not be permitted to -

- (a) deduct a loss under section 19(1) that was incurred by the entity prior to the change;
- (b) in a case where the entity has, prior to the change, included an amount in calculating income in terms of section 25(2) or (4), claim a deduction under those provisions after the change;
- (c) carry back a loss under section 26(3) that was incurred after the change to a year of income occurring before the change;
- (d) reduce under section 36(3) gains from the realisation of investment assets after the change by losses on the realisation of investment assets before the change; or
- (e) carry forward foreign income tax under section 77(3) that was originally paid with respect to foreign source income derived by the entity prior to the change.

(3) Where there is a change in ownership of the type referred to in subsection (1) during a year of income of the entity, the parts of the year of income before and after the change shall be treated as separate years of income.

4) The provisions of subsection (2) shall not apply where for a period of two years after a change of the type mentioned in subsection (1), the entity -

- (a) conducts the business or, where more than one business was conducted, all of the businesses that it conducted at anytime during the twelve month period before the change and conducts them in the same manner as during the twelve month period; and
- (b) conducts no business or investment other than those conducted at anytime during the twelve month period before the change.

(5) The preceding provisions of this section shall not apply where change of underlying ownership referred to in subsection (1)-

- (a) is a result of allotment of new membership interest in the resident entity; or
- (b) is a sole result of transfer of membership interest of a resident entity to another resident person

(6) The entity shall have the duty to report to commissioner immediately before and after the changes referred to under subsection (1) had occurred.

**Schedule 6 – Extract of Third Schedule of the Environmental Management Act, 2004**

## Type of Projects

1. General:
  - a. any activity out of character with its surrounding;
  - b. any structure of a scale not in keeping with its surrounding; and
  - c. major changes in land use.
2. urban development;
3. transportation;
4. dams, rivers and water resources;
5. aerial spraying;
6. mining, including quarrying and open-cast extraction;
7. forestry related activities;
8. agriculture including;
9. processing and manufacturing industries including;
  - a. electrical infrastructure.
10. management of hydrocarbons including the storage of natural gas and combustible or explosive fuels;
11. waste disposal;
12. natural conservation areas;
13. nuclear Reactors;
14. major development in biotechnology including the introduction and testing of genetically modified organisms; and
15. any other activity as may be prescribed in the regulations.

## 8.2 Australian Independent Solicitor's Report

For personal use only

11 March 2025

The Directors  
InVert Graphite Limited  
c/- Company Matters Pty Limited  
Level 21, 10 Eagle Street  
BRISBANE QLD 4000

Dear Directors

## Prospectus – Solicitors' Report on Tenements

This Report is prepared for inclusion in a Prospectus to be dated on or about 12 March 2025 (**Prospectus**) and issued by InVert Graphite Limited ACN 101 955 088 (**InVert**) offering for subscription up to 116,666,667 ordinary shares at an offer price of \$0.03 each to raise up to \$3,500,000, with a minimum subscription of 110,000,000 shares at an offer price of \$0.03 each to raise \$3,300,000.

### 1. Scope of the Report

The Report relates to:

- 1.1 the registered and unregistered interests (including contractual interests) of InVert, Exceptional Graphite (Aust) Pty Ltd ACN 667 051 372 (**Exceptional Graphite**) and the current registered holder White Hill Resources Pty Limited ACN 152 253 284 (**White Hill**) in respect of the South Australian Exploration Licences (**EL**) identified in Part 1 of the Schedule to this Report (**Tenements**);
- 1.2 the contracts relating to the Tenements which InVert has identified to us as being material contracts to which any one or more of InVert, Exceptional Graphite and White Hill is a party (**Material Contracts**) and which are summarised in Section 10.9(b) of the Prospectus; and
- 1.3 any claims lodged with (and determinations or other interests registered by) the National Native Title Tribunal (**NNTT**) relating to the land the subject of the Tenements.

### 2. Searches

#### 2.1 Title Searches

We have reviewed the results of searches of the Tenements conducted by the South Australian Department for Energy and Mining (**DEM**) of the register maintained by DEM pursuant to the *Mining Act 1971* (SA) (**SA Mining Act**). The searches were conducted on 10 March 2025.

The key results of those searches are summarised in Part 1 of the Schedule to this Report.

As a result of those searches and our review of the Material Contracts, we consider that this Report (subject to the statements set out in this Report) provides an accurate statement of the status of White Hill's current interests (and subject to the Material

Contracts, the potential interests of InVert and Exceptional Graphite, respectively) in the Tenements as at the date those searches were conducted.

As noted above, White Hill is the registered holder of the Tenements. InVert holds a contractual right to acquire all of the issued shares in Exceptional Graphite (pursuant to the Term Sheet summarised in Section 10.9(b) of the Prospectus (**Term Sheet**)), and Exceptional Graphite has a contractual right to acquire the Tenements (pursuant to the Tenement Purchase Agreement summarised in Section 10.9(b) of the Prospectus (**Tenement Purchase Agreement**)). The rights of each of InVert and Exceptional Graphite depend upon all relevant parties complying with, and fulfilling the terms of, the Term Sheet and the Tenement Purchase Agreement respectively, and satisfaction if applicable, or waiver of all conditions precedent contained in them.

## 2.2 Native Title Searches

We have reviewed the results of searches conducted by the NNTT of the Register of Native Title Claims maintained by the NNTT in respect of the land covered by the Tenements. The searches were conducted on 10 March 2025.

The key results of those searches are summarised in Part 2 of the Schedule to this Report.

## 2.3 Material Contracts

We have not separately summarised in this Report the terms of the Material Contracts described in Section 10.9(b) of the Prospectus, nor have we reviewed those summaries.

## 3. Assumptions and Qualifications

This Report (including the Schedule) is based on, and is subject to, the assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

- 3.1 In compiling this Report, we have relied upon the accuracy, completeness and currency of information provided by third parties, including DEM, the NNTT and InVert and its representatives and agents, in response to enquiries and searches made, or caused to be made, by us. We cannot comment on whether any changes have occurred in respect of the Tenements between the date on which the information was provided to us and the date of the Prospectus.
- 3.2 The references in Part 1 of the Schedule to this Report to the areas of the Tenements are taken from details shown on the searches we have obtained from DEM. No independent survey was conducted to verify the accuracy of those areas.
- 3.3 We have assumed that the granted Tenements have been validly granted and that the relevant Minister and any persons exercising delegated authority in relation to the grant have acted within the scope of their powers and discretions.
- 3.4 Where Ministerial consent is required in relation to any agreements or the transfer of any Tenement, we express no opinion as to whether such consent will be granted or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused.

- 3.5 We make the following assumptions in relation to the Material Contracts:
- (a) the Material Contracts detailed in Section 10.9(b) of the Prospectus are the only material contracts in relation to the Tenements;
  - (b) the Material Contracts are duly executed and have been, or are in the course of being, stamped and lodged in compliance with the relevant legislation, noting that a transfer of mining tenements (and including the Tenement Purchase Agreement) is not dutiable under South Australian stamp duties legislation;
  - (c) the authenticity of all seals and signatures on the Material Contracts;
  - (d) the Material Contracts are within the capacity and powers of, have been validly authorised, executed and delivered by, and are binding on, each of the parties to them;
  - (e) each party to each of the Material Contracts had, and has, full corporate power and lawful authority to observe and perform all of its obligations under them;
  - (f) each Material Contract comprises the entire agreement of the parties;
  - (g) the parties to each of the Material Contracts are complying with and will continue to comply with and fulfil the terms of the Material Contracts; and
  - (h) the representations made by third parties (including InVert, its representatives and agents) in relation to the Material Contracts are true and correct.
- 3.6 Unless non-compliance with the terms and conditions of any Tenement and the provisions of the SA Mining Act or the *Mining Regulations 2020 (SA)* (**SA Mining Regulations**) is disclosed on the face of the searches referred to in paragraph 2, we express no opinion as to such compliance.
- 3.7 Native title or Aboriginal heritage sites may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title determinations and claims have been registered over these areas, we have not undertaken the considerable legal, historical, anthropological and ethnographic research which would be necessary to determine if additional claims are likely, or to form an opinion as to whether the existing or any future claims for native title will succeed and, if so, what the implications would be for InVert.

As at the date of this Report, and subject to the assumptions and qualifications outlined above, O'Loughlins Lawyers are of the opinion that this Report provides an accurate summary of the standing of the Tenements.

#### 4. Tenements – General Comments

In South Australia ELs are issued subject to standard conditions under the SA Mining Act, the SA Mining Regulations, and the terms and conditions prescribed by the Minister from time to time.

#### 4.1 Exploration Licences

The standard EL conditions under the SA Mining Act, the SA Mining Regulations and the terms and conditions prescribed by the Minister from time to time include the following key conditions:

- (a) The Tenements, as ELs, authorise exploratory operations of the kind described in the EL in respect of land over which they are granted, except exploratory operations for extractive minerals (being sand, gravel, stone, shell, shale or clay) or precious stones (being opal and other minerals designated as such for the purposes of the *Opal Mining Act 1995* (SA)).
- (b) An EL may be granted for a period of up to six years (and if for a lesser period can be renewed so as not to exceed six years in aggregate during the initial term). The EL can then be renewed on a six yearly basis (in aggregate) up to a maximum aggregate of 18 years, with the area of the EL to be reduced by 50% at the twelfth anniversary of the grant of the EL. The holder of an EL can also apply for retention status for a period of up to six years pending application for a mining lease or retention lease, in certain circumstances.
- (c) The maximum area of an EL is 1,000 square kilometres, but there is Ministerial discretion to grant an EL over a larger area in some circumstances. The SA Mining Act allows a holder to subdivide an area of an EL and to surrender the area on the condition that it is granted to a nominated third party, subject to the conditions as set out.
- (d) The Minister may, at any time, require the holder to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by that person as a result of operations conducted in pursuance of the EL.
- (e) The licensee must comply with all technical exploration reporting, compliance and incident reporting obligations as specified.
- (f) The licensee shall conduct operations so as not to disturb the environment except in so far as this may be necessary to undertake the programme of exploration required by the EL, and must conduct operations under the EL in accordance with a programme for environment protection and rehabilitation (**PEPR**) approved from time to time by the Minister. Unless otherwise specified under conditions of the EL, in respect of proposed activities in certain sensitive areas as specified in the licence conditions, all low impact exploration activities must be undertaken in accordance with the standard low impact mineral exploration PEPR approved by the Minister under Part 10A of the SA Mining Act.

Prior to conducting exploration activities outside of the scope of the generic low impact exploration PEPR, application must be made and a PEPR submitted in accordance with Part 10A and approved in writing by the Minister (or delegate), as applicable, and may include a requirement for a rehabilitation bond, as part of the approval of an advanced exploration PEPR. Audit and environmental protection provisions are included, together with penalties for failing to comply with Part 10A.

We are instructed that White Hill's activities to date (as outlined in Section 2.10 of the Prospectus) have fallen within the scope of the activities permitted under the generic PEPR, being the standard low impact mineral exploration PEPR approved by the Minister under Part 10A of the SA Mining Act, as referred to above. Where, as indicated in Section 2.10 of the Prospectus as referred to above, operations such as the undertaking of drilling activity are subsequently proposed which are not within the scope of the generic PEPR (being not limited to 'low impact operations' defined in the SA Mining Act as not reasonably expected to have any significant adverse impact on the environment, and which are instead 'advanced exploration operations' using 'declared equipment', or which may affect certain sensitive locations, as specified in the licence conditions for the Tenements, such as a wetland of national importance, State Heritage Place or Area, Native Vegetation Heritage Agreement Area, or activities within 100m of a Conservation Park, and other designated sensitive locations), then a PEPR will need to be prepared and submitted for approval at that time, in order for those works to be undertaken.

- (g) The licensee must comply with conditions imposed in relation to groundwater protection and water resource management.
- (h) The terms and conditions of an EL may be varied (subject to certain rights of the licensee to appeal to the Environment, Resources and Development Court) upon renewal or at any time during its term, and an EL may be suspended or cancelled where the licensee contravenes or fails to comply with any provision of the SA Mining Act or any condition of the EL.
- (i) An EL confers no right to carry out mining operations on native title land unless:
  - (1) the mining operations do not affect native title (that is, are wholly or partially inconsistent with the continued existence or enjoyment of native title rights);
  - (2) a declaration is made under a law of a State or the Commonwealth that the land the subject of the EL is not subject to native title;
  - (3) an agreement has been reached with the native title parties that authorises the mining operations; or
  - (4) a determination authorising the mining operations is made under Part 9B of the SA Mining Act.
- (j) The holder of an EL must comply with minimum expenditure commitments prescribed by the SA Mining Act (**expenditure commitment**) and the Minister has powers to manage expenditure commitments under those provisions. A holder may apply for an amalgamation of expenditure requirements across multiple tenements (Amalgamated Expenditure Arrangements, or AEA) to reduce the total aggregated commitment across a group of tenements, as applicable.

Having regard to the specified minimum expenditure requirements applicable to the Tenements, as identified in the Tenement Schedule in Part 1 of the Schedule, at least 60% of the expenditure commitment must be spent on on-

ground work or obtaining and/or using new information, so that a maximum of 40% can be spent on reviews of existing data. This minimum 60% requirement does not apply during the first two years of exploration on an EL (for the Tenements, this initial period expired on 8 June 2024) enabling a party to undertake predominantly preparatory work or land access negotiations during that initial period, and may upon application, if it can be appropriately justified, be reset at a lower level if exploration on an EL needs to revert to early phase work (such as on the sale of an EL to a new party). Given the minimum expenditure requirements as outlined above and in the Tenement Schedule in Part 1 of the Schedule to this Report (for the 2 year period commencing 9 June 2024), and having regard to the allocation of and proposed use of funds by InVert across the Tanzanian and White Hill projects in the 2 year period from InVert's reinstatement to quotation on ASX (as identified in Section 2.11 of the Prospectus), we conclude that, subject to the matters outlined below, all funds allocated to the Tenements to be spent in matters regarding the Tenements will be legally able to be spent for those purposes, subject to continued compliance with the terms of the Tenements. Access to land for exploration activities will depend on the location of the proposed activities, compliance with applicable PEPR requirements (refer to paragraph 4.1(f) of this Report) and obtaining all necessary consents, as outlined in paragraph 4.1(m) below, and if applicable, native title approvals (refer our comments in paragraph 5.4 of this Report).

Under the Mining Act, where an expenditure commitment for an EL has not been met during the relevant two yearly expenditure return period (and an expenditure deferment or variation has not been approved), then a 25% area reduction is generally applicable for a first offence, with a 50% area reduction applicable for a second offence, and for a third offence licence cancellation is generally recommended. By instruments endorsed on the mining register on 31 October 2024 and outlined in Notes 3.1-3.4 (inclusive) to Part 1 of the Schedule to this Report (**Instruments**), the Minister imposed upon White Hill a Tier 1 area reduction of 25% in respect of each of the Tenements, as a result of its failure to meet the expenditure commitment during the first two years of the term of each Tenement, further details of which are set out in Notes 3.1-3.4 (inclusive) to Part 1 of the Schedule to this Report, with a 50% reduction to therefore apply in respect of any future failure to meet expenditure requirements (without successfully applying for variation or deferment).

- (k) Within South Australia there are three exploration regulation fee zones. From 1 July 2024, the annual fee for an EL within Exploration Regulation Fee Zone 1 (in which the Tenements are situated) is currently \$647 for each Tenement or \$15 per square kilometre (or part thereof) per year, whichever is greater.
- (l) An EL may not be transferred without the written consent of the Minister, with provision for registration of tenement dealings on the mining register. In order to effect the transfer of the Tenements to Exceptional Graphite (or indeed, a subsequent transfer of the Tenements to a third party), it will therefore be necessary to obtain Minister's consent to the dealing, including to lodge a transfer in the required form. The proposed transferee must provide, amongst other things, a statement of the technical, operational and financial capabilities and resources available to it for the purposes of carrying out operations under the Tenement, together with a statement outlining any contravention by the

transferee or related body corporate of, or failure to comply with, a provision of the Mining Act or corresponding law, in connection with authorised operations carried out in the preceding five years. A compliance report must be provided relating to the period between the last reporting period for the EL (annual activity summary and technical reporting applies, and two yearly expenditure return as noted above) and the date of the application for consent to transfer, except in the case of work performed under a generic PEPR for low impact mineral exploration, as is here the case, unless specifically required otherwise by the Minister or delegate. The transferee must nominate the principal mineral or minerals sought under the EL and the exploration model that it intends to employ for that purpose. Although the transfer is not subject to stamp duty in South Australia, a lodgement fee of \$691 (base fee) applies together with the sum of \$1,684 (where, as is the case for an EL, the estimated rehabilitation liability as set out in the approved PEPR is less than \$10 million). Minister's consent has been sought, however it is not possible to provide an expected timeframe for this process at this time.

If, as a condition precedent, Minister's consent is obtained to the transfer of the Tenements to Exceptional Graphite in accordance with the terms of the Tenement Purchase Agreement, and if all other conditions precedent under the Term Sheet and the Tenement Purchase Agreement respectively are satisfied or (if applicable) waived, such that completion is able to be effected under each of the Term Sheet and the Tenement Purchase Agreement, then upon completion Exceptional Graphite will obtain the beneficial ownership (and be entitled to be registered in the mining register as the legal holder) of the Tenements. From completion until registration White Hill will hold its rights as legal holder of the tenements on trust for Exceptional Graphite, as provided in the Tenement Purchase Agreement. As DEM will already hold the signed transfer (as lodged for the purpose of obtaining Minister's consent) in escrow pending completion, upon completion DEM will be notified so that the transfer can then be formally noted upon the register. The register currently notes that transfer applications have been received for consent in respect of the Tenements, and that the decision is pending (see Note 1.10 to Part 1 of the Schedule to this Report).

- (m) The tenement holder must give written notice to landholders of the relevant land (including native title holders) before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the SA Mining Act, with additional requirements imposed for certain 'exempt' land (for example including inter alia within a prescribed distance from a residence, building or other specific structure or land otherwise used for specified purposes).

We understand from Section 2.10 of the Prospectus that no on-ground activities have been undertaken by White Hill to date, such that the holder will need to comply with the land access provisions of the SA Mining Act prior to undertaking activities on the Tenements. We further understand that there have been no access agreements previously in place or currently in place, given that previous work on the Tenements has utilized historic drill core data, with the recognition that future exploration activities as proposed to be undertaken will require submission of both a PEPR works approval for consideration by DEM, and applicable landowner access agreements to be negotiated. For that reason, we are instructed that in order to ensure that

works can continue at least initially along road verges, (with agreements to be put in place with local governments and councils) InVert intends to initially drill on roadsides with permission from local councils, such that exploration activities may then proceed in accordance with SA Mining Act minimum expenditure obligations outlined above, and with the use of funds statements as included within the Prospectus. In the event that investigations are subsequently required to be undertaken on private land, the land access will need to be negotiated at that time in accordance with the guidelines, procedures and protocols of DEM in respect of negotiation of access to privately held land, subject of course to the 'exempt land' status as outlined above.

Further conditions are specified in the licence for each EL. These conditions are summarised in Part 1 of the Schedule to this Report.

By way of summary, except for the expenditure commitment non-compliance as referred to above, and which has been addressed by reduction of area, the mining register does not indicate any outstanding obligations or identified non-compliance with the terms of the Tenements. The Tenements would therefore appear, following the area reductions effected by the Instruments, and subject to the assumptions and qualifications set out in paragraph 3 of this Report, to be in good standing from a mining regulatory point of view, assuming that the legal obligations required under the SA Mining Act have been met, and noting that there appears to be no claim for cancellation or forfeiture of the Tenements. We are not aware that there are outstanding reporting requirements for the Tenements as at the date of this Report, and as noted in Part 1 of the Schedule to this Report, except for the Instruments, there are no caveats, agreements or arrangements currently registered against the Tenements.

#### 4.2 Mining Lease

The Minister may grant a mining lease (**ML**) to the holder, or a related body corporate of the holder of, and in respect of the whole or part of the land comprised in, a registered mineral claim (**MC**), retention lease (**RL**) or EL. An MC allows exploration or prospecting in a claim area for 12 months, and an RL is granted including where, in the opinion of the Minister, the applicant is justified in not proceeding directly to mine the land pursuant to an ML. A miscellaneous purposes licence (**MPL**) can be granted as an ancillary tenement to mining operations to carry out associated purposes, such as for infrastructure corridors. An ML gives the holder the exclusive right to carry out mining operations subject to provisions of the SA Mining Act and the terms and conditions of the ML for the recovery of minerals from the land comprised in the ML, and authorises the holder to sell, or dispose of, minerals recovered in the course of mining operations carried out under the ML or to use any such minerals.

- (a) An ML may be granted for a period as determined by the Minister and specified in the ML. Subject to compliance with the SA Mining Act and ML terms and conditions, an ML may be renewed for a term determined by the Minister and specified in the ML. There is no specified limit for the area of an ML, which may be determined by the Minister having regard to the requirements for mining the mineral resource effectively and efficiently.
- (b) Conditions are imposed in relation to the use of the ML area, program for mining and rehabilitation, as well as notice and compensation requirements.

The Minister may, at any time, require the holder to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by that person as a result of operations conducted in pursuance of the ML.

- (c) Mining operations must be conducted in accordance with an approved PEPR which must be prepared in accordance with the relevant ministerial determination for the ML and mineral regulatory guideline. As noted above, Part 10A of the SA Mining Act sets out obligations for operational approvals in the form of a PEPR, as well as obligations to provide adequate information about the authorised operations to be conducted under the ML, to ensure that authorised operations that have (or potentially have) adverse environmental impacts are properly managed to reduce those impacts as far as reasonably practicable and eliminate, as far as reasonably practicable, risk of significant long-term environmental harm, as well as to ensure that land is properly rehabilitated. As part of a PEPR approval, a rehabilitation bond may be required for the purpose of guaranteeing the holder's undertakings as set out in the PEPR and requirements are imposed in respect of audit and environmental protection provisions and penalties for failing to comply with Part 10A.
- (d) The lessee must comply with conditions imposed in relation to the proper working of the mine, environmental protection standards and requirements, reporting obligations together with the preparation of plans relating to mine operation, rehabilitation and closure, and other specific conditions which may be set out in the lease document. An ML may be suspended or cancelled where the lessee contravenes or fails to comply with any provision of the SA Mining Act or any condition of the ML.
- (e) An ML may not be granted over native title land unless the mining operations to be carried out are authorised by a pre-existing agreement or determination registered under Part 9B of the SA Mining Act, or an indigenous land use agreement has been registered under the *Native Title Act 1993* (Cth) for that purpose, or a declaration is made under a law of a State or the Commonwealth that the land the subject of the ML is not subject to native title.
- (f) An ML may not be transferred without the written consent of the Minister. A person who intends to apply for an ML must give written notice to the landholders of the relevant land (including native title holders) of the intention to apply for the ML, and of the intention to enter the land to carry out authorised operations if the application is granted. In the event that an ML is obtained in respect of the ELs, or either of them the holder of an ML is liable to pay an annual fee of \$387, together with a rental of \$293 or \$78 per hectare (or part thereof) whichever is the greater.
- (g) A royalty is payable on minerals recovered, sold or intended for sale at a rate of 3.5% or 5% (depending on mineral type) of the value of the minerals. The applicable rate of royalty depends upon the type of mineral recovered, sold or intended for sale and is payable at a rate of, for example 3.5% (for industrial minerals, including rare earths) or 5% (for declared mineral ores or concentrates, and which also includes, as applicable, rare earth oxides (including mixed rare earth carbonates)) of the value of the minerals as calculated in accordance with the SA Mining Act.

- (h) A mining proposal may be subject to the 'impact assessed development' requirements under the *Planning, Development and Infrastructure Act 2016* (SA), and may also trigger requirements under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

## 5. Native Title

### 5.1 Introduction

The decision of the High Court of Australia in *Mabo v Queensland (No 2)* (1992) 175 CLR 1 (**Mabo**) recognised the concept of Aboriginal native title to land where those rights survived the acquisition of sovereignty by non-indigenous people.

Following *Mabo*, native title rights were recognised where the claimants could establish that they have enjoyed certain customary rights and privileges in respect of a particular area of land and that they have continuously maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished.

The *Native Title Act 1993* (Cth)<sup>1</sup> (**NTA**) was enacted in response to *Mabo* to regulate dealings with native title land. The NTA commenced on 1 January 1994 and was substantially amended in 1998 by the *Native Title Amendment Act 1998* (Cth) in response to the High Court of Australia decision of *Wik Peoples v Queensland* (1996) 187 CLR 1 (**Wik**). In summary, the NTA currently provides a legislative framework to:

- (a) regulate the recognition, protection and extinguishment of native title;
- (b) validate past acts (including pastoral leases, mining tenements and ancillary titles) granted before 1 January 1994 which might otherwise be invalid due to native title;
- (c) validate intermediate period acts granted between 1 January 1994 and 23 December 1996, which might otherwise be invalid due to native title;
- (d) authorise valid acts in relation to native title lands occurring after the introduction of the NTA on 1 January 1994;
- (e) provide for a negotiation process between government, native title and non-native title parties in relation to certain future uses of native title lands; and
- (f) compensate for the extinguishment or impairment of native title.

---

<sup>1</sup> We note the *Native Title Legislation Amendment Act 2021* (Cth) passed by Parliament on 3 February 2021 (and assented to on 16 February 2021) as part of a review of the NTA. Most of the measures commenced on 25 March 2021, and the remainder on 25 September 2021, and largely relate to changes to requirements for and scope of ILUAs (including to cover certain areas where native title has been extinguished), validity of agreements entered into pursuant to the NTA, changes to compensation arrangements and provisions, and to address in certain cases past extinguishment over Crown land (such as a national park).

In 2002 native title rights were further considered by the High Court of Australia in *Western Australia v Ward* (2002) 191 ALR 1. The High Court confirmed (in relation to the facts of that case) that:

- (a) native title interests may be seen as a bundle of rights, each of which is capable of being extinguished;
- (b) the rights of land users (including under a validly granted mining lease) and the rights of native title parties can co-exist, however where these rights conflict, certain rights of the native title claimants must yield to the rights conferred by the grant of the mining lease (in this case); and
- (c) no native title rights to minerals or petroleum could be recognised (on the facts of this case) because there was no evidence of any traditional Aboriginal law, custom or use in relation to minerals or petroleum.

Subsequent High Court decisions have further considered these issues. For example, in the case of *Western Australia v Brown* [2014] HCA 8 the High Court examined the issues of co-existence of mining rights and native title rights, and of whether, and to what extent, native title rights would be considered to be extinguished, having regard to any inconsistency between the rights of the tenement holder and those of the native title holders. In the case of *State of Queensland v Congoo* [2015] HCA 17 the High Court again considered issues relating to extinguishment of native title rights and co-existence where statutory rights and native title rights are not inconsistent. The High Court decision in the Timber Creek case (*Northern Territory of Australia v Mr A Griffiths (deceased) and Lorraine Jones on behalf of the Ngaliwurru and Nungali Peoples & Anor* [2019] HCA 7) considered the issue of compensation payable under the NTA for extinguishment of native title rights. The recent Federal Court decision of *Yunupingu v Commonwealth* [2023] FCAFC 75 concerned issues relating to extinguishment of native title by grant of interests in unalienated Crown land and is currently on appeal to the High Court.

## 5.2 Extinguishment of Native Title

The common law of Australia provides that upon acquisition of sovereignty by the Crown, native title became vulnerable to extinguishment by legislative or executive actions of Government which manifested a clear and plain intention to extinguish native title. Valid alienation of land by the Crown, such as the granting of an interest which is wholly or partly inconsistent with a continuing right to enjoy native title, extinguishes native title to the extent of any inconsistency.

The NTA regulates the extinguishment of native title by the Commonwealth. In this regard, the NTA provides that 'previous exclusive possession acts' (including grants of freehold or possession on the holder) will have completely extinguished native title. 'Previous non-exclusive possession acts' (including grants of leasehold interests that conferred non-exclusive possession on the holder, such as many pastoral leases) will only have extinguished native title to the extent of any inconsistency between the native title rights and the rights conferred under the grant.

Since the NTA only provides for extinguishment of native title by the Commonwealth, State and Territory Governments enacted complementary native title legislation to regulate the extinguishment of native title in that State or Territory. The relevant South Australian legislation is considered in paragraph 5.3.

### 5.3 Validity of Title

Under the NTA tenements granted prior to 1 January 1994 are deemed to be valid and native title is suspended by their grant. Mining tenements granted in the period 1 January 1994 and 23 December 1996, which may otherwise have been invalid due to non-compliance with the NTA, are deemed to be valid under the NTA so far as the tenements were granted over land the subject of a pastoral lease or other prescribed leasehold land.

The validity of titles, permits or approvals granted on or after 1 January 1994 generally depends on compliance with the NTA future act procedure.

Under the NTA the grant of a mining tenement after 1 January 1994 is generally a future act if it affects native title, that is if it extinguishes native title rights and interests or it is wholly or partly inconsistent with their continued existence, enjoyment or exercise. Where there is no previous right to have a licence granted, all future acts which create a 'right to mine' (as defined in the NTA) will only be valid if the relevant future act procedures, including compliance with the right to negotiate (**RTN**) process, under the NTA are adhered to.

The RTN process consists of a statutory period of negotiation between the relevant Government party, the native title party and the grantee, during which time the parties must negotiate in good faith. If negotiations fail to resolve any dispute as to the grant of the relevant interest, the NNTT (as the arbitral body) will make a determination as to whether the grant may proceed (and if so, on what conditions). Subject to Federal Ministerial intervention or the agreement of the parties, the decision of the NNTT will determine whether the interest is granted. Tenements which have been granted under the future act procedures of the NTA may be renewed provided there is no expansion of the rights granted and, in particular, no increase in the area, additional extension of the term or creation of new rights.

In relation to certain future acts an expedited procedure may be followed (if it is not successfully objected to) provided the grant is not likely to directly interfere with the native title holders' community or social activities, interfere with areas or sites of particular significance or involve major disturbance to land or waters or create rights whose exercise is likely to do so.

The RTN process is not required to be followed in circumstances where the expedited procedure applies or where an Indigenous Land Use Agreement (**ILUA**) is negotiated with the relevant Aboriginal people and registered with the NNTT, in which case the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement.

As noted above, the NTA provides for the enactment by State Governments of alternative legislation for the validation of past acts and intermediate period acts which are attributable to that State. In addition, as noted above, as the NTA only provides for extinguishment and validation of native title by the Commonwealth, each State and Territory Government enacted complementary native title legislation substantially enacting the provisions of the NTA.

(a) **South Australia**

In 1996 the *Native Title (South Australia) Act 1994* (SA) amended the SA Mining Act to provide an alternate and complementary State-based system which largely replaces the operation of the RTN process under the NTA in South Australia. Part 9B of the SA Mining Act acts in conjunction with the NTA and allows the South Australian Government to validate past acts which might otherwise be invalid due to native title.

The *Native Title (South Australia) (Validation and Confirmation) Amendment Act 2000* (SA) (**SA Amending Act**), which came into operation on 22 January 2001, provided for the validation of intermediate period acts attributable to the State of South Australia and extinguished native title over land the subject of the majority of perpetual lease categories as granted on or before 23 December 1996 under the *Crown Lands Act 1929* (SA). Where native title may otherwise have applied to properties covered by the SA Amending Act, those properties will no longer be claimable.

In South Australia, tenements granted after 1 January 1994 are future acts under the NTA. Where tenements are granted after 17 June 1996 (including the Tenements) the provisions of Part 9B of the SA Mining Act must be followed in order to validate the grant of the tenements, instead of the NTA future act procedures.

Under Part 9B of the SA Mining Act, the grant of a tenement confers no right to carry out mining operations, including prospecting, exploring or mining for minerals on native title land unless:

- (1) the mining operations do not affect native title (that is, they are not wholly or partly inconsistent with the continued existence, enjoyment or exercise of rights deriving from native title);
- (2) a declaration is made under the law of the State or the Commonwealth that the land is not subject to native title;
- (3) an ILUA is registered under the NTA; or
- (4) a determination authorising the mining operations is made under Part 9B of the SA Mining Act.

The holder of an EL that would, if land were not native title land, authorise mining operations on the land may acquire the right to carry out mining operations on the land (that affect native title) from an agreement authorising the operations negotiated with the relevant native title parties, whether such parties are the registered holder of native title or registered native title claimants.

#### 5.4 **Native Title Affecting the Tenements**

From enquiries we have made of NNTT, we are aware of certain native title claims which may impact on the Tenements. These are identified in Part 2 of the Schedule to this Report.

The fact that a claim has been lodged does not mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. In addition to native title determinations which have already been made, the existence of native title will be established as claims continue to be processed by the Federal Court of Australia.

(a) **Tenements**

We comment in relation to the Tenements as follows. However, we have not undertaken the detailed underlying tenure investigations necessary to conclusively establish the existence of native title and our comments are of a general nature only.

(1) **EL 6786 - Lucindale**

This tenement is situated primarily on freehold and perpetual leasehold land in respect of which native title has been extinguished (as noted below) as well as areas of Crown land such as reserves (including road reserves), and specifically excludes from its scope the Vivigani Ardune Conservation Park (the Big Heath Conservation Park, previously within the external boundaries of, but specifically excluded from the scope of this Tenement, is within the boundaries of the relinquished area the subject of the area reduction recorded in Note 3.2 to Part 1 of the Schedule to this Report).

From enquiries we have made of NNTT, we understand that this Tenement falls within the area of Native Title Claim No SC 2017/002 (First Nations of the South East #1). This claim has been accepted for registration such that the claimants are entitled to the right to negotiate.

As noted in paragraph 5.3, where applicable, the grant of perpetual leasehold or freehold titles over land within South Australia prior to 1 January 1994 (or by virtue of the SA Amending Act any perpetual lease or unqualified freehold grant of land on or before 23 December 1996) would have extinguished any native title which may have existed over the land. It is likely that, in respect of road reserves in which InVert initially proposes to undertake its exploration activities, native title rights and interests have been extinguished in respect of relevant Crown land upon which road reserves are located and other areas where public works have been undertaken. In that regard, we note that the area covered by the above Claim specifically excludes land or waters where the native title rights and interests claimed have otherwise been extinguished.

To the extent that, and in respect of those areas of Crown land where native title over the Tenement area has not been extinguished, 'heritage' clearances for exploration may also apply (we refer to our comments in relation to heritage clearances under the *Aboriginal Heritage Act 1988* (SA) in paragraph 6.1(b)).

(2) **EL 6787 - Woolumbool**

This tenement is similarly situated primarily on freehold and perpetual leasehold land, as well as areas of Crown land such as reserves (as above), and specifically excludes from its scope the Padthaway Conservation Park, Talapar Conservation Park and Fairview Conservation Park.

From enquiries we have made of NNTT, we understand that this Tenement also falls within the area of Native Title Claim No SC 2017/002 (First Nations of the South East #1), and we refer to our comments in paragraph 5.4(a)(1).

We refer to our comments above in relation to freehold and perpetual lease land, and land within road reserves. To the extent that, and in respect of those areas of Crown land where native title over the Tenement area has not been extinguished, 'heritage' clearances for exploration may also apply (we refer to our comments in relation to heritage clearances under the *Aboriginal Heritage Act 1988* (SA) in paragraph 6.1(b)).

As noted above, however, we have not been instructed to undertake, and understand that InVert has not otherwise undertaken, the detailed underlying tenure investigations which would be necessary to confirm the effect of the SA Amending Act in relation to the Tenements.

6. **Other Applicable Legislation**

The following Commonwealth and State legislation may also apply to exploration and other operations on the Tenements.

6.1 **Aboriginal Heritage and Sites of Significance**

(a) **Commonwealth Legislation**

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) provides for the preservation of areas and objects which are of particular significance to Aboriginal people in accordance with Aboriginal tradition, and may have the potential to halt exploration activities if the Minister makes a declaration for the protection and preservation of an area of Aboriginal significance under the Act.

(b) **South Australian Legislation**

The *Aboriginal Heritage Act 1988* (SA) (**AHA**) provides for the protection and preservation of Aboriginal heritage in South Australia by the identification of sites of significance to Aboriginal people on the Register of Aboriginal Sites and Objects maintained pursuant to the AHA. The effect of entry on the Register is that the site or object will be conclusively presumed to be an Aboriginal site or object.

All operators and holders of interests under a tenement must observe the provisions of the AHA in relation to operations on their tenements. Discovered Aboriginal sites and remains must be reported to the relevant Minister. It is an

offence not to carry out the reporting procedure if Aboriginal sites, objects or remains are discovered. It is also an offence to damage any Aboriginal object, or to disturb, interfere with or remove any Aboriginal object or remains. The Minister has the power under the AHA to give directions prohibiting or restricting activities on or in relation to the site or an area surrounding the site or in relation to the object or remains. This potentially includes exploration and mining activities.

In South Australia, Aboriginal Heritage Agreements are often entered into with relevant Aboriginal groups to deal with the protection or preservation of Aboriginal sites, objects or remains on land upon which exploration or mining activities are to be undertaken. These agreements can be in addition to or form part of agreements under Part 9B of the SA Mining Act. The tenement holder will need to conduct heritage surveys of the Tenements on an ongoing basis to ensure compliance with heritage legislation. We have not conducted any research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

## 6.2 Environment and Rehabilitation of Land

### (a) **Commonwealth Legislation**

Under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) environmental assessment and approval is required for proposed activities that constitute a 'controlled action' and that are likely to have a significant impact on a matter of national environmental significance protected by the EPBC Act. When a person proposes to take an action that they believe may need approval under the EPBC Act, they must refer the proposal to the Australian Government Minister for the Environment. The SA Mining Act also allows for public consultation where a PEPR under that Act includes a proposed activity which triggers the operation of the EPBC Act.

### (b) **South Australian Legislation**

The SA Mining Act includes obligations requiring tenements to be rehabilitated. In addition, the tenement holder's operations on the Tenements are subject to the provisions of the *Environment Protection Act 1993* (SA).

The provisions of the *National Parks and Wildlife Act 1972* (SA) will apply to the tenement holder's operations in relation to the Tenements and limit rights to explore and mine on and adjacent to (and including in the vicinity of) reserves and other areas constituted pursuant to this and other Acts, as well as restrictions relating to Heritage Agreement areas in accordance with the *Native Vegetation Act 1991* (SA) and other restricted areas as outlined in this Report and in the notes to Part 1 of the Schedule.

## 7. Consent and Declarations


The partners of O'Loughlins Lawyers and the staff involved in the preparation of this Report have no interest in or financial relationship with InVert. Other than a time based fee for the preparation of this Report, no pecuniary or other benefit, direct or indirect, has been received by O'Loughlins Lawyers in connection with the making of this Report.

In providing this Report we have relied on (and have not sought to verify) the accuracy of information provided to us by DEM and the NNTT in response to searches made, or caused to be made, by us of their records and registers. In reliance upon this information, we believe this Report does not contain anything which is false in a material particular or which is materially misleading in the form and context in which it appears. We have not undertaken any additional searches of other government agencies, or of Courts or Tribunals.

We have given, and have not before the lodgement of the Prospectus withdrawn, our consent to the issue of the Prospectus with this Report in the form and context in which it is included.

Yours faithfully

**O'Loughlins Lawyers**



For personal use only

**Part 1 – Tenement Schedule**

Tenement	Name / Location	Status	Date Granted	Renewal Date (see Note 2)	Area (sq km)	Registered Holder	Annual Statutory Expenditure Commitments	Annual Rent	Material Contracts (Section)	Native Title Claims/ Determinations	Notes
EL 6786	Lucindale (SA)	Granted/Current	9/6/22	8/6/28	658*	White Hill (100%)	\$65,000*	\$9,870	10.9(b)	SC2017/002	1.1, 1.2, 1.4, 1.5, 1.6, 1.8, 1.9, 1.10, 2, 3.1, 3.2, 4.1
EL 6787	Woolumbool (SA)	Granted/Current	9/6/22	8/6/28	704*	White Hill (100%)	\$50,000*	\$10,560	10.9(b)	SC2017/002	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 2, 3.3, 3.4, 4.1

\* The annual expenditure commitment as noted on the Register is for the two year period expiring 8 June 2026, and has been set following the reduction of area of the Tenements as endorsed 31 October 2024 ,as noted in Notes 3.1-3.4 (inclusive) to this Part 1 of the Schedule. The expenditure commitment for future expenditure periods will be set on a two-yearly basis following review of the expenditure return as lodged by the holder, and in accordance with the Exploration Expenditure Policy published in accordance with section 30AAA(5) of the SA Mining Act.

As regards the minimum expenditure commitment for EL 6787, although the DEM Mining Register records this as \$100,000 for the 2 year period from 9 June 2024 to 8 June 2026, correspondence received by White Hill from DEM to confirm the terms of the tenement area reduction as noted above, stated that the minimum expenditure commitment for that period would in fact be \$140,000, (which would result in an annual statutory expenditure commitment of \$70,000 for that Tenement).

## NOTES

### 1. Special Conditions / Notes on Tenement Register

- 1.1 Minerals sought: Rare Earths
- 1.2 Conditions imposed relating to petroleum tenements, prohibiting activities which may significantly deleteriously affect the potential for coal seam methane drainage or in situ gasification of coal within any overlapping exploration licence, retention licence or production licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA) (now the *Energy Resources Act 2000* (SA)) applied for prior to the date of application of this EL, without the agreement of the relevant licensee, unless otherwise agreed by the Minister.
- 1.3 Geological Monument included within the tenement area, being a site of acknowledged geological value as determined by the Geological Society of Australia.
- 1.4 Restrictions imposed to recognise and protect a State Heritage Area and/or SA Heritage Place as registered under the *Heritage Places Act 1993* (SA).
- 1.5 Requirements imposed under the *Planning, Development and Infrastructure Act 2016* (SA) in relation to a Mining Production Tenement Regulation Area (as noted in Schedule 14 of the *Planning, Development and Infrastructure (General) Regulations 2017* (SA)).
- 1.6 Conditions are imposed in relation to exploration activity within a Native Vegetation Heritage Agreement area, pursuant to the *Native Vegetation Act 1991* (SA).
- 1.7 Conditions are imposed to consult with the owner/operator of Pipeline Licence No 13 (issued under the *Energy Resources Act 2000* (SA) as part of the SEAGas Pipeline System and operated by APA Group) prior to conducting activities within the pipeline prescribed measurement length.
- 1.8 Conditions imposed in relation to undertaking exploration activities in the vicinity of the Watervalley Wetlands being wetlands of national importance and noted in the Directory of Important Wetlands in Australia.
- 1.9 As a result of the matters referred to in Notes 3.1-3.4 (inclusive), a condition is imposed whereby, unless the Minister otherwise determines, if the expenditure requirements under the licence terms are not met, the area of the tenement must be reduced by at least 50% by the end of the current term (see paragraph 4.1 of this Report).
- 1.10 Notation endorsed as a 'Tenement Notification: Transfer application received – decision pending'. Refer Note 4.1 below and paragraph 4.1(l) of this Report, being for the purposes of obtaining Minister's consent to the transfer of EL 6786 and EL 6787 as a condition precedent under the Tenement Purchase Agreement as summarised in Section 10.9(b) of the Prospectus.

### 2. Renewal / Term / Expiry

These tenements are within their initial six year aggregate EL term, and so can be renewed upon expiry of that term, for two further periods of six years each (with a 50% relinquishment at the end of Year 11), as outlined in paragraph 4.1 of this Report.

### 3. Registered instruments

Our searches of the public register maintained by DEM, which provides a summary of any dealings registered against a tenement since it was granted, confirm that, except as noted below, no instruments have been registered against either Tenement. Note that this does not identify underlying land ownership, or other interests which may have been entered into, and have not yet been registered as a dealing in accordance with the Mining Act, see for example the Material Contracts referred to below.

- 3.1 Statement (Completed Exploration and Expenditure) (RI 54963) endorsed on 31 October 2024, records total expenditure incurred for the reporting period from 9 June 2022 to 8 June 2024 of \$37,692 (compared with the expenditure commitment for that period of \$90,000), and resulting in the area reduction in Note 3.2.
- 3.2 By Area Reduction Instrument endorsed 31 October 2024 (RI 54964), the area of this tenement has been reduced from 890 km<sup>2</sup> to 658 km<sup>2</sup>. The reason for the area reduction is expenditure commitment non-compliance / expenditure return non-compliance / noncompliance with published expenditure policy for the expenditure reporting period from 9 June 2022 to 8 June 2024, as outlined in Note 3.1.
- 3.3 Statement (Completed Exploration and Expenditure) (RI 54961) endorsed on 31 October 2024, records total expenditure incurred for the reporting period from 9 June 2022 to 8 June 2024 of \$38,994 (compared with the expenditure commitment for that period of \$100,000), and resulting in the area reduction in Note 3.4.
- 3.4 By Area Reduction Instrument endorsed 31 October 2024 (RI 54962), the area of this tenement has been reduced from 963 km<sup>2</sup> to 704 km<sup>2</sup>. The reason for the area reduction is expenditure commitment non-compliance / expenditure return non-compliance / noncompliance with published expenditure policy for the expenditure reporting period from 9 June 2022 to 8 June 2024, as outlined in Note 3.3.

### 4. Other Relevant Agreements

- 4.1 Tenements subject to Tenement Purchase Agreement dated 7 August 2024 between White Hill, Exceptional Graphite and InVert (not yet registered) together with Term Sheet dated 7 August 2024 under which InVert is to acquire 100% of the issued shares in Exceptional Graphite (not registrable) (refer to Material Contracts Section 10.9(b) of the Prospectus).

Part 2 – Summary of Native Title Claims/ Determinations

Claim/Determination	Federal Court Number	NNTT Number	Status
<b>South Australia</b>			
First Nations of the South East #1 (Application)	SAD 211/2017	SC2017/002	Accepted for Registration 10/11/17

**Notes**

1. EL 6786 and EL 6787 are 100% within SC2017/002 First Nations of the South East #1 Claim.

For personal use only

**9 INDEPENDENT EXPERT'S REPORT**

For personal use only

Directors  
InVert Graphite Limited  
(formerly known as Dominion Minerals Limited)  
Level 5, 56 Pitt Street  
Sydney NSW 2000

---

**Grant Thornton Corporate  
Finance Pty Ltd**  
Level 43  
152-158 St Georges Terrace  
Perth WA 6000  
T +61 8 9480 2000

11 March 2025

### ***Introduction***

The directors of InVert Graphite Limited (“Directors”) (“InVert Graphite” or “the Company”) have requested that Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton”) prepare an independent expert report (“Independent Expert Report” or “IER”) to opine on whether:

1. The issue of performance shares to Mr Hashimu Musedem Millanga (“Performance Shares”), incidental to the acquisition of Exceptional Graphite (Aust) Pty Ltd ACN 667 051 372 (“Exceptional Graphite”), is fair and reasonable to non-participating security holders (“Non- participating Security Holders”).
2. The issue of Zero Exercise Price Options (“ZEPOs”) to the Non-Executive Chairman (“Chairman Options”), Dr David Brookes, is fair and reasonable to Non-participating Security Holders.
3. The issue of ZEPOs to the following Directors, Proposed Directors and Employees (“Director and Management Performance Options”) is fair and reasonable to Non-participating Security Holders:
  - a) Mr. Anastasios Arima;
  - b) Mr. Dominic Allen;
  - c) Mr. Simon Taylor;
  - d) Mr. Andrew Boyd;
  - e) Mr. Andrew Lawson; and
  - f) Louisa Martino.

Our report has been prepared for inclusion in the Company’s prospectus for the Offer (“Prospectus”).

The Notice of the Company’s Extraordinary General Meeting which was held on 20 December 2024 included resolutions seeking the approval of the relevant Non-participating Security Holders for, inter alia, each of the issuances contemplated above. An earlier version of this report was included in that Notice of General Meeting.

The Prospectus is issued by the Company for a capital raising and to facilitate re-compliance listing of the Company's fully paid ordinary shares ("Shares") on the Australian Securities Exchange ("ASX") ("Re-admission"). The Company will offer up to 116,666,667 Shares in the Company at a price of \$0.03 per share to raise up to \$3.5 million (before costs) with a minimum subscription of 110,000,000 Shares at a price of \$0.03 to raise \$3.3 million (before costs) ("Offer").

According to Australian Securities Exchange ("ASX") Guidance Note 19 'Performance Securities' ("ASX GN 19"), a performance security is a security that converts, or may convert, into a given number of ordinary shares with all the usual rights attached if and when a nominated performance milestone is achieved but otherwise has limited rights until then.

The performance vesting conditions attached to the Performance Shares relate to:

- a) the Company announcing a JORC compliant minimum graphite resource; and
- b) Volume Weighted Average Price ("VWAP") targets associated with the Shares.

The performance vesting conditions attached to the Chairman Options relate to VWAP targets associated with the Shares.

The performance vesting conditions attached to the Director and Management Performance Options relate to:

- a) the Company announcing a JORC compliant minimum graphite resource;
- b) Volume Weighted Average Price ("VWAP") targets associated with the Shares; and
- c) the Company's mineral projects achieving total graphitic carbon ("TGC") of at least 99.95% and spheronization yield to a final product of 40% or greater.

### ***Purpose of the report and approach***

An Independent Expert Report is required under ASX GN 19 in circumstances where:

- a) An entity is applying for quotation on ASX;
- b) The entity has or proposes to have the performance securities on issue at the date of its re-admission to quotation; and
- c) The number of ordinary shares into which the performance securities will convert in aggregate if the applicable milestones are achieved, is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the date of its re-admission.

In accordance with the proposed issue of Performance Shares, Chairman Options and Director and Management Performance Options, InVert Graphite is required to solicit an Independent Expert Report.

The purpose of our report is an expression of Grant Thornton's Corporate Finance's opinion as to whether:

1. the issue of Performance Shares to Hashimu Musedem Millanga;
2. the issue of Chairman Options to Dr David Brookes; and
3. the issue of Director and Management Performance Options to Mr Anastasios Arima, Mr Dominic Allen, Mr Simon Taylor, Mr Andrew Boyd, Mr Andrew Lawson and Ms Louisa Martino, are fair and reasonable to Non-participating Security Holders. Grant Thornton has had regard to:
  - a) ASX GN 19;
  - b) Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 'Content of Expert Reports' ("RG 111"); and
  - c) ASIC Regulatory Guide 112 'Independence of Experts' ("RG 112").

The IER also includes other information and disclosures as required by ASIC.

### ***Summary of the opinions***

#### **Grant Thornton Corporate Finance has concluded that:**

1. The issue of Performance Shares to Mr Hashimu Musedem Milanga is **FAIR and REASONABLE** to the Non-participating Security Holders.
2. The issue of Chairman Options to Dr David Brookes is **FAIR and REASONABLE** to the Non-participating Security Holders.
3. The issue of Director and Management Performance Options to Mr Anastasios Arima, Mr Dominic Allen, Mr Simon Taylor, Mr Andrew Boyd, Mr Andrew Lawson and Ms Louisa Martino is **NOT FAIR BUT REASONABLE** to the Non-participating Security Holders.

In forming its opinions, Grant Thornton Corporate Finance has considered whether the issue of Performance Shares, Chairman Options and Director and Management Performance Options is fair and reasonable to the Non-participating Security Holders and other quantitative and qualitative considerations.

### ***Fairness assessment***

In forming our opinions, Grant Thornton Corporate Finance has considered how the value of an InVert Graphite Share at the re-admission date compares relative to the value of an InVert Graphite Share,

following:

- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Performance Shares.
- the achievement of the performance vesting conditions and commensurate issuance of Shares on conversion of the Chairman Options.
- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Director and Management Performance Options.

In each case, we have assessed the value of an InVert Graphite Share at the re-admission date to be \$0.03, based on the intention to raise \$3.5 million (before costs) at a maximum subscription of 116,666,667 Shares or \$3.3 million (before cost) at a minimum subscription of 110,000,000 Shares.

### **Performance Shares**

The vesting of the Performance Shares requires, inter alia, an increase in the 20-day VWAP of the Shares of the Company, and therefore an increase in the value of the Company.

Assuming the 20-day VWAP represents the market value of an InVert Graphite Share at the time of meeting the performance hurdle, this can be used to determine the potential market capitalisation at the time.

The Shares of the Company on issue following satisfaction of the performance hurdle will be increased in accordance with the conversion of the Performance Shares to ordinary Shares in InVert Graphite.

<b>Tranche</b>	<b>Findings</b>	<b>Conclusion</b>
Tranche A Performance Share	<p>The 20-day VWAP performance milestone of \$0.040 or greater represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution in issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, this reduces the value of the Shares to \$0.039<sup>1</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche A Performance Share vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche A Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair
Tranche B Performance Share	<p>In assessing Tranche B, we have assumed that if Tranche B milestones are achieved then Tranche A must have also been achieved.</p> <p>The 20-day VWAP performance milestone of \$0.040 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p>	Fair

<sup>1</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

	<p>Due to the dilution when issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, this reduces the value to \$0.039<sup>2</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche B vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche B Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	
Tranche C Performance Share	<p>In assessing Tranche C, we have assumed that if Tranche C milestones are achieved then Tranche A and Tranche B must have also been achieved.</p> <p>The 20-day VWAP performance milestone of \$0.050 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution when issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, this reduces the value to \$0.047<sup>3</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche C vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche C Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair

In accordance with the above, we consider the issue of the Performance Shares to be **FAIR** to Non-participating Security Holders.

#### **Chairman Options**

The vesting of the Chairman Options requires an increase in the 20-day VWAP of the Shares of the Company, and therefore an increase in the value of the Company.

Assuming the 20-day VWAP represents the market value of an InVert Graphite Share at the time of meeting the performance hurdle, this can be used to determine the potential market capitalisation at the time.

The Shares of the Company on issue following satisfaction of the performance hurdle will be increased in accordance with the conversion of the Chairman Options to ordinary Shares in InVert Graphite.

<b>Performance Hurdles</b>	<b>Findings</b>	<b>Conclusion</b>
50% of the Chairman Options will vest if the	<p>The 20-day VWAP performance milestone of \$0.090 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution in issuing ordinary Shares in the Company as a result of</p>	Fair

<sup>2</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

<sup>3</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

Vesting Date VWAP is A\$0.09	<p>the vesting of the Chairman Options, this reduces the value of the Shares to \$0.090<sup>4</sup>.</p> <p>The value of a Share in the Company, following the achievement of this performance hurdle and the resulting issue of ordinary Shares in the Company on conversion, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	
100% of the Chairman Options will vest if the Vesting Date VWAP is equal to or greater than A\$0.15	<p>The 20-day VWAP performance milestone of \$0.150 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution in issuing ordinary Shares in the Company as a result of the vesting of the Chairman Options, this reduces the value of the Shares to \$0.149<sup>5</sup>.</p> <p>The value of a Share in the Company, following the achievement of this performance hurdle and the resulting issue of ordinary Shares in the Company on conversion, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair

In accordance with the above, we consider the issue of the Chairman Options to be **FAIR** to Non-participating Security Holders

#### ***Director and Management Performance Options***

The vesting of the Director and Management Performance Options require:

- a) In the case of Tranche A, the Company announcing a JORC compliant minimum graphite resource;
- b) In the case of Tranche B, increases in the 20-day VWAP of the Shares of the Company; and
- c) In the case of Tranche C, the Company's mineral projects achieving TGC of at least 99.95% and spherization yield to a final product of 40% or greater.

In assessing each Tranche, we assume that there is no interdependency between Tranche A, Tranche B and Tranche C.

In the case of Tranche B, the vesting of the Director and Management Performance Options requires an increase in the 20-day VWAP of the Shares of the Company, and therefore an increase in the value of the Company.

<sup>4</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

<sup>5</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

For personal use only

Assuming the 20-day VWAP represents the market value of an InVert Graphite Share at the time of meeting the performance hurdle, this can be used to determine the potential market capitalisation at the time.

The Shares of the Company on issue following satisfaction of the Tranche B performance hurdles will be increased in accordance with the conversion of the Director and Management Performance Options to ordinary Shares in InVert Graphite.

<b>Tranche</b>	<b>Findings</b>	<b>Conclusion</b>
Tranche A Director and Management Performance Options	We are unable to determine whether the performance hurdle for Tranche A will be value accretive to Non-participating Security Holders. This is in part due to uncertainties regarding the financing needed to achieve the performance hurdle, as well as uncertainties regarding the uplift in value that would be achieved in realising the performance hurdle for Tranche A.	Not fair
Tranche B Director and Management Performance Options	<p>a) 50% of Tranche B will vest if the 20-day VWAP is \$0.090. This represents the market value of the Company's shares at the time of achieving the vesting condition.</p> <p>b) 100% of Tranche B will vest if the 20-day VWAP is \$0.150. This represents the market value of the Company's shares at the time of achieving the vesting condition.</p> <p>Due to the dilution when issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, assuming 100% of Tranche B vest, this reduces the value to \$0.146<sup>6</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche B vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche B Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair
Tranche C Director and Management Performance Options	We are unable to determine whether the performance hurdle for Tranche C will be value accretive to Non-participating Security Holders. This is in part due to uncertainties regarding the financing needed to achieve the performance hurdle, as well as uncertainties regarding the uplift in value that would be achieved in realising the performance hurdle for Tranche C.	Not Fair

We are unable to determine whether the performance hurdles for Tranche A and Tranche C will be value accretive to Non-participating Security Holders. This is in part due to uncertainties regarding the financing needed to achieve these performance hurdles, as well as uncertainties regarding the uplift in value that would be achieved in realizing the performance hurdles for Tranche A and Tranche C. On the basis of the

<sup>6</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

For personal use only

foregoing, we are unable to conclude that the issue of the Director and Management Performance Options are fair.

### ***Reasonableness assessment***

In accordance with RG111.12, if an offer is considered to be fair, it is also considered to be reasonable. However, a transaction may be considered reasonable if, despite being not fair, there are sufficient reasons for shareholders to approve the transaction in the absence of a superior proposal.

We have assessed several qualitative issues in assessing the reasonableness of the issue of Performance Shares, Chairman Options, and Director and Management Performance Options.

We consider the issue of the Performance Shares, Chairman Options and Director and Management Performance Options to be reasonable due to the reasons outlined below.

### ***Advantages***

- The terms of the Performance Shares and Chairman Options are fair.
- We are of the opinion that the Director and Management Performance Options are not fair, on the basis that we are unable to determine whether Tranche A and Tranche C will be value accretive to Non-participating Security Holders. Whilst this is the case, it is likely that the achievement of the performance hurdles relating to Tranche A and Tranche C are likely to be value accretive.
- The performance hurdles attached to the proposed issue of Performance Shares, Chairman Options and Director and Management Performance Options contribute to the alignment of the interests of relevant Non-participating Security Holders and the holder of the Performance Shares, Chairman Options and Director and Management Performance Options.
- The Company improves the likelihood of retaining, as well as incentivizes, Mr Hashimu Musedem Milanga by issuing Performance Shares; Dr David Brookes by issuing the Chairman Options; and Mr Anastasios Arima, Mr Dominic Allen, Mr Simon Taylor, Mr Andrew Boyd, Mr Andrew Lawson and Louisa Martino by issuing the Director and Management Performance Options.
- The Company can use the funds raised from re-admission on its projects and other business costs given the Performance Shares are in the form of equity.

In the case of the Chairman Options and Director and Management Performance Options, the Company can elect to settle its obligations in cash or via the issuance of Shares. Accordingly, InVert Graphite can elect not to use funds raised to satisfy its obligations and instead will be able to use the funds raised to achieve its exploration and development plans.

- The Performance Shares are being issued in conjunction with the Acquisition Agreement and therefore the Performance Shares allow access to the acquisition opportunity.

### Disadvantages

- Should the Performance Shares be approved, the milestones met, and ordinary Shares issued then the Non-participating Security Holders will be diluted.

In the case of the Chairman Options and Director and Management Performance Options, the Company can elect to settle its obligations in cash or via the issuance of Shares. Assuming the latter, should the Chairman Options and Director and Management Performance Options be approved, the milestones met, and ordinary Shares issued then the Non-participating Security Holders will be diluted.

### Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the issue of Performance Shares, Chairman Options and Director and Management Performance Options is **REASONABLE** to the Non-participating Security Holders.

### Overall conclusion

After considering the above mentioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that:

1. The issue of Performance Shares to Mr Hashimu Musedem Milanga is **FAIR and REASONABLE** to the Non-participating Security Holders.
2. The issue of Chairman Options to Dr David Brookes is **FAIR and REASONABLE** to the Non-participating Security Holders.
3. The issue of Director and Management Performance Options to Mr Anastasios Arima, Mr Dominic Allen, Mr Simon Taylor, Mr Andrew Boyd, Mr Andrew Lawson and Ms Louisa Martino is **NOT FAIR BUT REASONABLE** to the Non-participating Security Holders.

The relevant Non-participating Security Holders should decide whether or not to apply for the Shares in the Company under the Offer pursuant to the Prospectus based on their own views and their individual risk profile and investment strategy.

### Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to apply for the Shares in the Company under the Offer pursuant to the Prospectus are matters for each Non-participating Security Holders to decide based on their own views of the value of InVert Graphite and expectations about future market conditions, the performance of InVert

Graphite, risk profile and investment strategy.

If Non-participating Security Holders are in doubt about whether or not to apply for the Shares in the Company under the Offer pursuant to the Prospectus they should seek their own professional advice.

Yours faithfully,  
GRANT THORNTON CORPORATE FINANCE PTY LTD



Jeremy Bogue  
Director



Andrea De Cian  
Director

For personal use only

## Financial Services Guide

### **1 Grant Thornton Corporate Finance Pty Ltd**

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 43, 152-158 St Georges Terrace, Perth WA 6000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

InVert Graphite Limited appointed Grant Thornton Corporate Finance Pty Ltd to provide general financial product advice in the form of an independent expert's report in relation to the issue of the Performance Shares, Chairman Options and Director and Management Performance Options.

### **2 Financial Services Guide**

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

### **3 General financial product advice**

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

### **4 Remuneration**

When providing the report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the report, Grant Thornton Corporate Finance will receive from InVert Graphite Limited a fixed fee of A\$52,500 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

## **5 Independence**

Grant Thornton Corporate Finance is required to be independent of InVert Graphite Limited in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 Independence of experts issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with InVert Graphite Limited (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the issue of the Performance Shares, Chairman Options and Director and Management Performance Options.

Grant Thornton Corporate Finance has no involvement with, or interest in the issue of the Performance Shares, Chairman Options and Director and Management Performance Options, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of experts" issued by the ASIC.

## **6 Complaints process**

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Compliance Authority (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Compliance Authority who can be contacted at:

Australian Financial Compliance Authority  
GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the Prospectus should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## 7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

For personal use only

# Contents

	<b>Page</b>
<b>1 Purpose and scope of the report</b>	<b>15</b>
<b>2 Summary of Performance Shares, Chairman Options and Director and Management Performance Options</b>	<b>167</b>
<b>3 Industry overview</b>	<b>21</b>
<b>4 Profile of InVert Graphite Limited</b>	<b>23</b>
<b>5 Valuation methodologies</b>	<b>26</b>
<b>6 Evaluation of fairness</b>	<b>27</b>
<b>7 Evaluation of reasonableness</b>	<b>32</b>
<b>8 Sources of information, disclaimer and consents</b>	<b>34</b>
<b>Appendix A – Valuation methodologies</b>	<b>36</b>
<b>Appendix B – Glossary</b>	<b>37</b>

For personal use only

## 1 Purpose and scope of the report

ASX recognises that performance securities are flexible instruments that, if appropriately structured, can deliver positive outcomes to listed entities and their security holders. Hence, ASX has no fundamental objection to listed entities issuing performance securities, provided they comply with the Listing Rules. This includes, in particular, the overarching requirement in Listing Rule 6.1 that applies to all equity securities that their terms must, in ASX's opinion, be appropriate and equitable.

ASX GN 19 notes that an entity must obtain a report from an independent expert if:

- a) the entity is already listed, it is proposing to issue performance securities that do not fall within exceptions mentioned in paragraphs ASX GN 19, and the number of ordinary shares into which those performance securities will convert in aggregate if the applicable milestone is achieved is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the date the performance securities are proposed to be issued (taking into account any ordinary shares that the entity may be issuing in connection with the same transaction); or
- b) the entity is applying to be listed, it has or proposes to have performance securities on issue at the date of its admission to quotation and the number of ordinary shares into which those performance securities will convert in aggregate if the applicable milestone is achieved is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the date of its admission to quotation (taking into account any ordinary shares that the entity may be issuing in connection with its listing).

For the purposes of determining whether these 10% thresholds are being exceeded, in case (a) above, separate issues of performance securities are to be aggregated if they are proposed to be undertaken at or around the same time or if, in ASX's opinion, they form part of the same commercial transaction. This applies even if the performance securities are proposed to be issued to different parties and on different terms.

In case (b) above, all performance securities on issue at the date of the entity's admission to quotation are to be aggregated, even where they are held by different parties and on different terms.

The Directors of InVert Graphite have engaged Grant Thornton as an independent expert as the issue of the number of ordinary Shares into which the Performance Shares, Chairman Options and Director and Management Performance Options will convert in aggregate if the applicable milestones are achieved is greater than 10% of the number of ordinary Shares the entity proposes to have on issue at the date the Performance Shares, Chairman Options and Director and Management Performance Options are proposed to be issued.

The Independent Expert is required to provide opinions on whether:

1. The issue of the Performance Shares is fair and reasonable to the Non-participating Security Holders.
2. The issue of the Chairman Options is fair and reasonable to Non-participating Security Holders.
3. The issue of the Director and Management Performance Options is fair and reasonable to Non-participating Security Holders.

This report has been prepared for inclusion in the Company's Prospectus for the Offer.

The sole purpose of our report is an expression of Grant Thornton Corporate Finance's opinion as to whether the issue of the Performance Shares, Chairman Options and Director and Management Performance Options are fair and reasonable to InVert Graphite's Non-participating Security Holders. Our report should not be interpreted as being a recommendation as to whether or not Non-participating Security Holders should apply for the Shares in the Company under the Offer pursuant to the Prospectus.

When preparing this IER, Grant Thornton Corporate Finance has had regard to ASIC's Regulatory Guide 111 'Content of expert reports' ("RG 111") and Regulatory Guide 112 'Independence of experts' ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

For personal use only

## 2 Summary of Performance Shares, Chairman Options and Director and Management Performance Options

### 2.1 Performance Shares

The Company proposes that Mr Hashimu Musedem Millanga will be issued three Performance Shares on the following terms:

- i. A 'Tranche A Performance Share' convertible into that number of Shares calculated as A\$300,000 divided by the 20-day VWAP of Shares at the vesting date, which vesting date is the first date by which both of the following vesting conditions have been satisfied (provided they are both satisfied prior to the lapse of the Tranche A Performance Share):
  - a) the Company declaring and announcing a JORC Code compliant mineral resource estimate for the tenements in the Project of at least 10 million tonnes ("Mt") at a grade of not less than 7% TGC within 2 years after the date on which that Performance Share is issued ("Tranche A Resource Milestone"); and
  - b) at any time during the period commencing on the date on which the Tranche A Resource Milestone is satisfied and ending on the date that is 1 year after the date on which the Tranche A Resource Milestone is satisfied, the 20-day VWAP of Shares is A\$0.04 per Share or greater.
- ii. A 'Tranche B Performance Share' convertible into that number of Shares calculated as A\$300,000 divided by the 20-day VWAP of Shares at the vesting date, which vesting date is the first date by which both of the following vesting conditions have been satisfied (provided they are both satisfied prior to the lapse of the Tranche B Performance Share):
  - a) the Company declaring and announcing a JORC Code compliant mineral resource estimate for the tenements in the Project of at least 25Mt at a grade of not less than 7% TGC within 3 years after the date on which that Performance Share is issued ("Tranche B Resource Milestone"); and
  - b) at any time during the period commencing on the date on which the Tranche B Resource Milestone is satisfied and ending on the date that is 1 year after the date on which the Tranche B Resource Milestone is satisfied, the 20-day VWAP of Shares is A\$0.04 per Share or greater.
- iii. A 'Tranche C Performance Share' convertible into that number of Shares calculated as A\$1,500,000 divided by the 20-day VWAP at the vesting date, which vesting date is the first date by which both of the following vesting conditions have been satisfied (provided they are both satisfied prior to the lapse of the Tranche C Performance Share):
  - a) the Company declaring and announcing a JORC Code compliant mineral resource estimate for the tenements in the Project of at least 50Mt at a grade of not less than 7% TGC within 4.5 years after the date on which that Performance Share is issued ("Tranche C Resource Milestone"); and
  - b) at any time during the period commencing on the date on which the Tranche C Resource Milestone is satisfied and ending on the earlier of:
    - the date that is 1 year after the date on which the Tranche C Resource Milestone is satisfied;
    - or

- the date that is five years after the date of issue of the Tranche C Performance Share, the 20-day VWAP of Shares is A\$0.05 per Share or greater.

The maximum number of Shares that can be issued pursuant to the Performance Shares (if all of the vesting conditions for the relevant Tranche(s) are satisfied) is:

- Tranche A Performance Share – 7,500,000 Shares;
- Tranche B Performance Share – 7,500,000 Shares; and
- Tranche C Performance Share – 30,000,000 Shares.

## 2.2 Chairman Options

The Chairman Options, subject to vesting, entitle the holder to receive up to 1,231,120 Shares at nil cost, or alternatively and at the election of the Company, a cash payment.

The Chairman Options will vest based on the VWAP (as defined in the ASX Listing Rules) for the period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any) immediately prior to 31 December 2025 (Vesting Date VWAP) as follows:

- 50% of the Chairman Options will vest if the Vesting Date VWAP is A\$0.09, and the remainder of the Chairman Options will immediately and automatically lapse unvested.
- 100% of the Chairman Options will vest if the Vesting Date VWAP is equal to or greater than A\$0.15.
- If the Vesting Date VWAP is between A\$0.09 and A\$0.15, the number of Chairman Options that vest will be determined on a pro rata basis using the below table as a guide (and the remainder of the Chairman Options will immediately and automatically lapse unvested):

	Vesting Date VWAP				
	\$ 0.0900	\$ 0.1050	\$ 0.1200	\$ 0.1350	\$ 0.1500
% of Chairman Options that vest	50.00%	62.50%	75.00%	87.50%	100.00%

Source: InVert Graphite Limited Prospectus 2025

If the Vesting Date VWAP is less than A\$0.09 all the Chairman Options will immediately and automatically lapse unvested.

## 2.3 Director and Management Performance Options

The Company proposes to issue:

- up to 2,462,240 Director and Management Performance Options to Mr Anastasios Arima;
- up to 2,462,240 Director and Management Performance Options to Mr Dominic Allen;
- up to 4,924,480 Director and Management Performance Options to Mr Simon Taylor;

- d) up to 6,968,138 Director and Management Performance Options to Mr Andrew Boyd;
- e) up to 8,223,881 Director and Management Performance Options to Mr Andrew Lawson; and
- f) up to 3,274,779 Director and Management Performance Options to Ms Louisa Martino.

The Director and Management Performance Options will be subject to the following vesting conditions:

- i. Tranche A of the Director and Management Performance Options (40% of the Director and Management Performance Options) will vest on the Company announcing, on or before 31 December 2025, a mineral resource estimate of not less than 10 million tonnes at a grade of not less than 7% TGC for the Tanzania Project, prepared in accordance with the provisions of the JORC Code.
- ii. Tranche B of the Director and Management Performance Options (40% of the Director and Management Performance Options) will vest based on the VWAP (as defined in the ASX Listing Rules) for the period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any) immediately prior to 31 December 2025 (Vesting Date VWAP) as follows:
  - a) 50% of the Tranche B Director and Management Performance Options will vest if the Vesting Date VWAP is A\$0.09, and the remainder of the Tranche B Director and Management Performance Options will immediately and automatically lapse unvested
  - b) 100% of the Tranche B Director and Management Performance Options will vest if the Vesting Date VWAP is equal to or greater than A\$0.15.
  - c) If the Vesting Date VWAP is between A\$0.09 and A\$0.15, the number of Tranche B Director and Management Performance Options that vest will be determined on a pro rata basis using the below table as a guide (and the remainder of the Tranche B Director and Management Performance Options will immediately and automatically lapse unvested):

	Vesting Date VWAP				
	\$ 0.0900	\$0.1050	\$0.1200	\$0.1350	\$0.1500
% of Tranche B Director and Management Performance Options that vest	50.00%	62.50%	75.00%	87.50%	100.00%

Source: InVert Graphite Limited Prospectus 2025

- d) If the Vesting Date VWAP is less than A\$0.09 all the Tranche B Director and Management Performance Options will immediately and automatically lapse unvested.
- iii. Tranche C of the Director and Management Performance Options (20% of the Director and Management Performance Options) will vest on the Company receiving and announcing by 31 December 2025, in accordance with the provisions of the JORC Code, that results of independently prepared metallurgical test work confirm that graphite material from any of the

For personal use only

Company's mineral projects achieve TGC of at least 99.95% via standard industry purification methods including chemical leaching or thermal purification, and achieve production of spherical graphite with a spheronization yield to a final product of 40% or greater.

### Share Capital

The table below sets out the potential dilutionary impact of the Performance Shares, Chairman Options and Director and Management Performance Options (we note that the 'Other Director and Management Performance Options' mentioned within the table below relates to "Director and Management Performance Options" to be issued to Ms Louisa Martino), however, also having regard to the potential dilutionary impact of the additional resolutions tabled in the Notice of the Company's Extraordinary General Meeting which was held on 20 December 2024.

Res. No.	Description	Shares	% (assuming issues of all Shares per all Resolutions (undiluted))	Shares (cumulative)	Maximum Shares issuable on conversion of Options and Performance Shares	Maximum Shares issuable on conversion of Options and Performance Shares (Cumulative)	% (assuming issues of all Shares and other securities per all Resolutions (fully diluted))	Total fully diluted Shares (Cumulative)	Maximum % dilution arising from the Resolution compared with the number of Shares currently on issue
	Current equity securities on issue	225,850,957	53.87%	225,850,957	11,187,498	11,187,498	45.58%	237,038,455	N/A
2,3,4	Issue of Consideration Shares to the EGR Tanzania Vendors, EGA Vendors and White Hill Resources Pty Limited	76,757,576	18.30%	302,608,533	-	11,187,498	14.76%	313,796,031	33.99%
6	Issue of Performance Shares to Hashimu Musehem Millanga	-	0.00%	302,608,533	45,000,000	56,187,498	8.65%	358,796,031	19.92%
7	Issue of Shares pursuant to Offer	116,666,667	27.83%	419,275,200	-	56,187,498	22.44%	475,462,698	51.66%
8	Issue of Lead Manager Options to the Lead Manager	-	0.00%	419,275,200	15,000,000	71,187,498	2.88%	490,462,698	6.64%
13	Issue of Other Director and Management Performance Options	-	0.00%	419,275,200	3,274,779	74,462,277	0.63%	493,737,477	1.45%
20	Issue of Chairman Options to David Brookes	-	0.00%	419,275,200	1,231,120	75,693,397	0.24%	494,968,597	0.55%
21	Issue of Director and Management Performance Options to Anastasios Arima	-	0.00%	419,275,200	2,462,240	78,155,637	0.47%	497,430,837	1.09%
22	Issue of Director and Management Performance Options to Dominic Allen	-	0.00%	419,275,200	2,462,240	80,617,877	0.47%	499,893,077	1.09%
23	Issue of Director and Management Performance Options to Simon Taylor	-	0.00%	419,275,200	4,924,480	85,542,357	0.95%	504,817,557	2.18%
24	Issue of Director and Management Performance Options to Andrew Boyd	-	0.00%	419,275,200	6,968,138	92,510,495	1.34%	511,785,695	3.09%
25	Issue of Director and Management Performance Options to Andrew Lawson	-	0.00%	419,275,200	8,223,881	100,734,376	1.58%	520,009,576	3.64%
								<b>Total:</b>	<b>125.29%</b>

Source: InVest Graphite Notice of Extraordinary General Meeting 2024

Further information in relation to the issue of the Performance Shares, Chairman Options and Director and Management Performance Options can be found detailed in the Prospectus.

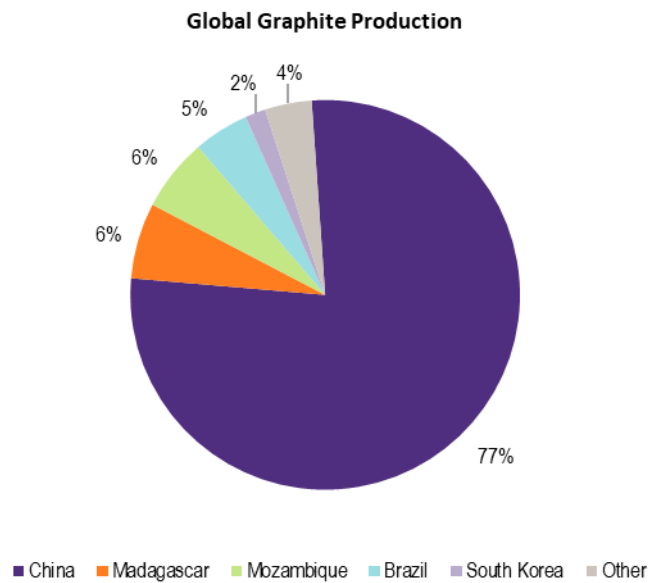
### 3 Industry overview

Graphite is a soft dark mineral with a shiny appearance, composed of carbon in a hexagonal crystalline structure. It can be found naturally or produced synthetically in three various forms: as a flaky crystal scattered within high-grade metamorphic rocks; as compact vein graphite found in cracks and fissures; and as amorphous graphite within heat-altered coal beds.

Known for its excellent conductivity and high melting point, graphite serves as an efficient conductor of electricity. It is used as an anode material in lithium battery production, as a heat-resistant substance in metal manufacturing for crucibles and linings of blast furnaces, and as a substitute for asbestos in the break lining of heavy vehicles.

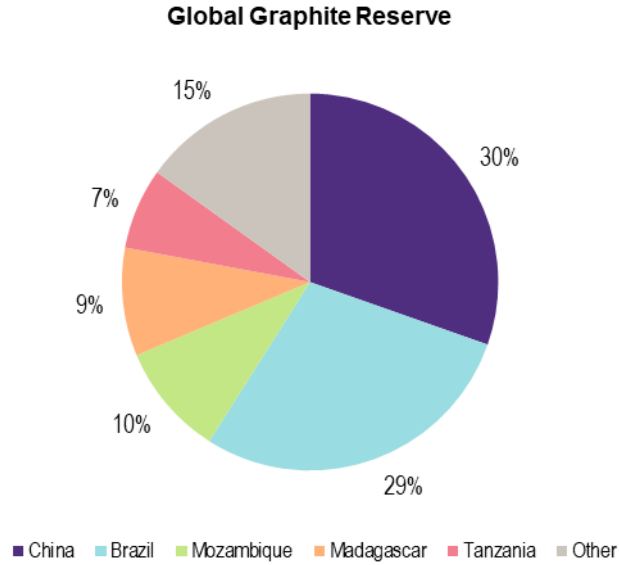
There is no spot or futures market for graphite, rather prices are set by individual private treaties on a contractual basis.

Graphite prices are determined based on particle (flake) size, carbon content (purity), shape, thickness (layers) and demand from applications.



For personal use only

As far as graphite reserves are concerned, China, Brazil, Mozambique, Madagascar and Tanzania boast significant reserves of 30%,29%,10%,9% and 7%, respectively, while the rest of the world accounts for just 15%.



According to United States Geological Survey Mineral Commodity Summary, the outlook for the long-term forecast for graphite markets are extremely favourable. This is largely attributable to its critical and strategic nature to electric vehicle and renewable energy supply chains.

Graphite has been identified as a critical mineral in many countries including the United States, the European Union, Japan and Australia, as they look to secure supply chains linked to lithium-ion batteries, particularly in commodities currently dominated by China.

For personal use only

## 4 Profile of InVert Graphite Limited

### 4.1 History

InVert Graphite is an Australian public company incorporated in September 2002.

The Company first listed on ASX in March 2004 as a clinical-stage life sciences aspirant, however, its Shares were suspended from quotation on 17 July 2020 following cessation of its life sciences business activities.

In September 2021, InVert Graphite sought to progress a calcium limestone deposit in Blakely, Georgia, USA (“Georgia Lime Project”), with its shares reinstated to official quotation on ASX on 1 November 2021.

After some time, its Shares were again suspended from official quotation on 31 August 2023, pending the Company making an announcement regarding the Georgia Lime Project and a corporate transaction.

On 3 November 2023 the Company announced that it had determined not to exercise the option to acquire the Georgia Lime Project.

On 7 August 2024, InVert Graphite announced that it has entered into the transactions whereby it has conditionally agreed to acquire a 100% ownership interest in Exceptional Graphite (Aust) Pty Ltd, an Australian private company focused on exploring for minerals, through its agreements to acquire a 100% ownership interest in each of EGR Tanzania and the White Hill Licenses.

The Company’s securities are suspended from Official Quotation, however, it is attempting to re-comply with all of the requirements of Chapters 1 and 2 of the Listing Rules and complete the transactions described above.

The current board of directors are:

- a) Dr. David Brookes – Independent, Non-Executive Chairman
- b) Mr. Anastasios Arima – Independent, Non-Executive Director
- c) Mr. Dominic Allen – Non-independent, Executive Director

## 4.2 Acquisition

The Company has executed a binding term sheet to acquire 100% of the issued capital of Exceptional Graphite.

The Company and Exceptional Graphite have also entered into a binding term sheet with other parties for Exceptional Graphite and its wholly-owned subsidiary (Green Valley Resources Pty Ltd ACN 664 301 679 ("Green Valley")) to acquire a 100% ownership interest in Exceptional Graphite Resources Limited ("EGR Tanzania"), a Tanzanian-incorporated company which in turn holds a 100% interest in three granted prospecting licenses covering approximately 225 km<sup>2</sup> and five applications for prospecting licenses covering an area of approximately 161 km<sup>2</sup> ("Morogoro Project" or "Project"). The Morogoro Project is located approximately 200 km west of the Tanzanian commercial centre of Dar es Salaam and is highly prospective for high grade graphite mineralisation.

The Company and Exceptional Graphite have also entered into an agreement for Exceptional Graphite to acquire South Australian exploration licenses EL6786 and EL6787 ("White Hill Licenses") from White Hill Resources Pty Ltd.

## 4.3 Financial Performance

The table below illustrates InVert Graphite statement of financial performance for the last two financial years ended 31 December 2022, 31 December 2023 and the last six months to 30 June 2024.

Statement of Financial Performance - InVert Graphite	FY22	FY23	H1FY24
\$AUD ('000)	Audited	Audited	Reviewed
Interest received	34	59	24
<b>Total revenue</b>	<b>34</b>	<b>59</b>	<b>24</b>
ASX and share registry	(54)	(52)	(27)
Legal and compliance costs	(145)	(56)	(35)
Director remuneration	(275)	(281)	(139)
Consultants	(141)	(135)	(60)
Administration expenses	(165)	(109)	(17)
Corporate transaction costs	(76)	(131)	-
Insurance	-	-	(48)
Business development costs	-	-	(66)
Finance costs	(5)	(3)	(2)
Gains/(losses) on foreign exchange	15	(15)	24
<b>Total corporate and administration expenses</b>	<b>(845)</b>	<b>(781)</b>	<b>(370)</b>
Marketing studies	-	(41)	-
Geological consultants	(61)	-	-
Impairment of contract to acquire land	-	(1,648)	-
<b>Total Georgia Lime Project expenses</b>	<b>(61)</b>	<b>(1,689)</b>	<b>-</b>
<b>Loss before income tax</b>	<b>(873)</b>	<b>(2,411)</b>	<b>(346)</b>
Income tax expense	-	-	-
<b>Net loss from continuing operations</b>	<b>(873)</b>	<b>(2,411)</b>	<b>(346)</b>
Other comprehensive loss for the year	(18)	14	(27)
<b>Total comprehensive loss attributable to members of the group</b>	<b>(891)</b>	<b>(2,397)</b>	<b>(372)</b>

Sources: InVert Graphite Financial Reports and Interim Financial Report

In relation to the above, we note the following:

- Contract to acquire land related to the Georgia Lime Project which decreased from \$1.65 million in 30 June 2022 to \$0 in 30 June 2023, due to InVert Graphite resolving to not acquire the land, hence not exercising the Option agreement which expired on 31 October 2023.
- InVert Graphite has accumulated over \$0.37 million in losses for the 2024 reviewed half-year period.
- Geological consultants saw a decrease from \$61,400 in FY22 to \$0 in FY23, due to InVert Graphite election to not exercise the Option to acquire the property and resource rights for the Georgia Lime Project.

#### 4.4 Financial Position

The table below illustrates InVert Graphite statement of financial position as at 31 December 2022, 31 December 2023 and 30 June 2024.

Statement of Financial Position - InVert Graphite			
\$AUD ('000)	Audited 31-Dec-22	Audited 31-Dec-23	Reviewed 30-Jun-24
Cash and cash equivalents	3,687	3,128	2,674
Trade and other receivables	3	1	7
Contract to acquire land	1,640	-	-
Other assets	77	36	24
<b>Total Current Assets</b>	<b>5,407</b>	<b>3,165</b>	<b>2,704</b>
Other assets	78	61	53
Investments in financial assets	389	389	389
Intangible assets	7	3	1
<b>Total Non-Current Assets</b>	<b>473</b>	<b>453</b>	<b>442</b>
<b>Total Assets</b>	<b>5,880</b>	<b>3,618</b>	<b>3,147</b>
Trade and other payables	57	191	93
<b>Total Current Liabilities</b>	<b>57</b>	<b>191</b>	<b>93</b>
<b>Total Liabilities</b>	<b>57</b>	<b>191</b>	<b>93</b>
Contributed equity	88,624	88,624	88,624
Reserves	240	255	228
Accumulated losses	(83,041)	(85,452)	(85,798)
<b>Total Equity</b>	<b>5,823</b>	<b>3,427</b>	<b>3,054</b>
<b>Net Assets</b>	<b>5,823</b>	<b>3,427</b>	<b>3,054</b>

Sources: InVert Graphite Financial Reports and Interim Financial Report

In relation to the above, we note the following:

- Cash and cash equivalents fell from \$3.13 million to \$2.67 million due to InVert Graphite not acquiring the Georgia Lime Project, leading to operations being halted.
- Investments in financial assets remained the same due to unlisted equity securities at fair value through other comprehensive income.
- The business has resulted in having \$3.06 million in net assets over the review period to 30 June 2024.

## 5 Valuation methodologies

To determine whether the terms of the Performance Shares, Chairman Options and Director and Management Performance Options are fair and reasonable to Non-participating Security Holders, we have considered how the value of an InVert Graphite Share at the re-admission date compares relative to the value of an InVert Graphite Share, following:

- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Performance Shares.
- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Chairman Options.
- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Director and Management Performance Options.

To assess the value of an InVert Graphite share at the readmission date, we have applied a market-based valuation methodology. The market-based approach considers recent or prospective market sales and precedent transactions involving the sale of Company shares, typically a placement or other capital raising.

To determine whether this methodology is appropriate it is important to assess whether the shares are being acquired by an unrelated third party and whether the level of equity raised is substantial enough to reflect the underlying value of the Company. These factors need to fulfil the definition of an arm's length transaction between a willing buyer and willing seller for the shares in a company.

Given the proposed re-admission and offer of up to 116,666,667 Shares (with a minimum subscription of 110,000,000 Shares) in the Company, the 116,666,667 Shares is expected to comprise approximately 27.83% of Shares (assuming the issue of Shares to EGR Tanzania Vendors, EGA Vendors and White Hill Resources Pty Ltd is successful) on issue at the time, we consider the market-based approach to be appropriate in this circumstance.

In each case, we have assessed the value of an InVert Graphite Share as at the re-admission date to be \$0.03, being the price at which the 116,666,667 Shares and Minimum of 110,000,000 Shares in the Company will be offered for the purposes of raising up to \$3.5 million (before costs).

The offer of InVert Graphite Shares is likely to represent an arm's length transaction between a large number of willing buyers and a willing seller and accordingly, the offer price therefore indicates the market value of a Share in the Company.

On the bases of the above, we have determined the offer price of \$0.03 per share to be a reasonable assessment of the fair value of an InVert Graphite Share upon quotation on the ASX.

## 6 Evaluation of fairness

In arriving at our opinion on whether the issue of the Performance Shares, Chairman Options and Director and Management Performance Options are fair to Non-participating Security Holders, and having regard to ASX GN 19, RG 111 and RG 170, we have assessed how the value of an InVert Graphite Share at the re-admission date compares relative to the value of an InVert Graphite Share, following:

- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Performance Shares.
- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Chairman Options.
- the achievement of the performance vesting conditions for each tranche and commensurate issuance of Shares on conversion of the Director and Management Performance Options.

As discussed in section 5, in each case, we have assessed the value of an InVert Graphite Share as at the re-admission date to be \$0.03, being the price at which 116,666,667 Shares and Minimum of 110,000,000 Shares in the Company will be offered for the purposes of raising up to \$3.5 million (before costs).

### **Performance Shares**

The vesting of the Performance Shares requires, inter alia, an increase in the 20-day VWAP of the Shares of the Company, and therefore an increase in the value of the Company.

Assuming the 20-day VWAP represents the market value of an InVert Graphite Share at the time of meeting the performance hurdle, this can be used to determine the potential market capitalisation at the time.

The Shares of the Company on issue following satisfaction of the performance hurdle will be increased in accordance with the conversion of the Performance Shares to ordinary Shares in InVert Graphite.

Tranche	Findings	Conclusion
Tranche A Performance Share	<p>The 20-day VWAP performance milestone of \$0.040 or greater represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution in issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, this reduces the value of the Shares to \$0.039<sup>7</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche A Performance Share vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche A Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair
Tranche B Performance	In assessing Tranche B, we have assumed that if Tranche B milestones are achieved then Tranche A must have also been achieved.	Fair

<sup>7</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

For personal use only

Share	<p>The 20-day VWAP performance milestone of \$0.040 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution when issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, this reduces the value to \$0.039<sup>8</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche B vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche B Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	
Tranche C Performance Share	<p>In assessing Tranche C, we have assumed that if Tranche C milestones are achieved then Tranche A and Tranche B must have also been achieved.</p> <p>The 20-day VWAP performance milestone of \$0.050 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution when issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, this reduces the value to \$0.047<sup>9</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche C vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche C Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair

Based on the fairness test outlined in ASX GN 19 and our findings outlined above, the proposed issue of the Performance Shares are fair to Non-participating Security Holders, as the value of a Share in the Company, following the achievement of the vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Performance Shares, is greater than the value of an InVert Graphite Share as at the re-admission date.

#### **Chairman Options**

The vesting of the Chairman Options requires an increase in the 20-day VWAP of the Shares of the Company, and therefore an increase in the value of the Company.

Assuming the 20-day VWAP represents the market value of an InVert Graphite Share at the time of meeting the performance hurdle, this can be used to determine the potential market capitalisation at the time.

The Shares of the Company on issue following satisfaction of the performance hurdle will be increased in accordance with the conversion of the Chairman Options to ordinary Shares in InVert Graphite.

<sup>8</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

<sup>9</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

Performance Hurdles	Findings	Conclusion
50% of the Chairman Options will vest if the Vesting Date VWAP is A\$0.09	<p>The 20-day VWAP performance milestone of \$0.090 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution in issuing ordinary Shares in the Company as a result of the vesting of the Chairman Options, this reduces the value of the Shares to \$0.090<sup>10</sup>.</p> <p>The value of a Share in the Company, following the achievement of this performance hurdle and the resulting issue of ordinary Shares in the Company on conversion, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair
100% of the Chairman Options will vest if the Vesting Date VWAP is equal to or greater than A\$0.15	<p>The 20-day VWAP performance milestone of \$0.150 represents the market value of the Shares in the Company at the time of achieving the vesting conditions.</p> <p>Due to the dilution in issuing ordinary Shares in the Company as a result of the vesting of the Chairman Options, this reduces the value of the Shares to \$0.149<sup>11</sup>.</p> <p>The value of a Share in the Company, following the achievement of this performance hurdle and the resulting issue of ordinary Shares in the Company on conversion, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair

Based on the fairness test outlined in ASX GN 19 and our findings outlined above, the proposed issue of the Chairman Options are fair to Non-participating Security Holders, as the value of a Share in the Company, following the achievement of the vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Chairman Options, is greater than the value of an InVert Graphite Share as at the re-admission date.

#### **Director and Management Performance Options**

The vesting of the Director and Management Performance Options require:

- a) In the case of Tranche A, the Company announcing a JORC compliant minimum graphite resource;
- b) In the case of Tranche B, increases in the 20-day VWAP of the Shares of the Company; and

<sup>10</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

<sup>11</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

- c) In the case of Tranche C, the Company's mineral projects achieving TGC of at least 99.95% and spherization yield to a final product of 40% or greater.

In assessing each Tranche, we assume that there is no interdependency between Tranche A, Tranche B and Tranche C.

In the case of Tranche B, the vesting of the Director and Management Performance Options requires an increase in the 20-day VWAP of the Shares of the Company, and therefore an increase in the value of the Company.

Assuming the 20-day VWAP represents the market value of an InVert Graphite Share at the time of meeting the performance hurdle, this can be used to determine the potential market capitalisation at the time.

The Shares of the Company on issue following satisfaction of the Tranche A, B and C performance hurdles will be increased in accordance with the conversion of the Director and Management Performance Options to ordinary Shares in InVert Graphite.

Tranche	Findings	Conclusion
Tranche A Director and Management Performance Options	We are unable to determine whether the performance hurdle for Tranche A will be value accretive to Non-participating Security Holders. This is in part due to uncertainties regarding the financing needed to achieve the performance hurdle, as well as uncertainties regarding the uplift in value that would be achieved in realising the performance hurdle for Tranche A.	Not fair
Tranche B Director and Management Performance Options	<p>a) 50% of Tranche B will vest if the 20-day VWAP is \$0.090. This represents the market value of the Company's shares at the time of achieving the vesting condition.</p> <p>b) 100% of Tranche B will vest if the 20-day VWAP is \$0.150. This represents the market value of the Company's shares at the time of achieving the vesting condition.</p> <p>Due to the dilution when issuing ordinary Shares in the Company as a result of the vesting of Performance Shares, assuming 100% of Tranche B vest, this reduces the value to \$0.146<sup>12</sup>.</p> <p>The value of a Share in the Company, following the achievement of the Tranche B vesting conditions and the resulting issue of ordinary Shares in the Company on conversion of the Tranche B Performance Share, is greater than the value of an InVert Graphite Share as at the re-admission date.</p>	Fair
Tranche C Director and Management Performance	We are unable to determine whether the performance hurdle for Tranche C will be value accretive to Non-participating Security Holders. This is in part due to uncertainties regarding the financing needed to achieve the performance hurdle, as well as uncertainties regarding the uplift in value that would be	Not Fair

<sup>12</sup> In calculating the reduction in value of the Shares, we have assumed a maximum raise of 116,666,667 Shares.

Options	achieved in realising the performance hurdle for Tranche C.	
---------	---	--

Based on the fairness test outlined in ASX GN 19 and our findings outlined above, the proposed issue of the Director and Management Performance Options are not fair to Non-participating Security Holders as we are unable to determine whether the performance hurdles for Tranche A and Tranche C will be value accretive to Non-participating Security Holders. This is in part due to uncertainties regarding the financing needed to achieve these performance hurdles, as well as uncertainties regarding the uplift in value that would be achieved in realising the performance hurdles for Tranche A and Tranche C. On the basis of the foregoing, we are unable to conclude that the issue of the Director and Management Performance Options are fair.

For personal use only

## 7 Evaluation of reasonableness

We have assessed several qualitative issues in assessing the reasonableness of the issue of Performance Shares, Chairman Options and Director and Management Performance Options.

We consider the issue of the Performance Shares, Chairman Options and Director and Management Performance Options to be reasonable due to the reasons outlined below.

We have considered the following advantages when assessing whether the issue of the Performance Shares, Chairman Options and Director and Management Performance Options are reasonable:

Advantage	Description
<p>The terms of the Performance Shares and Chairman Options are fair.</p> <p>The terms of the Director and Management Performance Options are not fair.</p>	<p>Pursuant to RG 111, if the terms of the Performance Shares and Chairman Options are fair, they are reasonable.</p> <p>We are of the opinion that the Director and Management Performance Options are not fair, on the basis that we are unable to determine whether Tranche A and Tranche C will be value accretive to Non-participating Security Holders. Whilst this is the case, it is likely that the achievement of the performance hurdles relating to Tranche A and Tranche C are likely to be value accretive.</p>
<p>The performance hurdles attached to the proposed issue of Performance Shares, Chairman Options and Director and Management Performance Options contributes to the alignment of the interests of relevant Non-participating Security Holders and the holder of the Performance Shares, Chairman Options and Director and Management Performance Options.</p>	<p>The structure of the Performance Shares, Chairman Options and Director and Management Performance Options being based on project milestones and certain quality metrics and/or VWAP contributes to the alignment of the interests of relevant Non-participating Security Holders and the holder of the Performance Shares, Chairman Options and Director and Management Performance Options.</p>
<p>The Company improves the likelihood of retaining, as well as incentivizes, Mr Hashimu Musedem Milanga by issuing Performance Shares; Dr David Brookes by issuing the Chairman Options; and Mr Anastasios Arima, Mr Dominic Allen, Mr Simon Taylor, Mr Andrew Boyd, Mr Andrew Lawson and Ms Louisa Martino by issuing the Director and Management Performance Options.</p>	<p>The issue of Performance Shares, Chairman Options and Director and Management Performance Options allows the Company to remunerate and retain its people who impact on the ability to deliver value to shareholders.</p>
<p>The Company can use the funds raised from re-admission on its projects and other business costs given the Performance Shares are in the form of equity. In the case of the Chairman Options and Director and Management Performance Options, the Company can</p>	<p>The Performance Shares are in the form of equity. In the case of the Chairman Options and Director and Management Performance Options, the Company can elect to settle its obligations in cash or via the issuance of Shares. Accordingly, InVert Graphite will not need to use funds raised to satisfy its obligations and instead will</p>

For personal use only

<p>elect to settle its obligations in cash or via the issuance of Shares, enabling it to deploy the funds raised from re-admission on its projects and other business costs</p>	<p>be able to use the funds raised to achieve its exploration and development plans.</p>
<p>The Performance Shares are being issued in conjunction with the Acquisition Agreement and therefore the Performance Shares allow access to the acquisition opportunity.</p>	<p>The Performance Shares are part of the Exceptional Graphite Acquisition and therefore the Performance Shares expose shareholders to a potentially economical project.</p>

We have considered the following disadvantages when assessing whether the issue of the Performance Shares, Chairman Options and Director and Management Performance Options are reasonable:

<b>Disadvantage</b>	<b>Description</b>
<p>Should the Performance Shares be approved, the milestones met, and ordinary Shares issued then the Non- participating Security Holders will be diluted. In the case of the Chairman Options and Director and Management Performance Options, the Company can elect to settle its obligations in cash or via the issuance of Shares. Assuming the latter, should the Chairman Options and Director and Management Performance Options be approved, the milestones met, and ordinary Shares issued then the Non- participating Security Holders will be diluted.</p>	<p>The impact of issuing the Performance Shares is that if the milestones are met, Non-participating Security Holders interests in the Company will be diluted.</p> <p>In the case of the Chairman Options and Director and Management Performance Options, the Company can elect to settle its obligations in cash or via the issuance of Shares. If the Chairman Options and Director and Management Performance Options are approved, the milestones met and the Company elects to settle its obligations via the issuance of Shares, the Non-participating Security Holders will be diluted.</p>

For personal use only

## 8 Sources of information, disclaimer and consents

### 8.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- InVert Graphite Limited Prospectus 2025
- Notice of 2024 Extraordinary General Meeting
- Annual reports of InVert Graphite Limited
- Releases and announcements by InVert Graphite Limited on the ASX
- Other publicly available information
- Discussions with management of InVert Graphite Limited
- United States Geological Survey, Mineral Commodity Summaries 2024, Graphite (Natural)

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from the Management of InVert Graphite.

### 8.2 Qualification and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to InVert Graphite Limited with reference to the ASIC Regulatory Guide 112 “Independence of experts” and APES 110 “Code of Ethics for Professional Accountants” issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to InVert Graphite Limited and its shareholders.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with InVert Graphite Limited or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Performance Shares, Chairman Options and Director and Management Performance Options.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Performance Shares, Chairman Options and Director and Management Performance Options, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Performance Shares, Chairman Options and Director and Management Performance Options. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

### 8.3 Limitations and reliance on information

This report and opinion are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by InVert Graphite Limited and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by InVert Graphite Limited through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us or has in any way conducted an audit on the books of accounts or other records of InVert Graphite Limited.

This report has been prepared to assist the Directors of InVert Graphite Limited in relation to the Performance Shares, Chairman Options and Director and Management Performance Options. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the issue of Performance Shares, Chairman Options and Director and Management Performance Options is fair and reasonable to the Non-participating Security Holders.

InVert Graphite Limited has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by InVert Graphite Limited, which InVert Graphite Limited knew or should have known to be false and/or reliance on information, which was material information Grant Thornton Corporate Finance had in its possession and which InVert Graphite Limited knew or should have known to be material and which InVert Graphite Limited did not provide to Grant Thornton Corporate Finance. InVert Graphite Limited will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

### 8.4 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Prospectus by InVert Graphite Limited to be sent to the shareholders of InVert Graphite Limited. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

## Appendix A – Valuation methodologies

### Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future.

Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses. This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

### Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model. Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

### Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

### Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

### Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction. Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction, and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price

## Appendix B – Glossary

\$ or A\$	Australian Dollar
1HFYxx	6-month financial period ended 31 December 20xx
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumers Commission
All Ordinaries Index	S&P/ASX 200 All Ordinaries Index
AFS	Australian Financial Services
APES	Accounting Professional and Ethical Standards
APES 110	Accounting Professional and Ethical Standard 110 "Code of Ethics for Professional Accountants"
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX GN 19	Australian Securities Exchange Guidance Note 19 'Performance Securities
ATO	Australian Tax Office
Corporations Act	Corporations Act 2001
CPI	Consumer price index
DCF	Discounted cash flow and the estimated realisable value of any surplus assets
Directors	The directors of InVert Graphite Limited
EBITDA	Earnings before interest, tax expenses, depreciation and amortisation
Federal Government	Australian Federal Government
FME Method	Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
FSG	Financial Service Guide
FYxx	12-month financial year ended 30 June 20xx
GST	Goods and services tax
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
IER or Report	Independent Expert's Report
JORC	Joint Ore Reserve Committee
KPI	Key performance index
NOM	Notice of Extraordinary General Meeting held 20 December 2024
NPAT	Net profit after tax
NTA	Net tangible assets
Quoted Security Method	Quoted price for listed securities
RBA	Reserve Bank of Australia
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of experts"
SME	Small and medium enterprises
Small Ordinaries Index	S&P/ASX 200 Small Ordinaires Index
TGC	Total Graphitic Carbon
US\$	US Dollar
VWAP	Volume Weighted Average Price
ZEPO	Zero Exercise Purchase Options

## 10 ADDITIONAL INFORMATION

### 10.1 Rights attaching to Shares

A summary of the rights attaching to the Shares offered under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from InVert Graphite on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice. All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company's existing issued Shares.

#### (a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of InVert Graphite.

If the chair of a general meeting of the Company considers that there is not enough room for the Shareholders who wish to attend the meeting, they may arrange for any person whom they consider cannot be seated in the main meeting room to observe or attend the general meeting in a separate room. If a separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:

- (i) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;
- (ii) enables the chairman to be aware of proceedings in the other place; and
- (iii) enables the members in the separate meeting place to vote on a show of hands or on a poll,

a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

#### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney (or, if a determination has been made by the Board, by direct vote);
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one (1) vote in respect of each Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) **Direct Voting**

Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) **Dividend rights**

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may capitalise any profits of InVert Graphite and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

The method of payment of a dividend may include any or all of the payment of cash, the issue of shares, the grant of options or other securities in InVert Graphite, the distribution of shares or any other securities in any other body corporate or the transfer of any other assets.

If the method of payment of a dividend includes a distribution of securities in another body corporate, each Shareholder:

- (i) is taken to have agreed to become a member of that body corporate and be bound by the constitution of that body corporate; and
- (ii) is taken to have appointed each Director as its agent and attorney to agree to the Shareholder becoming a member of that corporation, agree to the Shareholder being bound by the constitution of that corporation and sign any transfer of securities, or other document required to give effect to the distribution of securities to that Shareholder.

(e) **Winding-up**

If InVert Graphite is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders the whole or any part of the property of InVert Graphite, and may decide how the division is to be carried out as between the Shareholders or different classes of shareholders.

If any of the property to be divided includes shares with a liability to calls, any person entitled under the division to any of such shares may, within ten days after the passing of the special resolution for that division, by written notice direct the liquidator to sell the person's proportion of the securities and account for the net proceeds. The liquidator must, if practicable, act accordingly.

(f) **Shareholder liability**

As the Shares to be issued under the Offer detailed in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) **Transfer of Shares**

Generally, Shares in InVert Graphite are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure

to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and/or the Listing Rules.

(h) **Variation of rights**

Pursuant to section 246B of the Corporations Act, InVert Graphite may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not InVert Graphite is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Restricted Securities**

The Constitution provides for compliance with ASX's restricted securities regime. InVert Graphite will generally issue restriction notices to holders of restricted securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements (subject to ASX's discretion to require restriction agreements to be signed).

Refer to Section 1.22 for information in relation to anticipated ASX escrow which is expected to apply to certain of Shares (subject to ASX's discretion).

(j) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

## 10.2 Employee Incentive Plan

InVert Graphite has adopted the Employee Incentive Plan which has been designed to align Eligible Participants' interests with those of its Shareholders. A summary of the Employee Incentive Plan is provided below.

Shareholder approval for various termination benefits that may arise from the Employee Incentive Plan (including, without limitation, arising from the Chairman Options and/or Director and Management Performance Options) was sought and obtained at InVert Graphite's General Meeting held on 20 December 2024.

(a) **Definitions**

For the purposes of the Employee Incentive Plan:

(i) **Agreed Leaver** means a Participant who ceases to be an Eligible Participant in any of the following circumstances:

- (A) the Participant and Board have agreed in writing that the Participant has entered into bona fide retirement;
- (B) the Participant and the Board have agreed in writing that the Participant's role has been made redundant;
- (C) the Board has determined that:
  - (I) Special Circumstances apply to the Participant; or

- (II) the Participant is no longer able to perform their duties under their engagement or employment arrangements with InVert Graphite due to poor health, injury or disability;
  - (D) the Participant's death; or
  - (E) any other circumstance determined by the Board in writing.
- (ii) **Allocated Share** means a Share issued, transferred or allocated directly, pursuant to an EIP Offer under the Employee Incentive Plan (but excluding, for the avoidance of doubt, Shares issued, transferred or allocated:
  - (A) pursuant to the exercise of an Option; or
  - (B) pursuant to the conversion of a Performance Right, under the Employee Incentive Plan).
- (iii) Change of Control Event means:
  - (A) InVert Graphite announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of InVert Graphite) and the Court, by order, approves the scheme of arrangement;
  - (B) a Takeover Bid:
    - (I) is announced;
    - (II) has become unconditional; and
    - (III) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares; or
  - (C) the announcement by InVert Graphite that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of InVert Graphite has been completed.
- (iv) **Director** means a director of InVert Graphite, or any member of the Group.
- (v) **EIP Offer** means an offer to an Eligible Participant, in the prescribed form, to apply for the grant of Employee Incentives under the Employee Incentive Plan.
- (vi) Eligible Participant means:
  - (A) Directors and Employees who are determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives; or
  - (B) any other person who is determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives.
- (vii) **Employee** means any employee, consultant or contractor of InVert Graphite, or any member of the Group.
- (viii) **Employee Incentive** means any:

- (A) Share, Option or Performance Right granted, issued or transferred; or
- (B) Share(s) issued pursuant to the exercise of an Option or conversion of a Performance Right,

under the Employee Incentive Plan.

(ix) **Employee Share Scheme** has the meaning given to that term in the Corporations Act.

(x) **ESS Interest** has the meaning given to that term in the Corporations Act.

(xi) **Group** means InVert Graphite and its associated entities (including subsidiaries).

(xii) **Non-Agreed Leaver** means a Participant who ceases to be an Eligible Participant and:

- (A) does not meet the Agreed Leaver criteria; or
- (B) meets the Agreed Leaver criteria but the Board has determined in writing that they be treated as a Non-Agreed Leaver.

(xiii) **Participant** means:

- (A) an Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan; or
- (B) where an Eligible Participant has made a nomination:
  - (I) the Eligible Participant; or
  - (II) the nominee of the Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan,

as the context requires.

(xiv) **Performance Period** means the period in which the Vesting Conditions must be satisfied in respect of an Employee Incentive.

(xv) **Special Circumstances** means any of the following:

- (A) the death of the Participant; or
- (B) the total and permanent disablement of the Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience.

(xvi) **Vesting Conditions** means any condition(s) (as specified in the EIP Offer and determined by the Board in its sole and absolute discretion) which must be satisfied or waived in order for Employee Incentives to vest in accordance with their terms.

(b) **Participation**

- (i) The Board may from time to time in its sole and absolute discretion determine that an Eligible Participant may participate in the Employee Incentive Plan.
- (ii) Following determination that an Eligible Participant may participate in the Employee Incentive Plan, the Board may at any time, and from time to time, make an EIP Offer to the Eligible Participant.

(c) **Maximum Allocation**

(i) The maximum number of Employee Incentives that may be granted pursuant to the Employee Incentive Plan must not at any time exceed 10% of the total number of Shares on issue (Maximum Allocation) and:

(A) in respect of an EIP Offer of Employee Incentives for monetary consideration, an EIP Offer of Employee Incentives may only be made if InVert Graphite reasonably believes that:

(I) the total number of Shares that may be issued comprising the Employee Incentives (including upon exercise or conversion of Options or Performance Rights); and

(II) the total number of Shares that have been issued, or may be issued, comprising:

(1) Employee Incentives (including upon exercise or conversion of Options or Performance Rights) issued, or which may be issued, under EIP Offers that were both received in Australia and made in connection with the Employee Incentive Plan; and

(2) ESS Interests (including upon exercise or conversion of ESS Interests) issued, or which may be issued, under offers that were both received in Australia and made in connection with any Employee Share Scheme other than the Employee Incentive Plan,

(in aggregate, and whether offered for monetary consideration or no monetary consideration) during the previous three (3) years ending on the day the proposed EIP Offer is made,

does not exceed 5% of the total number of Shares on issue as at the start of the day on which the proposed EIP Offer is made (or if the Constitution specifies an issue cap percentage, that percentage); and

(B) in respect of an EIP Offer of Employee Incentives for no monetary consideration:

(I) the Maximum Allocation must not be exceeded; and

(II) such EIP Offer must not cause the limit referred to under Section 10.2(c)(i)(A) to be exceeded.

(ii) For the avoidance of doubt, where an Employee Incentive lapses without being exercised, the Employee Incentive concerned shall be excluded from any calculation described under Section 10.2(c)(i).

(iii) The Maximum Allocation may be increased by Board resolution.

(d) **Nominee**

(i) Unless expressly permitted in the EIP Offer or by the Board, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.

(ii) If an Eligible Participant is permitted in the EIP Offer or by the Board, the Eligible Participant may nominate certain related persons or entities (each, a **Nominee**) to be issued the Employee Incentives the subject of the EIP Offer.

(e) **Employee Share Trust**

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Shares for Participants under the Employee Incentive Plan and delivering Shares to Participants for an issue of Shares upon exercise of the Options or the vesting of a Performance Right or otherwise.

(f) **Vesting Conditions**

- (i) The Board may at its sole discretion determine the Vesting Conditions which will apply to any Employee Incentives. The Vesting Conditions will specify the criteria that the Eligible Participant is required to meet in the specified Performance Period (if any) in order to exercise Options or for Performance Rights to vest to become entitled to receive Shares under the Employee Incentive Plan.
- (ii) The Board may vary the Vesting Conditions and/or the Performance Period after the grant of those Employee Incentives, subject to:
  - (A) InVert Graphite complying with any applicable laws;
  - (B) the Vesting Conditions and/or the Performance Period as varied being no less favourable to the Participant than the terms upon which the Employee Incentives were originally granted; and
  - (C) the Board promptly notifying a Participant of any such variation.
- (iii) The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Vesting Conditions applicable to the relevant Performance Period.
- (iv) Where Employee Incentives have not satisfied the Vesting Conditions within the Performance Period, those Employee Incentives will automatically lapse.

(g) **Cash settlement**

- (i) Notwithstanding any other provision of the Employee Incentive Plan, the Board may (in its absolute discretion) make one or more EIP Offers of Options or Performance Rights on terms and conditions which provide that the Board has the absolute discretion to determine whether, upon exercise of any such Options or conversion of any such Performance Rights, instead of Shares being issued to be held by or on behalf of the Eligible Participant, a cash payment will instead be made to the Eligible Participant (or its Nominee, where applicable), with the methodology for determining the amount of that payment being specified in the terms and conditions of those Options or Performance Rights, as determined by the Board.
- (ii) The terms of Options or Performance Rights the subject of an EIP Offer described under subparagraph (i) above may also (in the Board's absolute discretion) provide for InVert Graphite to deduct from the cash payment referred to in that subparagraph an amount on account of one or more of the following:
  - (A) any applicable tax InVert Graphite is required to withhold (or otherwise deduct) in connection with such cash payment;
  - (B) any superannuation or pension amount InVert Graphite is required to pay in connection with such cash payment; and
- (iii) any Exercise Price (to the extent not already paid) relating to any relevant Options being exercised (if any).

(h) **Cashless Exercise**

The terms of any Options may provide that a Participant may elect to pay the exercise price for each Option by setting off the total exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the exercise price has been set off.

(i) **Lapsing of Employee Incentives**

Subject to the "Agreed Leaver" provisions below or the Board deciding otherwise, a Participant's Employee Incentives shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

- (i) where the Participant is a Non-Agreed Leaver, upon the occurrence of a lapsing event in accordance with Section 10.2(k);
- (ii) where Section 10.2(l) applies;
- (iii) if the applicable Vesting Conditions are not achieved by the end of the relevant performance period;
- (iv) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the expiry date of the Employee Incentive or the end of the relevant performance period (as applicable);
- (v) the expiry date of the Employee Incentive;
- (vi) the receipt by InVert Graphite of notice from the Participant that the Participant has elected to surrender the Employee Incentives; or
- (vii) any other circumstances specified in any EIP Offer letter pursuant to which the Employee Incentives were issued.

(j) **Agreed Leaver**

- (i) Subject to Section 10.2(j)(ii), where a Participant who holds Employee Incentives becomes an Agreed Leaver:
  - (A) all vested and (subject to Section 10.2(j)(i)(B)) unvested Employee Incentives which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion; and
  - (B) the Board may at any time, in its sole and absolute discretion, do one or more of the following:
    - (I) permit unvested Employee Incentives held by the Agreed Leaver to vest;
    - (II) amend the Vesting Conditions or reduce the relevant exercise period of unvested Employee Incentives; or
    - (III) determine that the unvested Employee Incentives will lapse.
- (ii) Where a person is an Agreed Leaver due to a Special Circumstance, the Participant's nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(k) **Non-Agreed Leaver**

Where a Participant who holds Employee Incentives becomes a Non-Agreed Leaver:

- (i) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Employee Incentives will immediately lapse; and
- (ii) unless the Board determines otherwise, in its sole and absolute discretion, all vested Employee Incentives will lapse 30 days after the Participant who holds Employee Incentives becomes a Non-Agreed Leaver (if they have not already lapsed by the end of that period).

(l) **Forfeiture events**

Where, in the reasonable opinion of the Board, a Participant or Former Participant (which for the avoidance of doubt may include an Agreed Leaver):

- (i) acts fraudulently or dishonestly;
- (ii) willfully breaches his or her duties to InVert Graphite or any member of the Group;  
or
- (iii) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):
  - (A) brought InVert Graphite, the Group, its business or reputation into disrepute; or
  - (B) is contrary to the interest of InVert Graphite or the Group;
- (iv) commits any material breach of the provisions of any employment contract or services contract entered into by the Participant with any member of the Group;
- (v) commits any material breach of any of the policies of the Group or procedures or any applicable laws applicable to InVert Graphite or Group;
- (vi) is subject to allegations concerning, or has been accused of, charged with or convicted of, fraudulent or dishonest conduct in the performance of the Participant's (or Former Participant's) duties, which in the reasonable opinion of the Board affects the Participant's suitability for employment with any member of the Group, or brings the Participant or the relevant member of the Group into disrepute or is contrary to the interests of InVert Graphite or the Group;
- (vii) is subject to allegations concerning, or has been accused of, charged with or convicted of any criminal offence which involves, fraud or dishonesty or any other criminal offence which Board determines (in its absolute discretion) is of a serious nature;
- (viii) had committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;
- (ix) had become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation;
- (x) had committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice; or
- (xi) had willfully or negligently failed to perform their duties under any employment contract or services contract entered into by the Participant with any member of the Group,

then the Board may (in its absolute discretion) deem that all Employee Incentives held by the Participant or former Participant will automatically be forfeited.

(m) **Discretion of the Board**

The Board may decide to allow a Participant to:

- (i) retain and exercise any or all of their Options, whether or not the Vesting Conditions have been satisfied during the Performance Period, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the relevant expiry date for those Options; and
- (ii) retain any Performance Rights regardless of:
  - (A) the expiry of the Performance Period to which those Performance Rights relate; or
  - (B) any failure by the Participant to satisfy in part or in full the Vesting Conditions specified by the Board in respect of those Performance Rights,

in which case, the Board may:

- (iii) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Participant; or
- (iv) determine a new Performance Period or Vesting Conditions (as applicable) for those retained Performance Rights and notify the Participant of the determination as soon as practicable.

(n) **Change of control**

- (i) The terms of any Performance Rights or Options may provide that where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring:
  - (A) all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Vesting Conditions have been satisfied;
  - (B) all Options will automatically and immediately vest (to the extent they have not already vested) and shall be deemed to have been automatically exercised (utilising the Cashless Exercise Facility (if permitted by the terms and conditions of the Options), to the extent such Options have an Exercise Price), regardless of whether the Vesting Conditions have been satisfied, notwithstanding the Notice of Exercise not having been issued (except that there will be no automatic exercise of Options which have an Exercise Price which is greater than the amount which the Cashless Exercise Facility can be used for, as specified in the terms and conditions of the Options, but instead those Options will automatically lapse on the earliest to occur of the expiry date for those Options, when they would otherwise lapse in accordance with the Employee Incentive Plan or 11:59pm (in Perth, Western Australia) on the second business day after the Change of Control Event occurs); or
  - (C) if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change of Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the Participant has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.
- (ii) The terms and conditions of specific Options or Performance Rights may adopt varied terms arising from a Change of Control.

(o) **Employee Loan**

The Board may, as part of any EIP Offer, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by InVert Graphite to the Participant for an amount equal to the issue price multiplied by the number of Shares offered to the Participant pursuant to the relevant EIP Offer.

(p) **Restriction Period and Holding Lock**

- (i) Allocated Shares may be offered on terms that restrict the Participant from dealing with or transferring the relevant Allocated Share during a restriction period.
- (ii) In addition, the Board may at any time request that InVert Graphite's share registry impose a holding lock on any Employee Incentives issued pursuant to the Employee Incentive Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach the Employee Incentive Plan rules.

(q) **Transfer of Options or Performance Rights**

Options and Performance Rights terms may impose partial or complete restrictions on them being assigned, transferred or encumbered with a security interest in or over them.

(r) **Buy-Back**

Subject to any applicable laws and subject to the Board's sole and absolute discretion, Allocated Share(s) will be subject to InVert Graphite's right to buy-back and may, during a prescribed period, be bought-back by InVert Graphite where Section 10.2(l) applies.

(s) **Contravention of Employee Incentive Plan rules**

The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Employee Incentives if it determines or reasonably believes a Participant has breached the Employee Incentive Plan or the terms of issue of any Employee Incentives, including but not limited to, signing transfer forms in relation to Employee Incentives, signing all documents and doing all acts necessary to effect a buy-back placing, a holding lock on Employee Incentives, accounting for the proceeds of the sale of forfeited Employee Incentives, refusing to transfer any Employee Incentives and/or refusing to issue any Shares.

(t) **Amendments**

- (i) The Board may at any time amend the Employee Incentive Plan rules or the terms and conditions upon which any Employee Incentives have been issued.
- (ii) No amendment to the Employee Incentive Plan rules or to Employee Incentives may be made if the amendment, in the reasonable opinion of the Board, materially reduces the rights of any Participant in respect of Employee Incentives granted to them prior to the date of the amendment, other than:
  - (A) an amendment introduced primarily:
    - (I) for the purposes of complying with or conforming to present or future applicable laws;
    - (II) to correct any manifest error or mistake;
    - (III) to allow the implementation of a trust arrangement in relation to the holding of Shares granted under the Employee Incentive Plan; and/or

- (IV) to take into consideration possible adverse taxation implications in respect of the Employee Incentive Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation or duty authorities administering such legislation; or

(B) an amendment agreed to in writing by the Participant(s).

### 10.3 Terms and Conditions of the Chairman Options

InVert Graphite proposes to issue 1,231,120 Chairman Options to David Brookes (and/or his nominee(s)) on or around the completion of the Acquisition. The terms and conditions of the Chairman Options will be as follows:

(a) **Entitlement**

Subject to vesting via the satisfaction of the vesting condition, each Chairman Option entitles the holder to either receive:

- (i) one fully paid ordinary share in InVert Graphite (**Share**) at nil cost pursuant to Section 10.3(f)(i) below; or
- (ii) a cash payment pursuant to Section 10.3(f)(ii) below,

(with InVert Graphite's board of directors (Board) to determine (pursuant to Section 10.3(f) below) which of those two alternatives applies).

(b) **Expiry Date**

Each Chairman Option will expire at 5:00pm (Australian Western Standard Time) on the date that is 5 years from the date of issue of that Chairman Option (**Expiry Date**).

(c) **Vesting Condition**

The Chairman Options will vest based on the volume weighted average market price (as defined in the ASX Listing Rules) for the period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any) immediately prior to 31 December 2025 (**Vesting Date VWAP**) as follows:

- (i) 50% of the Chairman Options will vest if the Vesting Date VWAP is A\$0.09, and the remainder of the Chairman Options will immediately and automatically lapse unvested.
- (ii) 100% of the Chairman Options will vest if the Vesting Date VWAP is equal to or greater than A\$0.15.
- (iii) If the Vesting Date VWAP is between A\$0.09 and A\$0.15, the number of Chairman Options that vest will be determined on a pro rata basis using the below table as a guide (and the remainder of the Chairman Options will immediately and automatically lapse unvested):

	Vesting Date VWAP				
	\$0.090	\$0.105	\$0.120	\$0.135	\$0.150
% of Chairman Options that vest	50.0%	62.50%	75.00%	87.50%	100.00%

- (iv) If the Vesting Date VWAP is less than A\$0.09 all the Chairman Options will immediately and automatically lapse unvested.

For personal use only

Chairman Options that have not vested will automatically lapse upon the earliest to occur of:

- (i) 5.00pm (Australian Western Standard Time) on 31 December 2025;
- (ii) (unless otherwise determined by the Board in accordance with InVert Graphite's Employee Incentive Plan) if the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iii) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with InVert Graphite's Employee Incentive Plan) to determine that the Chairman Options lapse; or
- (iv) upon the occurrence of any event causing forfeiture of the Chairman Options set out in the Employee Incentive Plan.

The Board may also determine that some or all Chairman Options vest when the relevant Participant ceases to be an Eligible Participant.

Chairman Options that have vested but have not been exercised and either Equity Settled or Cash Settled (as defined below) in accordance with these terms will automatically lapse upon the earliest to occur of:

- (i) the Expiry Date;
- (ii) (unless otherwise determined by the Board in accordance with InVert Graphite's Employee Incentive Plan) 30 days after the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iii) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with InVert Graphite's Employee Incentive Plan) to determine that the Chairman Options lapse; or
- (iv) upon the occurrence of any event causing forfeiture of the Chairman Options set out in the Employee Incentive Plan.

(d) **Exercise Period**

The exercise period for Chairman Options will commence when the Chairman Options have vested and will end on the earliest to occur of the Expiry Date or the lapse of the Chairman Options pursuant to Section 10.3(c), subject to the terms of InVert Graphite's Security Trading Policy.

(e) **Notice of Exercise**

A Chairman Option is exercisable during the exercise period by the holder lodging a notice of exercise of options in a form approved by InVert Graphite (**Notice of Exercise**), and the relevant Chairman Option certificate, with InVert Graphite's Company Secretary (the date on which that occurs, or on which such exercise is deemed to have occurred as specified in these terms, is the **Exercise Date**).

(f) **Timing of settlement on Exercise**

Within 5 business days after InVert Graphite receives the Notice of Exercise and the relevant Chairman Option certificate on the Exercise Date, InVert Graphite will choose one of the following two alternatives (which choice will be made by the Board, in its absolute discretion):

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Chairman Options specified in the Notice of Exercise (**Equity Settled**); or
- (ii) pay a cash amount to the holder in accordance with Section 10.3(h) below in respect of the number of Chairman Options specified in the Notice of Exercise (**Cash Settled**).

(g) **Equity Settled**

If the Board determines that Chairman Options will be Equity Settled in accordance with Section 10.3(f)(i), InVert Graphite will:

- (i) if InVert Graphite is admitted to the official list of ASX at the time and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if InVert Graphite is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (ii) if InVert Graphite is admitted to the official list of ASX at the time and if required, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Chairman Options.

If a notice delivered under Section 10.3(g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, InVert Graphite must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Cash Settled**

If the Board determines that Chairman Options will be Cash Settled in accordance with Section 10.3(f)(ii), the cash payment to be made to the holder of the Chairman Options will be:

- (i) (if the Exercise Date occurs on or prior to the date when Shares in InVert Graphite are admitted for the first time to official quotation on the ASX) determined by the Board (acting in good faith) and have regard to the market value, as at the Exercise Date, of the Shares (as determined by the Board acting in good faith) which would otherwise have been issued to the holder of the Chairman Options if the Chairman Options had been Equity Settled; or
- (ii) (if the Exercise Date occurs after the date when Shares in InVert Graphite are admitted for the first time to official quotation on the ASX) the most recent closing market price (as defined in the ASX Listing Rules) per Share traded on the ASX market immediately prior to the Exercise Date multiplied by the number of Shares which would otherwise have been issued to the holder of the Chairman Options if the Chairman Options had been Equity Settled (as determined by the Board acting in good faith).

InVert Graphite may deduct from the relevant cash payment either or both of the following (at the Board's absolute discretion):

- (i) any applicable tax InVert Graphite is required to withhold (or otherwise deduct) in connection with such cash payment; and
- (ii) any superannuation or pension amount InVert Graphite is required to pay in connection with such cash payment.

(i) **Partial Exercise**

A Chairman Option holder may exercise only some of that person's Chairman Options, which does not affect that holder's right to exercise the remainder of their Chairman Options by the Expiry Date.

(j) **Transferability**

The Chairman Options are not transferable unless permitted by the Board in accordance with the Employee Incentive Plan.

(k) **Shares Issued on Exercise**

Any Shares issued upon exercise of the Chairman Options will, from the date they are issued, rank pari passu in all respects with InVert Graphite's then issued Shares. If admitted to the official list of ASX at the time, InVert Graphite will apply for official quotation to ASX of any Shares issued upon exercise of the Chairman Options.

(l) **Participation Rights**

If Chairman Options are exercised into Shares before the record date of an entitlement, the Chairman Option holder can, as the holder of those Shares, participate in a pro rata issue to the holders of Shares. InVert Graphite must notify the Chairman Option holder of the proposed issue at least two (2) business days before the record date. Chairman Option holders do not have a right to participate in new issues without exercising their Chairman Options.

(m) **Reconstruction of Capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of InVert Graphite, all rights of the Chairman Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction. In the event that InVert Graphite is not admitted to the official list of the ASX at the time of the reconstruction, all rights of the Chairman Option holder will nonetheless be changed in accordance with the rules set out in ASX Listing Rule 7.22.

(n) **Change of Control**

Subject to compliance with applicable law (and, if InVert Graphite is admitted to the official list of ASX, subject to compliance with the ASX Listing Rules), where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring, all issued Chairman Options which have not yet lapsed shall automatically and immediately vest (to the extent they have not already vested), regardless of whether the vesting condition has been satisfied, and shall be deemed to have been automatically exercised (notwithstanding the matters in Section 10.3(e) above not having occurred).

For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

- (i) InVert Graphite announces that holders of Shares (**Shareholders**) have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of InVert Graphite) and the court, by order, approves the scheme of arrangement;
- (ii) a takeover bid (as defined under section 9 of the Corporations Act, **Takeover Bid**):

- (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the Takeover Bid has a relevant interest (as defined under section 9 of the Corporations Act, **Relevant Interest**) in fifty percent (50%) or more of the issued Shares;
- (iii) any person acquires a Relevant Interest in fifty percent (50%) or more of the issued Shares by any other means; or
  - (iv) the announcement by InVert Graphite that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of InVert Graphite has been completed.

(o) **No Conferral of Rights**

A Chairman Option holder is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by InVert Graphite;
- (iii) participate in any new issues of securities offered to Shareholders;
- (iv) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
- (v) any right to participate in surplus assets or profits of InVert Graphite on winding up,

unless and until the Chairman Options are exercised such that (subject to the Board's discretion pursuant to Section 10.3(f)) the holder holds Shares.

A Chairman Option does not confer any right to a change in the exercise price of the Chairman Options nor a change to the number of Shares over which Chairman Options can (subject to the Board's discretion pursuant to Section 10.3(f)) be exercised.

(p) **Quotation**

InVert Graphite will not seek official quotation of any Chairman Options.

(q) **Incentive Plan**

At all times, Chairman Options are subject to the full terms and conditions of InVert Graphite's Employee Incentive Plan, save that to the extent of any inconsistency these terms override InVert Graphite's Employee Incentive Plan.

## 10.4 Terms and conditions of the Director and Management Performance Options

On or around the completion of the Acquisition, InVert Graphite proposes to issue Director and Management Performance Options to certain Directors and officers of the Company (and/or their nominee(s)) as follows:

*Table 46: Director and Management Performance Options to be issued on, or around the time of, Readmission to certain Directors and officers of the Company (and/or their nominee(s))*

Participant	Tranche A Director and Management Performance Options	Tranche B Director and Management Performance Options	Tranche C Director and Management Performance Options
Anastasios Arima	984,896	984,896	492,448
Dominic Allen	984,896	984,896	492,448
Simon Taylor	1,969,792	1,969,792	984,896
Andrew Boyd	2,787,255	2,787,255	1,393,628
Andrew Lawson	3,289,552	3,289,552	1,644,777
Louisa Martino	1,309,912	1,309,912	654,955

The terms and conditions of the Director and Management Performance Options will be as follows:

(a) **Entitlement**

Subject to the satisfaction of the relevant vesting condition, each Director and Management Performance Option entitles the holder to either receive:

- (i) one fully paid ordinary share in InVert Graphite (**Share**) at nil cost pursuant to Section 10.4(f)(i) below; or
- (ii) a cash payment pursuant to Section 10.4(f)(ii) below,

(with InVert Graphite's board of directors (**Board**) to determine (pursuant to Section 10.4(f) below) which of those two alternatives applies).

(b) **Expiry Date**

Each Director and Management Performance Option will expire at 5:00pm (Australian Western Standard Time) on the date that is 5 years from the date of issue of that Director and Management Performance Option (**Expiry Date**).

(c) **Vesting Conditions**

The Director and Management Performance Options will be subject to the following vesting conditions:

- (i) **Tranche A** of the Director and Management Performance Options (40% of the Director and Management Performance Options) will vest on InVert Graphite announcing, on or before 31 December 2025, a mineral resource estimate of not less than 10 million tonnes at a grade of not less than 7% total graphitic carbon (**TGC**) for the Tanzania Project, prepared in accordance with the provisions of the JORC Code.
- (ii) **Tranche B** of the Director and Management Performance Options (40% of the Director and Management Performance Options) will vest based on the volume weighted average market price (as defined in the ASX Listing Rules) for the period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any) immediately prior to 31 December 2025 (**Vesting Date VWAP**) as follows:
  - (A) 50% of the Tranche B Director and Management Performance Options will vest if the Vesting Date VWAP is A\$0.09, and the remainder of the

Tranche B Director and Management Performance Options will immediately and automatically lapse unvested.

- (B) 100% of the Tranche B Director and Management Performance Options will vest if the Vesting Date VWAP is equal to or greater than A\$0.15.
- (C) If the Vesting Date VWAP is between A\$0.09 and A\$0.15, the number of Tranche B Director and Management Performance Options that vest will be determined on a pro rata basis using the below table as a guide (and the remainder of the Tranche B Director and Management Performance Options will immediately and automatically lapse unvested):

	Vesting Date VWAP				
	\$0.090	\$0.105	\$0.120	\$0.135	\$0.150
% of Tranche B Director and Management Performance Options that vest	50.0%	62.50%	75.00%	87.50%	100.00%

- (D) If the Vesting Date VWAP is less than A\$0.09 all the Tranche B Director and Management Performance Options will immediately and automatically lapse unvested.
- (iii) **Tranche C** of the Director and Management Performance Options (20% of the Director and Management Performance Options) will vest on InVert Graphite receiving and announcing by 31 December 2025, in accordance with the provisions of the JORC Code, that results of independently prepared metallurgical test work confirm that graphite material from any of InVert Graphite's mineral projects achieve TGC of at least 99.95% via standard industry purification methods including chemical leaching or thermal purification, and achieve production of spherical graphite with a spheronization yield to a final product of 40% or greater.

**Tanzania Project** means the following granted prospecting licences and applications for prospecting licences in Tanzania:

**A. Granted Prospecting Licences**

Project	Licence number	Licence holder
Morogoro (Tawa)	PL 12043/2022	Exceptional Graphite Resources Limited
Morogoro (Kasanga / Kasanga East)	PL 12150/2022	Exceptional Graphite Resources Limited
Morogoro (Kumba)	PL 12151/2022	Exceptional Graphite Resources Limited

**B. Applications for Prospecting Licences**

Project	Application number	Applicant
Morogoro (Nyingwa / Ngweme)	PL 20379/2022	Exceptional Graphite Resources Limited
Morogoro (Mvuha)	PL 20388/2022	Exceptional Graphite Resources Limited
Morogoro (Lundi)	PL 20389/2022	Exceptional Graphite Resources Limited
Morogoro (Nyingwa / Ngweme)	PL 20390/2022	Exceptional Graphite Resources Limited
Morogoro (Mvomero)	PL 22336/2022	Exceptional Graphite Resources Limited

Director and Management Performance Options that have not vested will automatically lapse upon the earliest to occur of:

- (i) the deadline by which the vesting condition for those particular Director and Management Performance Options is required to be satisfied (as detailed above);

For personal use only

- (ii) the Expiry Date;
- (iii) (unless otherwise determined by the Board in accordance with InVert Graphite's Employee Incentive Plan) if the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iv) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with InVert Graphite's Employee Incentive Plan) to determine that the Director and Management Performance Options lapse; or
- (v) upon the occurrence of any event causing forfeiture of the Director and Management Performance Options set out in the Employee Incentive Plan.

The Board may also determine that some or all Director and Management Performance Options vest when the relevant Participant ceases to be an Eligible Participant.

Director and Management Performance Options that have vested but have not been exercised and either Equity Settled or Cash Settled (as defined below) in accordance with these terms will automatically lapse upon the earliest to occur of:

- (i) the Expiry Date;
- (ii) (unless otherwise determined by the Board in accordance with InVert Graphite's Employee Incentive Plan) 30 days after the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iii) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with InVert Graphite's Employee Incentive Plan) to determine that the Director and Management Performance Options lapse; or
- (iv) upon the occurrence of any event causing forfeiture of the Director and Management Performance Options set out in the Employee Incentive Plan.

(d) **Exercise Period**

The exercise period for Director and Management Performance Options will commence when the Director and Management Performance Options have vested and will end on the earliest to occur of the Expiry Date or the lapse of the Director and Management Performance Options pursuant to Section 10.4(c), subject to the terms of InVert Graphite's Security Trading Policy.

(e) **Notice of Exercise**

A Director and Management Performance Option is exercisable during the exercise period by the holder lodging a notice of exercise of options in a form approved by InVert Graphite (**Notice of Exercise**), and the relevant Director and Management Performance Option certificate, with InVert Graphite's Company Secretary (the date on which that occurs, or on which such exercise is deemed to have occurred as specified in these terms, is the **Exercise Date**).

(f) **Timing of settlement on Exercise**

Within 5 business days after InVert Graphite receives the Notice of Exercise and the relevant Director and Management Performance Option certificate on the Exercise Date, InVert Graphite will choose one of the following two alternatives (which choice will be made by the Board, in its absolute discretion):

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Director and Management Performance Options specified in the Notice of Exercise (**Equity Settled**); or
- (ii) pay a cash amount to the holder in accordance with Section 10.4(h) below in respect of the number of Director and Management Performance Options specified in the Notice of Exercise (**Cash Settled**).

(g) **Equity Settled**

If the Board determines that Director and Management Performance Options will be Equity Settled in accordance with Section 10.4(f)(i), InVert Graphite will:

- (i) if InVert Graphite is admitted to the official list of ASX at the time and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if InVert Graphite is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (ii) if InVert Graphite is admitted to the official list of ASX at the time and if required, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Director and Management Performance Options.

If a notice delivered under Section 10.4(g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, InVert Graphite must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Cash Settled**

If the Board determines that Director and Management Performance Options will be Cash Settled in accordance with Section 10.4(f)(ii), the cash payment to be made to the holder of the Director and Management Performance Options will be:

- (i) (if the Exercise Date occurs on or prior to the date when Shares in InVert Graphite are admitted for the first time to official quotation on the ASX) determined by the Board (acting in good faith) and have regard to the market value, as at the Exercise Date, of the Shares (as determined by the Board acting in good faith) which would otherwise have been issued to the holder of the Director and Management Performance Options if the Director and Management Performance Options had been Equity Settled; or
- (ii) (if the Exercise Date occurs after the date when Shares in InVert Graphite are admitted for the first time to official quotation on the ASX) the most recent closing market price (as defined in the ASX Listing Rules) per Share traded on the ASX market immediately prior to the Exercise Date multiplied by the number of Shares which would otherwise have been issued to the holder of the Director and Management Performance Options if the Director and Management Performance Options had been Equity Settled (as determined by the Board acting in good faith).

InVert Graphite may deduct from the relevant cash payment either or both of the following (at the Board's absolute discretion):

- (i) any applicable tax InVert Graphite is required to withhold (or otherwise deduct) in connection with such cash payment; and

- (ii) any superannuation or pension amount InVert Graphite is required to pay in connection with such cash payment.

(i) **Partial Exercise**

A Director and Management Performance Option holder may exercise only some of that person's Director and Management Performance Options, which does not affect that holder's right to exercise the remainder of their Director and Management Performance Options by the Expiry Date.

(j) **Transferability**

The Director and Management Performance Options are not transferable unless permitted by the Board in accordance with the Employee Incentive Plan.

(k) **Shares Issued on Exercise**

Any Shares issued upon exercise of the Director and Management Performance Options will, from the date they are issued, rank *pari passu* in all respects with InVert Graphite's then issued Shares. If admitted to the official list of ASX at the time, InVert Graphite will apply for official quotation to ASX of any Shares issued upon exercise of the Director and Management Performance Options.

(l) **Participation Rights**

If Director and Management Performance Options are exercised into Shares before the record date of an entitlement, the Director and Management Performance Option holder can, as the holder of those Shares, participate in a pro rata issue to the holders of Shares. InVert Graphite must notify the Director and Management Performance Option holder of the proposed issue at least two (2) business days before the record date. Director and Management Performance Option holders do not have a right to participate in new issues without exercising their Director and Management Performance Options.

(m) **Reconstruction of Capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of InVert Graphite, all rights of the Director and Management Performance Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction. In the event that InVert Graphite is not admitted to the official list of the ASX at the time of the reconstruction, all rights of the Director and Management Performance Option holder will nonetheless be changed in accordance with the rules set out in ASX Listing Rule 7.22.

(n) **Change of Control**

Subject to compliance with applicable law (and, if InVert Graphite is admitted to the official list of ASX, subject to compliance with the ASX Listing Rules), where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring, all issued Director and Management Performance Options which have not yet lapsed shall automatically and immediately vest (to the extent they have not already vested), regardless of whether vesting conditions have been satisfied, and shall be deemed to have been automatically exercised (notwithstanding the matters in Section 10.4(e) above not having occurred).

For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

- (i) InVert Graphite announces that holders of Shares (Shareholders) have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any

reconstruction, consolidation, sub-division, reduction or return) of the issued capital of InVert Graphite) and the court, by order, approves the scheme of arrangement;

- (ii) a takeover bid (as defined under section 9 of the Corporations Act, **Takeover Bid**):
  - (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the Takeover Bid has a relevant interest (as defined under section 9 of the Corporations Act, Relevant Interest) in fifty percent (50%) or more of the issued Shares;
- (iii) any person acquires a Relevant Interest in fifty percent (50%) or more of the issued Shares by any other means; or
- (iv) the announcement by InVert Graphite that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of InVert Graphite has been completed.

(o) **No Conferral of Rights**

A Director and Management Performance Option holder is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by InVert Graphite;
- (iii) participate in any new issues of securities offered to Shareholders;
- (iv) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
- (v) any right to participate in surplus assets or profits of InVert Graphite on winding up,

unless and until the Director and Management Performance Options are exercised such that (subject to the Board's discretion pursuant to Section 10.4(f)) the holder holds Shares.

A Director and Management Performance Option does not confer any right to a change in the exercise price of the Director and Management Performance Options nor a change to the number of Shares over which Director and Management Performance Options can (subject to the Board's discretion pursuant to Section 10.4(f)) be exercised.

(p) **Quotation**

InVert Graphite will not seek official quotation of any Director and Management Performance Options.

(q) **Incentive Plan**

At all times, Director and Management Performance Options are subject to the full terms and conditions of InVert Graphite's Employee Incentive Plan, save that to the extent of any inconsistency these terms override InVert Graphite's Employee Incentive Plan.

## 10.5 Terms of the Performance Shares

A condition of the Acquisition is that EGR Tanzania enters into an employment agreement with Hashimu Musedem Millanga, being an EGR Tanzania Vendor, pursuant to which Mr Millanga is

to be employed as a geologist by EGR Tanzania. That employment agreement has been signed on the terms summarised in Section 10.9(d). Under the terms of that employment agreement, it is proposed that, subject to certain conditions detailed in that Section and subject to Mr Millanga's employment under the agreement commencing and not having ceased and compliance with applicable law and the ASX Listing Rules, a nominee of Mr Millanga which is acceptable to the Company will be issued three Performance Shares on the following terms and conditions:

(a) **Performance Shares**

Each Performance Share is a share in the capital of InVert Graphite.

(b) **No Voting Rights**

The Performance Shares do not entitle the holder of the Performance Shares (**Holder**) to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the ASX Listing Rules where such rights cannot be excluded by these terms.

(c) **No Dividend Rights**

The Performance Shares do not entitle the Holder to any dividends (cumulative, preferential or otherwise).

(d) **No Rights on Winding Up**

The Performance Shares do not confer on the Holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.

(e) **No Rights to Return of Capital**

The Performance Shares do not confer on the Holder any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Transfer of Performance Shares**

The Performance Shares are not transferable.

(g) **Reconstruction of Capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction. In the event that the Company is not admitted to the official list of the ASX at the time of the reconstruction, all rights of the Holder will nonetheless be changed in accordance with the rules set out in ASX Listing Rule 7.21.

(h) **No participation in new issues**

Subject always to the rights under Section 10.5(g), a Holder will not be entitled to participate in new issues of securities in the Company, such as bonus issues and entitlement issues.

(i) **Change of Control**

Subject to compliance with applicable law (and, if the Company is admitted to the official list of ASX, subject to compliance with the ASX Listing Rules), where a Change of Control Event has occurred or, in the opinion of the Company's board of directors (**Board**), there is a state of affairs that will or is likely to result in a Change of Control Event occurring, all issued Performance Shares which have not yet lapsed shall automatically and immediately vest (to the extent they have not already vested), regardless of whether the relevant Milestones (as defined in Section 10.5(l)) have been satisfied, and shall be

deemed to have been automatically converted into fully paid ordinary shares in the Company (Shares) pursuant to Section 10.5(n) (even if the relevant Milestones have not been satisfied by that time).

For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

- (i) the Company announces that holders of Shares (**Shareholders**) have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the court, by order, approves the scheme of arrangement;
- (ii) a takeover bid (as defined under section 9 of the Corporations Act, **Takeover Bid**):
  - (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the Takeover Bid has a relevant interest (as defined under section 9 of the Corporations Act, **Relevant Interest**) in fifty percent (50%) or more of the issued Shares;
- (iii) any person acquires a Relevant Interest in fifty percent (50%) or more of the issued Shares by any other means; or
- (iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

(j) **Amendments required by ASX**

The terms of the Performance Shares may be amended as necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(k) **No Other Rights**

The Performance Shares give the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(l) **Milestones**

A relevant Performance Share detailed below will convert, pursuant to Section 10.5(n), upon satisfaction of the relevant following milestones:

- (i) 1 Performance Share (**Tranche A Performance Share**) will convert upon the vesting date, which vesting date is the first date by which both of the following vesting conditions have been satisfied (provided they are both satisfied prior to the lapse of the Tranche A Performance Share) (**Tranche A Vesting Date**):
  - (A) the Company declaring and announcing a JORC Code compliant mineral resource estimate for the Tanzania Project of at least 10 MT at a grade of not less than 7% total graphitic carbon (**TGC**) within 2 years after the date on which the Tranche A Performance Share is issued (**Tranche A Resource Milestone**); and

- (B) at any time during the period commencing on the date on which the Tranche A Resource Milestone is satisfied and ending on the date that is 1 year after the date on which the Tranche A Resource Milestone is satisfied, the 20 day VWAP of Shares is A\$0.04 per Share or greater (**Tranche A VWAP Milestone**);
- (ii) 1 Performance Share (**Tranche B Performance Share**) will convert upon the vesting date, which vesting date is the first date by which both of the following vesting conditions have been satisfied (provided they are both satisfied prior to the lapse of the Tranche B Performance Share) (**Tranche B Vesting Date**):
  - (A) the Company declaring and announcing a JORC Code compliant mineral resource estimate for the Tanzania Project of at least 25 MT at a grade of not less than 7% TGC within 3 years after the date on which the Tranche B Performance Share is issued (**Tranche B Resource Milestone**); and
  - (B) at any time during the period commencing on the date on which the Tranche B Resource Milestone is satisfied and ending on the date that is 1 year after the date on which the Tranche B Resource Milestone is satisfied, the 20 day VWAP of Shares is A\$0.04 per Share or greater (**Tranche B VWAP Milestone**); and
- (iii) 1 Performance Share (**Tranche C Performance Share**) will convert upon the vesting date, which vesting date is the first date by which both of the following vesting conditions have been satisfied (provided they are both satisfied prior to the lapse of the Tranche C Performance Share) (**Tranche C Vesting Date**):
  - (A) the Company declaring and announcing a JORC Code compliant mineral resource estimate for the Tanzania Project of at least 50 MT at a grade of not less than 7% TGC within 4.5 years after the date on which the Tranche C Performance Share is issued (**Tranche C Resource Milestone**); and
  - (B) at any time during the period commencing on the date on which the Tranche C Resource Milestone is satisfied and ending on the earlier of:
    - (I) the date that is 1 year after the date on which the Tranche C Resource Milestone is satisfied; or
    - (II) the date that is five years after the date of issue of the Tranche C Performance Share,

the 20 day VWAP of Shares is A\$0.05 per Share or greater (**Tranche C VWAP Milestone**),

(each referred to as a **Milestone**).

In these terms and conditions:

**20 day VWAP** means the volume weighted average market price (as defined in the ASX Listing Rules) for the period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any) ending on the relevant date for testing the 20 day VWAP;

**A\$** means Australian dollars;

**MT** means millions of tonnes; and

**Tanzania Project** means the following granted prospecting licences and applications for prospecting licences in Tanzania:

(i) **Granted Prospecting Licences**

Project	Licence number
Morogoro (Tawa)	PL 12043/2022
Morogoro (Kasanga / Kasanga East)	PL 12150/2022
Morogoro (Kumba)	PL 12151/2022

(ii) **Applications for Prospecting Licences**

Project	Application number	Applicant
Morogoro (Nyingwa / Ngweme)	PL 20379/2022	Exceptional Limited Graphite Resources
Morogoro (Mvuha)	PL 20388/2022	Exceptional Limited Graphite Resources
Morogoro (Lundi)	PL 20389/2022	Exceptional Limited Graphite Resources
Morogoro (Nyingwa / Ngweme)	PL 20390/2022	Exceptional Limited Graphite Resources
Morogoro (Mvomero)	PL 22336/2022	Exceptional Limited Graphite Resources

(m) **Expiry Date**

A Performance Share will lapse, expire and be cancelled for nil consideration at 5.00pm (Western Australian time) on:

- (i) in respect of the Tranche A Performance Share, the earliest to occur of:
- (A) the date that is three years after the date of issue of the Tranche A Performance Share;
  - (B) (if the Tranche A Resource Milestone is not satisfied in accordance with its terms) the date that is 2 years after the date of issue of the Tranche A Performance Share; or
  - (C) (if the Tranche A Resource Milestone is satisfied in accordance with its terms but the Tranche A VWAP Milestone is not satisfied in accordance with its terms) the date that is 1 year after the date on which the Tranche A Resource Milestone is satisfied;
- (ii) in respect of the Tranche B Performance Share, the earliest to occur of:
- (A) the date that is four years after the date of issue of the Tranche B Performance Share;
  - (B) (if the Tranche B Resource Milestone is not satisfied in accordance with its terms) the date that is 3 years after the date of issue of the Tranche B Performance Share; or
  - (C) (if the Tranche B Resource Milestone is satisfied in accordance with its terms but the Tranche B VWAP Milestone is not satisfied in accordance with its terms) the date that is 1 year after the date on which the Tranche B Resource Milestone is satisfied;
- (iii) in respect of the Tranche C Performance Share, the earliest to occur of:
- (A) the date that is five years after the date of issue of the Tranche C Performance Share;

- (B) (if the Tranche C Resource Milestone is not satisfied in accordance with its terms) the date that is 4.5 years after the date of issue of the Tranche C Performance Share; or
- (C) (if the Tranche C Resource Milestone is satisfied in accordance with its terms but the Tranche C VWAP Milestone is not satisfied in accordance with its terms) the earlier of:
  - (I) the date that is 1 year after the date on which the Tranche C Resource Milestone is satisfied; or
  - (II) the date that is five years after the date of issue of the Tranche C Performance Share.

(n) **Conversion of Performance Shares**

Subject to Section 10.5(o) below, in the event that:

- (i) both the Tranche A Resource Milestone and the Tranche A VWAP Milestone are satisfied prior to the lapse of the Tranche A Performance Share, then the Tranche A Performance Share will convert into that number of Shares calculated as the quotient of A\$300,000 divided by the 20 day VWAP of Shares at the Tranche A Vesting Date;
- (ii) both the Tranche B Resource Milestone and the Tranche B VWAP Milestone are satisfied prior to the lapse of the Tranche B Performance Share, then the Tranche B Performance Share will convert into that number of Shares calculated as the quotient of A\$300,000 divided by the 20 day VWAP of Shares at the Tranche B Vesting Date;
- (iii) both the Tranche C Resource Milestone and the Tranche C VWAP Milestone are satisfied prior to the lapse of the Tranche C Performance Share, then the Tranche C Performance Share will convert into that number of Shares calculated as the quotient of A\$1,500,000 divided by the 20 day VWAP of Shares at the Tranche C Vesting Date,

and where a calculation in accordance with any of Section 10.5(n)(i) to Section 10.5(n)(iii) inclusive results in a fraction of a Share, that fraction will be eliminated by rounding down the number of Shares to be issued to the nearest whole number.

(o) **No Conversion if Corporations Act Contravention**

In the event that the conversion of a Performance Share into Shares would result in the Holder (or any other person or entity) being in contravention of section 606(1) of the Corporations Act, then the conversion of such Performance Share that would cause the contravention will be deferred until such time or times after the conversion that would not result in such a breach.

(p) **After Conversion**

The Shares issued on conversion of a Performance Share will, as and from the date of issue of those Shares, rank equally with and confer rights identical with all other Shares then on issue and, if the Company is listed on ASX at the time, application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

(q) **Conversion Procedure**

The Company will issue the Holder with a new holding statement for the Shares following the conversion of a Performance Share into Shares.

(r) **Quotation**

The Company will not seek official quotation of any Performance Shares.

## 10.6 Terms and Conditions of the Lead Manager Options

InVert Graphite will issue 15,000,000 Lead Manager Options pursuant to the terms of the Lead Manager Mandate to the Lead Manager (and/or its nominee(s)) within ten business days after the time of the issue of the Shares pursuant to the Offer. The proposed issue of the Lead Manager Options was approved by Shareholders at the General Meeting. The terms and conditions of the Lead Manager Options are as follows:

(a) **Entitlement**

Each Lead Manager Option entitles the registered holder of the Lead Manager Option (the **Holder**) to subscribe for one fully paid ordinary share (**Share**) in the capital of InVert Graphite on payment to InVert Graphite of the Exercise Price by the Expiry Date (each as defined below), subject to the terms below.

(b) **Exercise Price and Expiry Date**

The Lead Manager Options have an exercise price of:

- (i) with respect to 7,500,000 Lead Manager Options (being 50% of the Lead Manager Options), A\$0.06 per Lead Manager Option; and
- (ii) with respect to 7,500,000 Lead Manager Options (being the other 50% of the Lead Manager Options), A\$0.09 per Lead Manager Option,

(**Exercise Price**) and an expiry date of 5:00 pm (Australian Western Standard Time) on the date that is 2 years after the date on which the Lead Manager Options are issued (**Expiry Date**).

A Lead Manager Option not exercised by the Expiry Date will automatically lapse at 5:00 pm (Australian Western Standard Time) on the Expiry Date.

(c) **Method of Exercise**

The Lead Manager Options are exercisable by the Holder at any time on or prior to the Expiry Date, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Company's board of directors (**Board**):

- (i) a signed notice of exercise of Lead Manager Options in the form determined by the Board from time to time (**Notice of Exercise**);
- (ii) a cheque or cash or such other form of payment (in cleared funds) determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price multiplied by the number of Lead Manager Options being exercised; and
- (iii) the option certificate or certificates for those Lead Manager Options for cancellation by the Company (if any such certificate or certificates exist).

(d) **No Issue Unless Cleared Funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Lead Manager Options, the Company will not, unless otherwise determined by the Board, allot and issue Shares until after any cheque delivered in payment of the Exercise Price multiplied by the number of Lead Manager Options being exercised has been cleared by the banking system.

(e) **Minimum Exercise**

Lead Manager Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Lead Manager Options are held by a Holder or the Board otherwise agrees.

(f) **Actions on Exercise**

Following the exercise of Lead Manager Options:

- (i) the Lead Manager Options will automatically lapse; and
- (ii) the Company will allot and issue (in accordance with Section 10.6(g)) the number of Shares for which the Holder is entitled to subscribe for through the exercise of the Lead Manager Options.

(g) **Timing of the Issue of Shares on Exercise and Quotation**

Subject to the receipt of each of a Notice of Exercise, the option certificate or certificates (if any certificate or certificates exist) and payment of the Exercise Price in accordance with Sections 10.6(c) and 10.6(d), the Company must:

- (i) allot and issue the Shares pursuant to the exercise of the Lead Manager Options;
- (ii) if the Company is admitted to the official list of ASX at the time, as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act, if required to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if the Company is admitted to the official list of ASX at the time, but subject to the ASX Listing Rules, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options,

within five (5) business days after receipt by the Company of each of a Notice of Exercise and the option certificate or certificates (if any certificate or certificates exist) given in accordance with these terms and conditions and payment of the Exercise Price for each Lead Manager Option being exercised.

(h) **Shares Issued on Exercise**

Any Shares issued upon exercise of the Lead Manager Options will, from the date they are issued, rank *pari passu* in all respects with the Company's then issued Shares.

(i) **Adjustment for Reorganisation**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction. In the event that the Company is not admitted to the official list of the ASX at the time of the reconstruction, all rights of the Holder will nonetheless be changed in accordance with the rules set out in ASX Listing Rule 7.22.

(j) **Participation in New Issues and Other Rights**

A Holder who holds Lead Manager Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of Shareholders;
- (ii) receive any dividends declared by the Company;

- (iii) participate in any new issues of securities offered to Shareholders during the term of the Lead Manager Options;
- (iv) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
- (v) any right to participate in surplus assets or profits of the Company on winding up, unless and until the Lead Manager Options are exercised such that the Holder holds Shares.

A Lead Manager Option does not confer any right to a change in the exercise price of the Lead Manager Options nor a change to the number of Shares over which the Lead Manager Options can be exercised.

(k) **Quotation**

The Company will not seek official quotation of any Lead Manager Options (whether on the ASX or otherwise).

(l) **Transfer of Options**

The Lead Manager Options can only be transferred with Board approval and subject to any restriction or escrow arrangements imposed by ASX and subject to compliance with applicable laws and the constitution of the Company.

## 10.7 Terms and Conditions of the Existing Options

As at the date of this Prospectus, InVert Graphite has 11,187,498 Options on issue (**Existing Options**). The terms and conditions of the Existing Options are as follows:

(a) **Entitlement**

Each Existing Option entitles the registered holder of the Existing Option (the **Holder**) to subscribe for one Share on payment to InVert Graphite of the Exercise Price by the Expiry Date (each as defined below), subject to the terms below.

(b) **Exercise Price and Expiry Date**

The Existing Options have an exercise price of \$0.12 (**Exercise Price**) and an expiry date of 12 October 2025 (**Expiry Date**).

Any Existing Option not exercised by the Expiry Date will automatically lapse on the Expiry Date.

(c) **Method of Exercise**

The Existing Options are exercisable by the Holder, delivering to the registered office of the Company or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.

Each Exercise Notice must state the number of Existing Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency by electronic funds transfer or other means of payment acceptable to the Company) to the Company of an amount being the result of the Exercise Price multiplied by the number of Existing Options being exercised.

(d) **Timing of the Issue of Shares on Exercise and Quotation**

Within 15 business days after the later of the following:

- (i) the Exercise Date; and

- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 business days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Existing Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act.

(e) **Shares Issued on Exercise**

Any Shares issued upon exercise of the Existing Options will, from the date they are issued, rank *pari passu* in all respects with the Company's then issued Shares.

(f) **Adjustment for Reorganisation**

In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of all the Existing Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and the Listing Rules at the time of the reorganisation.

(g) **Bonus Issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Existing Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Existing Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(h) **Pro Rata Issue**

Existing Options carry no right to participate in pro rata issues of securities to Shareholders unless the Existing Options are exercised before the record date for determining entitlements to the relevant pro rata issue.

Each Existing Option Holder will be notified by the Company of any proposed pro rata issue of securities to Shareholders a reasonable period prior to the record date set for that pro rata issue to give the Existing Option Holder the opportunity to exercise the Existing Options in sufficient time to receive, before that record date, Shares issued on the exercise of Existing Options entitling participation in the pro rata issue.

## 10.8 Further disclosures regarding the Performance Shares, Chairman Options and Director and Management Performance Options

(a) **Performance Shares**

In accordance with the requirements of ASX and the Listing Rules, the following information is provided (along with the other information in this Prospectus) in relation to the Performance Shares which are to be issued to Hashimu Musedem Millanga (and/or his nominee(s)) (as detailed in Section 2.2):

- For personal use only
- (i) Hashimu Musedem Millanga (and/or his nominee(s)) will be the recipient of the 3 Performance Shares;
  - (ii) Mr Millanga is an EGR Tanzania Vendor under the Acquisition and it is proposed that Mr Millanga will be employed as Principal Geologist of EGR Tanzania on completion of the Acquisition, in accordance with his employment agreement summarised in Section 10.9(d);
  - (iii) Mr Millanga is not a related party of the Company for the purposes of the Listing Rules;
  - (iv) 1,828,439 Consideration Shares will be issued to Mr Millanga (and/or his nominee(s)) as consideration for Exceptional Graphite's and Green Valley's acquisition of 100% of the issued capital of EGR Tanzania as detailed in Section 2.2, and otherwise, Mr Millanga and his associates do not hold an interest in any Securities as at the date of this Prospectus (however, refer to Section 10.11 for information regarding the potential for Mr Millanga to become a substantial shareholder of the Company);
  - (v) the purposes of the issue of the Performance Shares are to incentivise Mr Millanga in seeking to achieve the Company's commercial goal of locating mineral resources at the Morogoro Project, to manage the risk of over-remunerating if Mineral Resources are not identifiable at the Morogoro Project and to satisfy a term of the employment agreement entered into by EGR Tanzania with Mr Millanga as summarised in Section 10.9(d). The Performance Shares provide a performance linked incentive component in the remuneration package for Mr Millanga and align the interests of Mr Millanga with those of Shareholders, to motivate and reward his performance and to provide a cost effective way from the Company to remunerate Mr Millanga, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were provided;
  - (vi) as Principal Geologist of EGR Tanzania, Mr Millanga will, in that capacity, play a central role in driving the Company's efforts in seeking to achieve the Mineral Resources vesting hurdles at the Morogoro Project and the VWAP vesting hurdles, being the Milestones as defined pursuant to the Performance Share terms;
  - (vii) the maximum number of Shares that can be issued pursuant to the Performance Shares (if all of the vesting conditions for the relevant Milestone(s) as defined in Section 10.5(l) are satisfied) is:
    - (A) Tranche A Performance Share – 7,500,000 Shares;
    - (B) Tranche B Performance Share – 7,500,000 Shares; and
    - (C) Tranche C Performance Share – 30,000,000 Shares, (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue as detailed above, whilst reducing the number of Performance Shares accordingly);
  - (viii) the terms and conditions of the Performance Shares are set out in Section 10.5;
  - (ix) the Performance Shares will be unquoted securities. The Company has chosen to issue Performance Shares for the following reasons (without limitation):
    - (A) the Performance Shares are unquoted; therefore, the issue of the Performance Shares has no immediate dilutionary impact on Shareholders; and

- (B) the milestones attaching to the Performance Shares will align the interests of the recipient with those of Shareholders;
- (x) the number of Performance Shares to be issued has been determined based upon a consideration of:
  - (A) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - (B) the remuneration of Mr Millanga; and
  - (C) incentives to attract and retain the service of Mr Millanga who has appropriate knowledge and expertise, while maintaining the Company's cash reserves,

and, consequently, the Company considers that number to be appropriate and equitable;

- (xi) the Performance Shares are proposed to be issued in order to remunerate and incentivise the future performance or service of Mr Millanga and to align his interests with Shareholders, consistently with the strategic goals and targets of the Company. This is primarily why the Performance Shares were chosen as the type of security to be offered to him (and/or his nominee(s)) and why it is considered appropriate to remunerate him in this way in addition to his other remuneration;
- (xii) the total proposed remuneration package of Mr Millanga (separately of the Performance Shares) which is proposed to be paid by EGR Tanzania pursuant to the employment agreement (for the current financial year) is US\$12,000. The Company has not previously paid any remuneration to Mr Millanga;
- (xiii) no funds will be raised from the issue as the Performance Shares will be issued at a nil issue price, in consideration for geologist services to be provided by Mr Millanga, and effectively as performance based consideration in connection with the acquisition of Exceptional Graphite; and
- (xiv) the key terms of the employment agreement between Mr Millanga and EGR Tanzania pursuant to which the Performance Shares are to be issued are summarised in Section 10.9(d).

(b) **Director and Management Performance Options**

In accordance with the requirements of ASX and the Listing Rules, the following information is provided (along with the other information in this Prospectus) in relation to the Director and Management Performance Options which are to be issued to certain Directors and Proposed Directors and Ms Louisa Martino, who is the Company's Company Secretary and Chief Financial Officer, (and/or their respective nominee(s)), as detailed in Section 10.4:

- (i) Anastasios Arima, Dominic Allen, Simon Taylor, Andrew Boyd, Andrew Lawson and Louisa Martino (and/or their respective nominee(s)) will be the recipients of the Director and Management Performance Options;
- (ii) Mr Arima, Mr Allen, Mr Taylor, Mr Boyd and Mr Lawson each fall within, or are anticipated to fall within, the category in Listing Rule 10.14.1, as directors of the Company (refer to Section 4.2 for further details in relation to Mr Arima, Mr Allen, Mr Taylor and Mr Boyd) and Ms Martino and Mr Lawson are members of the senior management team of the Company and Ms Martino is not a related party of the Company for the purposes of the ASX Listing Rules (refer to Section 4.3 for further details in relation to Ms Martino and Mr Lawson);

- For personal use only
- (iii) Mr Arima, Mr Allen, Mr Taylor, Mr Boyd, Mr Lawson and Ms Martino will (as applicable), in their capacities of acting in their respective roles for the Company, play central roles in directing or managing the Company's efforts in seeking to achieve the performance hurdles for their respective Director and Management Performance Options;
  - (iv) the Director and Management Performance Options are proposed to be issued in order to remunerate and incentivise the future performance or service of Mr Arima, Mr Allen, Mr Taylor, Mr Boyd, Mr Lawson and Ms Martino and to align each of their respective interests with Shareholders, consistently with the strategic goals and targets of the Company. This is primarily why the Director and Management Performance Options were chosen as the type of security to be offered to them and why it is considered appropriate to remunerate them in this way in addition to their other remuneration;
  - (v) the total remuneration packages for Mr Arima, Mr Allen, Mr Taylor, Mr Boyd and Mr Lawson are outlined in Section 4.4(a) (and in Section 4.4(c) in respect of Mr Lawson) and the total remuneration package for Ms Martino is outlined in Section 4.4(c);
  - (vi) the number and classes of Director and Management Performance Options proposed to be issued are outlined above in Section 10.4;
  - (vii) interests of the Directors, Proposed Directors and their respective associated entities in Securities as at the date of this Prospectus are outlined in Section 4.4(b) (and details of the consideration which the Directors paid (where applicable) for their respective securities has been announced by the Company to the ASX except for 1,280,000 Shares (of which 808,784 Shares were acquired pursuant to placements and entitlement offers undertaken by the Company for cash consideration of \$110,004 and 471,216 Shares were acquired through on market purchases) in which David Brookes had an interest as at 10 April 2019 being the date of his appointment as a Director). Other than the Director and Management Performance Options proposed to be issued to Ms Martino (or her nominee) as outlined in Section 10.4, Ms Martino and her associated entities do not hold any interests in Securities as at the date of this Prospectus;
  - (viii) the number of Director and Management Performance Options to be issued were determined having consideration to the following matters:
    - (A) the particular skills and experience of the individual Director, Proposed Director or executive;
    - (B) the duties to be undertaken by the individual Director, Proposed Director or executive;
    - (C) the purpose of attracting and retaining executives and Directors (including Proposed Directors) with the desired skills and experience; and
    - (D) the purpose of aligning individual and team behaviours with the interest of Shareholders;
  - (ix) the number of Director and Management Performance Options proposed to be issued are considered appropriate and equitable based on the objectives of limiting the dilution of existing Shareholders upon the conversion of the Director and Management Performance Options whilst also appropriately remunerating the Directors (including the Proposed Directors) and executives and aligning their interests with Shareholders;
  - (x) if all the Director and Management Performance Options which are proposed to be issued to Mr Arima, Mr Allen, Mr Taylor, Mr Boyd, Mr Lawson and Ms Martino are exercised into Shares, then 28,315,758 Shares will be issued (the impact that

would have on the Company's capital structure would be to increase the total number of Shares on issue by 28,315,758, whilst reducing the number of Director and Management Performance Options accordingly);

- (xi) no funds will be raised by the issue, exercise or conversion of the Director and Management Performance Options, as they will be issued for nil cash consideration (as part of the relevant Director's (including Proposed Director's) or executive's remuneration for their services to the Company) and no exercise price is payable in order to convert them into Shares, or for them to be Cash Settled, in accordance with their terms and conditions following their vesting; and
- (xii) there may be a perceived cost to the Company arising from the issue of Director and Management Performance Options (and the Shares, or cash payments if they are Cash Settled, upon their vesting) for nil cash consideration. However, the benefits of incentivising the Directors, Proposed Directors and executives to achieve the performance hurdles in relation to the Director and Management Performance Options and aligning each of their respective interests with Shareholders should also be considered, and are the key purposes for the proposed issue of the Director and Management Performance Options.

(c) **Chairman Options**

In accordance with the requirements of ASX and the Listing Rules, the following information is provided (along with the other information in this Prospectus) in relation to the Chairman Options which are to be issued to Dr David Brookes (and/or his nominee(s)) as detailed in Section 10.3:

- (i) Dr David Brookes (and/or his nominee(s)) will be the recipient of the Chairman Options;
- (ii) Dr Brookes falls within the category in Listing Rule 10.14.1 as a director of the Company (refer to Section 4.2 for further details in relation to Dr Brookes);
- (iii) Dr Brookes will, in his capacity acting in his roles for the Company, play a central role in directing the Company's efforts in seeking to achieve the VWAP vesting hurdle for the Chairman Options;
- (iv) the Chairman Options are proposed to be issued in order to remunerate and incentivise the future performance or service of Dr Brookes and to align his interests with Shareholders, consistently with the strategic goals and targets of the Company. This is primarily why the Chairman Options were chosen as the type of security to be offered to him and why it is considered appropriate to remunerate him in this way in addition to his other remuneration;
- (v) the total remuneration package for Dr Brookes is outlined in Section 4.4(a);
- (vi) the Company proposes to issue 1,231,120 Chairman Options to David Brookes (and/or his nominee(s)) on or around the completion of the Acquisition;
- (vii) interests of Dr Brookes and his associated entities in Securities as at the date of this Prospectus are outlined in Section 4.4(b);
- (viii) the number of Chairman Options to be issued was determined based on a notional grant of Shares at the Offer Price, being approximately fifty percent of the fees expected to be earned by Dr Brookes in the twelve months following the completion of the Acquisition (if he is to remain on the Board for that period of time);
- (ix) the numbers of Chairman Options are considered appropriate and equitable based on the objectives of limiting the dilution of existing Shareholders upon the

conversion of the Chairman Options whilst also appropriately remunerating Dr Brookes and aligning his interests with Shareholders;

- (x) if all the Chairman Options which are proposed to be issued are exercised into Shares, then 1,231,120 Shares will be issued (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 1,231,120, whilst accordingly reducing the number of Chairman Options to nil);
- (xi) no funds will be raised by the issue, exercise or conversion of the Chairman Options, as they will be issued for nil cash consideration (as part of Dr Brookes' remuneration for his services to the Company) and no exercise price is payable in order to convert them into Shares, or for them to be Cash Settled, in accordance with their terms and conditions following their vesting; and
- (xii) there may be a perceived cost to the Company arising from the issue of Chairman Options (and the Shares, or cash payments if they are Cash Settled, upon their vesting) for nil cash consideration. However, the benefits of incentivising Dr Brookes to achieve the performance hurdles in relation to the Chairman Options and aligning his interests with Shareholders should also be considered, and are the key purposes for the proposed issue of the Chairman Options.

## 10.9 Material Contracts

The Directors consider that certain contracts entered into by InVert Graphite, or its subsidiaries are material to InVert Graphite or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section 10.9 and in Section 4 (and some of them are also referred to in the Independent Solicitors' Reports in Section 8).

### (a) Lead Manager Mandate

On 12 March 2025, InVert Graphite entered into a Letter Agreement (the **Lead Manager Mandate**) with Taylor Collison Limited (the **Lead Manager**) setting out the terms on which the Lead Manager is engaged to act as the lead manager in relation to the Offer.

The Lead Manager is entitled to receive the following fees (as also referred to elsewhere in this Prospectus) for its services to the Company as lead manager to the Offer:

- (i) a management fee of 3.0% (plus GST) of the total amount of the Offer Price raised and paid to the Company under the Offer in respect of the Shares that are issued under the Offer;
- (ii) a capital raising fee of 3.0% (plus GST) of the total amount of the Offer Price raised and paid to the Company under the Offer in respect of the Shares that are issued under the Offer; and
- (iii) as approved by Shareholders at the General Meeting, 15,000,000 Lead Manager Options, comprising 7,500,000 unlisted Options with an expiry date of 2 years from the date of issue and an exercise price of A\$0.06 each and 7,500,000 unlisted Options with an expiry date of 2 years from the date of issue and an exercise price of A\$0.09 each the terms and conditions of which are summarised in Section 10.6.

The Lead Manager will be responsible for paying (at their own cost), any fees to be paid to other participating brokers.

The Lead Manager's services to the Company pursuant to the Lead Manager Mandate include customary services such as (in consultation with, and as instructed by, the Company) assisting the Company in the overall management of, and the application process and other administration aspects of, the Offer, providing input on the framework and content of this Prospectus, liaising with the Company's advisers, assisting in dealings

with regulatory bodies, advising on the optimal share allocation policy in connection with the Offer and co-ordinating the allocation process in consultation with the Company (and subject to the Company's approval).

The Company will reimburse the Lead Manager periodically, for all reasonable out-of-pocket and travel expenses (including any applicable GST) incurred by the Lead Manager in connection with the Offer and the performance by the Lead Manager of its role under the Lead Manager Mandate. The Lead Manager will seek Company approval for any one-off out of pocket or travel expense that exceeds A\$2,000, such approval not to be unreasonably withheld.

The Company will be responsible for the reasonable fees and disbursements of a legal advisor retained by the Lead Manager, resulting from or arising out of the engagement but not in connection with the performance of the services contemplated by the Lead Manager Mandate. The total reimbursement of those legal advisor costs (including any applicable GST) incurred by the Lead Manager and payable by the Company shall not exceed A\$5,000 unless otherwise approved by the Company in writing.

If the Company terminates the Lead Manager Mandate without cause and, within 12 months of the termination of the Lead Manager's appointment, an equity capital raising is completed that includes the participation of a party whom the Lead Manager had introduced to the Company during the engagement period, and the Lead Manager provided sufficient information including corporate and financial services to facilitate the procurement of equity capital proceeds from that party, a fee will be payable to the Lead Manager comprising 6.0% of any and all funds thereby raised by the Company from that party in consideration for equity securities in the Company which are issued to that party pursuant to that equity capital raising (but excluding, for the avoidance of doubt, any subsequent funds received by the Company, such as pursuant to the exercise of any options issued to that party pursuant to that equity capital raising).

Subject to the completion of the Offer, the Lead Manager will during the period of 12 months from the date of allotment of the Shares pursuant to the Offer have a right to act as Lead Manager to any subsequent equity capital raisings of the Company (other than the Offer), with the capital raising fees for any such issue to be 6.0% of any funds thereby raised for the Company as the issue price of equity securities in the Company which are issued pursuant to the Lead Manager's services under that equity capital raising (but excluding, for the avoidance of doubt, any subsequent funds received by the Company, such as pursuant to the exercise of any options issued pursuant to that equity capital raising).

In addition, the Lead Manager Mandate contains various customary terms, such as warranties and indemnities given by the Company in favour of the Lead Manager.

Unless terminated by the Company or the Lead Manager in accordance with its terms, the Lead Manager Mandate would terminate on 30 May 2025 (with various clauses surviving termination).

Each of the Company and the Lead Manager will be able to terminate the engagement at any time with or without cause, upon 7 days' written notice to the other party.

The Lead Manager Mandate does not constitute an agreement to underwrite the Offer.

(b) **Acquisition Agreements**

On 7 August 2024, InVert Graphite entered in to the following contracts which are collectively referred to as the Acquisition Agreements:

- (i) InVert Graphite has executed a binding term sheet (being the EGA Term Sheet) to acquire 100% of the issued capital of Exceptional Graphite from the EGA Vendors.
- (ii) InVert Graphite and Exceptional Graphite have also entered into a binding term sheet (being the EGR Tanzania Term Sheet) with the EGR Tanzania Vendors for

Exceptional Graphite and its wholly-owned subsidiary Green Valley to acquire a 100% ownership interest in EGR Tanzania.

- (iii) InVert Graphite and Exceptional Graphite have entered into an agreement (being the White Hill Tenement Purchase Agreement) for Exceptional Graphite to acquire the White Hill Licences from White Hill Resources Pty Limited

The following is a summary of the key terms of the Acquisition Agreements.

#### **Acquisition Consideration**

Subject to satisfaction or waiver of the conditions precedent detailed below, under the terms of the Acquisition Agreements, the Company will issue a total of 76,757,576 fully paid ordinary shares in InVert Graphite in consideration for the Acquisition (being the Consideration Shares). The allocation of the Consideration Shares is as follows (as further detailed in Section 2.2):

- (i) 4,459,608 Consideration Shares to be issued to the EGR Tanzania Vendors (and/or their nominee(s)), as consideration for Exceptional Graphite's and Green Valley's acquisition of 100% of the issued capital of EGR Tanzania;
- (ii) 71,297,968 Consideration Shares to be issued to the EGA Vendors (and/or their nominee(s)) as consideration for InVert Graphite's acquisition of 100% of the issued capital of Exceptional Graphite; and
- (iii) 1,000,000 Consideration Shares to be issued to the vendor of the White Hill Licences (and/or its nominee(s)), as consideration for Exceptional Graphite's acquisition of the White Hill Licences and related mining information.

All Consideration Shares will be subject to ASX imposed escrow restrictions.

In connection with the Acquisition, a net sales return royalty of 0.25% on any future production from the Morogoro Project will also be granted to the EGR Tanzania Vendors by EGR Tanzania (being the Royalty).

#### **Performance Shares**

A condition of the Acquisition is that EGR Tanzania enters into an employment agreement with Hashimu Musedem Millanga, being an EGR Tanzania Vendor, pursuant to which Mr Millanga is to be employed as a geologist by EGR Tanzania. That employment agreement has been signed on the terms summarised in Section 10.9(d). Under the terms of that employment agreement, it is proposed that, subject to certain conditions detailed in that Section and subject to Mr Millanga's employment under the agreement commencing and not having ceased and compliance with applicable law and the ASX Listing Rules, a nominee of Mr Millanga which is acceptable to the Company will be issued three performance shares in the capital of the Company (being the Performance Shares) which are to be subject to the terms and conditions in Section 10.5.

The maximum number of Shares that can be issued pursuant to the Performance Shares (if all of the vesting conditions for the relevant tranche(s) are satisfied) is:

- Tranche A Performance Share – 7,500,000 Shares;
- Tranche B Performance Share – 7,500,000 Shares; and
- Tranche C Performance Share – 30,000,000 Shares.

The Performance Shares will be subject to ASX imposed escrow restrictions.

#### **Conditions Precedent**

The obligations for the Company to issue the Consideration Shares to complete the Acquisition pursuant to the Acquisition Agreements, are subject to various conditions precedent, which include (across the Acquisition Agreements) in summary:

- (i) completion of due diligence to the satisfaction of InVert Graphite;
- (ii) Exceptional Graphite becoming the sole legal and beneficial owner of all shares in Green Valley (which has occurred);
- (iii) InVert Graphite lodging the Prospectus and receiving cleared funds for the minimum subscription for the public offer under the Prospectus (which minimum subscription has now been set at \$3.3 million (before costs) pursuant to the Offer) without having refunded that minimum subscription;
- (iv) EGR Tanzania entering into an employment agreement with Hashimu Musedem Millanga pursuant to which Mr Millanga is to be employed as a geologist by EGR Tanzania (that employment agreement has been signed on the terms summarised in Section 10.9(d));
- (v) InVert Graphite obtaining shareholder approvals pursuant to the ASX Listing Rules, the Corporations Act and for all other purposes in relation to the Acquisition (which approvals were obtained at the General Meeting held on 20 December 2024);
- (vi) the parties obtaining all necessary third-party consents and regulatory / governmental / ministerial approvals required to complete the Acquisition such as merger clearance from the Tanzania Fair Competition Commission, taxation clearance from the Tanzania Revenue Authority, notification to the Tanzanian Register of Companies in order to record the Acquisition and changes in shareholders on the companies register, all required approvals required under Tanzania's Foreign Exchange Regulations 2022 (as amended) (to the extent required) and applicable consents pursuant to section 127 of the Mining Act from the Tanzania Mining Commission and (in relation to the White Hill Licences) consent from the South Australian Minister for Mineral Resources and Energy to the transfer of the White Hill Licences;
- (vii) ASX approving the reinstatement to trading on ASX of the Company's equity securities following completion of the Offer and the Acquisition, subject only to any conditions which ASX may reasonably require that are acceptable to the Company;
- (viii) Exceptional Graphite and Green Valley completing the acquisition of EGR Tanzania;
- (ix) Exceptional Graphite completing the acquisition of the White Hill Licences; and
- (x) the shares in Exceptional Graphite having been acquired by InVert Graphite.

Only the conditions precedent (ii), (iv) and (v) (above) have been satisfied as at the date of this Prospectus as well as the receipt of Tanzania Mining Commission approval in item vi.

The Acquisition Agreements also include pre-completion obligations on certain parties to them and standard representations, warranties and indemnities.

#### **Termination**

Circumstances in which an Acquisition Agreement may be terminated include, in summary:

- (i) if the conditions precedent in respect of that Acquisition Agreement are not satisfied or waived on or before 5.00pm on 30 May 2025 (or by such other date as relevant parties agree);<sup>24</sup>
- (ii) if a relevant party to an Acquisition Agreement does not fulfill its obligations at completion or is otherwise in breach of a material obligation under, or a term of, that Acquisition Agreement and that breach is not capable of being remedied or is not remedied within seven days of the relevant breaching party receiving a notice of the breach from the relevant non-breaching party; or
- (iii) if all parties to that Acquisition Agreement terminate that Acquisition Agreement by mutual agreement in writing.

(c) **Royalty Agreement – Morogoro Project**

EGR Tanzania and the EGR Tanzania Vendors have entered into a royalty agreement (being the Royalty Agreement referred to in Section 2.2) pursuant to which, subject to the satisfaction by 30 May 2025 of the condition precedent of:

- (i) the acquisition of EGR Tanzania pursuant to the Acquisition having been completed, in accordance with the terms of the EGR Tanzania Term Sheet (to the satisfaction of the Company); and
- (ii) the Company having received approval from ASX for reinstatement to trading on ASX of the Shares, subject only to any conditions which ASX may reasonably require that are acceptable to the Company,

EGR Tanzania will pay to the EGR Tanzania Vendors a 0.25% net sales return royalty (being the Royalty).

The Royalty is payable on all flake graphite concentrate produced, extracted and recovered from any special mining licences, mining licences, or primary mining licences held by EGR Tanzania during the term of the Royalty Agreement to the extent such licence is within the boundaries of the Morogoro Project tenements and tenement applications as at the date of the Royalty Agreement (being 11 March 2025)<sup>25</sup> (those special mining licences, mining licences, or primary mining licences are the **Tenements**) which is capable of being sold or otherwise disposed of (**Product**) (but for the avoidance of doubt does not include any value added products produced from further processing of flake graphite concentrate).

The Royalty is payable by EGR Tanzania to the EGR Tanzania Vendors quarterly, for each quarter (after the extraction and recovery by EGR Tanzania of any Product in commercial quantities commences from the Tenements, following satisfaction of the condition precedent above) in which any Product is produced and sold, or otherwise disposed of, by EGR Tanzania from the Tenements. The Royalty is based on the revenue actually received by EGR Tanzania from the sale or other disposal of Product plus (or minus) adjustments and less allowable deductions for all costs, charges and expenses paid, incurred, or deemed incurred by, or on behalf of, EGR Tanzania in relation to the sale of Product extracted and recovered from the Tenements after mining and milling or other initial processing within or adjacent to Tenements.

Any decision to commence, pursue, suspend, or cease mining on the Morogoro Project tenements and tenement applications (and any successor tenements) rests solely with EGR Tanzania.

EGR Tanzania may on any one or more occasions:

- (i) sell, transfer, assign or otherwise dispose of the whole or any part of its direct or indirect interest in any one or more Morogoro Project tenements and tenement

<sup>24</sup> Relevant parties agreed to the 30 May 2025 date, in lieu of the original date of 31 March 2025.

<sup>25</sup> Refer to Table 10 in Section 2.9, for details of those tenements and tenement applications.

applications (and any successor tenements), provided that in the circumstance where EGR Tanzania is selling the entirety of one or more such tenements or tenement applications EGR Tanzania must ensure that the acquiring party assumes EGR Tanzania's rights and obligations regarding the Royalty under the Royalty Agreement in respect of the sold tenure; or

- (ii) create an encumbrance of the whole or any part of its direct or indirect interest or right in any one or more Morogoro Project tenements and tenement applications (and their successor tenements) (such as (without limitation) in order to secure funding for the project in respect to such tenements or tenement applications).

The Royalty Agreement shall only be terminated when:

- (i) it is terminated for failure to satisfy the condition precedent above;
- (ii) EGR Tanzania ceases to hold any interest in any Morogoro Project tenement or tenement application; or
- (iii) EGR Tanzania, the EGR Tanzania Vendors and the Company agree in writing.

The Royalty Agreement also contains terms considered customary for agreements of this nature, such as warranties and representations, adjustments to the Royalty, dispute resolutions provisions and commingling provisions.

(d) **Agreement for employment of Hashimu Musedem Millanga as Principal Geologist by EGR Tanzania**

On 6 March 2025, EGR Tanzania entered into an employment agreement with Hashimu Millanga (the **Employee**) pursuant to which the Employee will perform the role of Principal Geologist for EGR Tanzania, to assist with the development of graphite exploration at the Morogoro Project. The Employee is also an EGR Tanzania Vendor.

The key terms of that employment agreement are summarised below:

- (i) The employment agreement is conditional on completion of the Acquisition and the Company receiving conditional approval from ASX for the Reinstatement (subject only to any conditions which ASX may reasonably require that are acceptable to the Company) by 30 May 2025.
- (ii) The Employee will receive a base salary of US\$1,000 per month.
- (iii) The Employee shall work twelve hours per week, or such additional hours as may be reasonable and necessary for the proper performance of his duties, subject to Tanzanian employment laws.
- (iv) The Employee is entitled to paid annual leave and other types of leave in accordance with the law of the United Republic of Tanzania.
- (v) EGR Tanzania shall deduct 10% of the Employee's basic wages which will be matched with a 10% contribution from EGR Tanzania for social security contribution to the National Social Security Fund.
- (vi) Either EGR Tanzania or the Employee may terminate the employment of the Employee by providing 1 (one) month's prior written notice.
- (vii) In addition to the base salary, EGR Tanzania shall procure that, subject to the conditions detailed in (i) above and subject to the Employee's employment under the agreement commencing and not having ceased and compliance with applicable law and the ASX Listing Rules, a nominee of the Employee which is acceptable to the Company will receive 3 Performance Shares on the terms set out in Section 10.5.

(e) **Consulting Agreement for Company Secretary and Chief Financial Officer**

Effective from 12 September 2024, the Company entered into a consultancy agreement with Jimbaran Investments Pty Ltd ATF the Jimbaran Trust (the **Consultant**) to appoint Ms Louisa Martino as Company Secretary and Chief Financial Officer. The material terms of the agreement are as follows:

- (i) The Consultant will perform customary Company Secretary and Chief Financial Officer services for the Company.
- (ii) The Consultant will receive a fee of A\$10,000 per month (plus applicable GST). Where substantial additional work beyond an average of approximately 1.5 days per week is required, additional fees may be incurred by the Company at a minimum hourly rate of \$275 (plus applicable GST). The fee may be reviewed after the initial 12 months.
- (iii) The Consultant will be eligible to participate in any employee share option plan or other incentives offered to board and management of the Company. Refer to Ms Martino's allocation of certain Director and Management Performance Options as detailed in Section 4.4(c).
- (iv) The Consultant's reasonable expenses will be payable by the Company.
- (v) The Company and the Consultant shall each be entitled to terminate the agreement upon giving 90 days' notice.
- (vi) Other customary clauses apply, such as reciprocal indemnities provided by the Company and the Consultant.

#### **10.10 Related Party Transactions**

Other than as disclosed in this Prospectus, there are no other existing agreements or arrangements and there are currently no proposed transactions in which InVert Graphite was, or is to be, a participant, and in which any related party of InVert Graphite (other than intra-group matters with, or between, InVert Graphite's wholly owned subsidiaries) has or will have a direct or indirect material interest.

Where required, related party financial benefits were approved by Shareholders, or by the Board without Shareholder approval where they were determined (absent any director with a material personal interest) to be reasonable remuneration, on arm's length terms or indemnities, exemptions or insurance premiums or other matters which are exempt from Shareholder approval requirements under the Corporations Act.

All future related party arrangements will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, Shareholder approval will be obtained. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice where required.

#### **10.11 Effect of the Offer on control and substantial Shareholders**

As at the date of this Prospectus, based on InVert Graphite's register of Shareholders, InVert Graphite is not aware of any persons have an interest in 5% or more of the Shares on issue.

It is not proposed for any Shareholder to, by the time immediately after completion of the Offer and Acquisition, acquire a holding of Shares of, or increase their holding to, an amount in excess of 20% of all the Shares on issue at completion of the Acquisition and the Offer.

The persons who may hold an interest in 5% or more of the Shares upon Readmission of InVert Graphite to the Official List are currently unknown. However, based on the information known as at the date of this Prospectus, upon Readmission the following Shareholders are expected to have an interest in 5% or more of the Shares on issue (assuming the Directors and Proposed Directors each participate in the Offer to the maximum extent proposed in Section 4.4, and noting that

substantial shareholdings may be impacted by allocations of Shares under the Offer and other matters):

**Table 47: Persons expected to hold an interest of 5% or more of the Shares on issue at the date of Readmission**

Shareholder	Minimum Subscription		Maximum Subscription	
	Number of Shares	% of Shares on Readmission <sup>1</sup>	Number of Shares	% of Shares on Readmission <sup>2</sup>
Andrew Boyd and Susan Boyd and/or their associates <sup>3</sup>	37,945,316	9.20%	37,945,316	9.05%
Simon Taylor and/or his associates (including Jimzbal Pty Ltd) <sup>3</sup>	22,280,000	5.40%	22,280,000	5.31%
<b>Total</b>	<b>60,225,316</b>	<b>14.60%</b>	<b>60,225,316</b>	<b>14.36%</b>

**Notes:**

1. Assuming 76,757,576 Shares are issued pursuant to the Acquisition and assuming 110,000,000 Shares are issued under the Offer and that no further Shares are issued or cancelled prior to Readmission.
2. Assuming 76,757,576 Shares are issued pursuant to the Acquisition and assuming 116,666,667 Shares are issued under the Offer and that no further Shares are issued or cancelled prior to Readmission.
3. Assuming that Mr Taylor and/or his associates subscribe for an aggregate of 2,000,000 Shares in the Offer and Mr Boyd and/or his associates subscribe for an aggregate of 1,000,000 Shares in the Offer as described in Section 4.4. The issue of the Shares proposed to be subscribed for by Mr Taylor and Mr Boyd (and/or their respective nominee(s)) was approved by Shareholders at the General Meeting.

In the event that, after Readmission, any of Andrew Boyd's or Simon Taylor's proposed Director and Management Performance Options vest and are exercised into Shares, that would consequently increase the respective percentage interest in Shares of whichever of them receives such Shares at the relevant time, assuming no other Options or Performance Shares are converted into Shares and no other Shares are issued other than pursuant to the Offer.

Separately, in the event that, after Readmission, all of the Performance Shares to be issued to Mr Hashimu Millanga vest and are converted into the maximum amount of 45,000,000 Shares, those Shares in aggregate with the 1,828,439 Consideration Shares to be issued to him (as part-consideration for Exceptional Graphite's and Green Valley's acquisition of 100% of the issued share capital of EGR Tanzania), would indicatively comprise 10.23% of all Shares assuming no Options are converted into Shares, no other Shares are issued and the Minimum Subscription is raised pursuant to the Offer.

The Company anticipates that the EGR Tanzania Vendors may incorporate one or more special purpose companies to receive their respective Consideration Shares and (in respect of Mr Millanga) the Performance Shares as their nominee(s). If only one such company is incorporated and if it receives all of the 4,459,608 Consideration Shares to be issued to the EGR Tanzania Vendors (and/or their nominee(s)) pursuant to the EGR Tanzania Term Sheet and all three of the Performance Shares, then the 10.23% amount referred to above could be increased to approximately 10.8%. Refer to section 4.21 of the Tanzanian Independent Solicitor's Report for information regarding the usage of such special purpose companies as relevant to Tanzanian legal matters.

## 10.12 Interests and Benefits

No Director or proposed Director has as at the date of this Prospectus, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of InVert Graphite; or
- (b) property acquired or proposed to be acquired by InVert Graphite in connection with its formation or promotion or the Offer; or

For personal use only

- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director or proposed Director to induce them to become, or to qualify as, a Director; or
- (e) any Director or proposed Director for services provided in connection with the formation or promotion of InVert Graphite or the Offer,

except as disclosed in this Prospectus.

### 10.13 Interests of Promoters, Experts and Advisers

No promoter, underwriter to the Offer, financial services licensee named in this Prospectus as a financial services licensee involved in the Offer or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds or has (in each case as at the date of this Prospectus) or has had in the two (2) years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of InVert Graphite;
- (b) property acquired or proposed to be acquired by InVert Graphite in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any such person, for services provided in connection with the formation or promotion of InVert Graphite or the Offer, except as follows or as otherwise disclosed in this Prospectus:

- (d) PKF Brisbane Audit has acted as auditor to InVert Graphite and has audited the financial statements of InVert Graphite for the year ended 31 December 2022 and for the year ended 31 December 2023 and reviewed the financial statements of InVert Graphite for the half years ended 30 June 2023 and 30 June 2024. InVert Graphite has paid, or has agreed to pay, an amount of approximately A\$98,100 (excluding disbursements and GST) for these services during the two years preceding the lodgement date of this Prospectus. Further amounts may be paid under time-based charges;
- (e) PKF Brisbane Audit has also acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which has been included in Section 6. InVert Graphite has paid, or has agreed to pay, an amount of approximately A\$36,700 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to the Investigating Accountant under time-based charges;
- (f) Grant Thornton Corporate Finance Pty Ltd has acted as Independent Expert and has prepared the Independent Expert's Report which has been included in Section 9. InVert Graphite has paid, or has agreed to pay, an amount of approximately A\$52,500 (excluding disbursements and GST) for these services up until the date of this Prospectus;
- (g) Taylor Collison Limited is the Lead Manager to the Offer and will receive a fee of up to A\$210,000 (plus GST) of the gross proceeds raised under the Offer, as described in Section 10.9(a), following the successful completion of the Offer for its services as lead manager to the Offer. The Lead Manager will also receive the Lead Manager Options as described in Section 10.9(a) for its services as Lead Manager to the Offer.<sup>26</sup> The Lead

---

<sup>26</sup> Refer also to Section 1.12.

Manager has not received any other fees from InVert Graphite for any other services during the two years preceding the lodgement of this Prospectus with ASIC;

- (h) SRK Consulting (Australasia) Pty Ltd has acted as the independent technical expert to InVert Graphite and has prepared the Independent Geologist's Report which has been included in Section 7. InVert Graphite has paid, or has agreed to pay, an amount of approximately A\$60,000 (excluding disbursements and GST) for these services and due diligence conducted up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (i) Bowmans Tanzania Limited has acted as the tenement solicitors to InVert Graphite for the Morogoro Project and has prepared the Tanzanian Independent Solicitor's Report which has been included in Section 8.1. InVert Graphite has paid, or has agreed to pay, an amount of approximately US\$108,700 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (j) O'Loughlins Lawyers has acted as the tenement solicitors to InVert Graphite for the White Hill Licences and has prepared the Australian Independent Solicitor's Report which has been included in Section 8.2. InVert Graphite has paid, or has agreed to pay, an amount of approximately A\$18,217 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (k) Thomson Geer has acted as Australian legal advisor to InVert Graphite in relation to the Offer. InVert Graphite has paid, or has agreed to pay, an amount of approximately A\$174,279 (excluding disbursements and GST) in respect of these services up until the date of this Prospectus. In addition, Thomson Geer has received approximately A\$276,260 (excluding disbursements and GST) from InVert Graphite for further legal services provided by Thomson Geer to InVert Graphite during the two years preceding the lodgement date of this Prospectus. Further amounts may be paid to Thomson Geer in accordance with its normal time-based charges; and
- (l) MUFG Corporate Markets is InVert Graphite's share registry in respect of the Offer, and will be paid up to \$5,000 (excluding disbursements and GST) for these services. During the two years preceding the lodgement of this Prospectus with ASIC, MUFG Corporate Markets has received, or will receive, approximately A\$42,345 (excluding disbursements and GST) from InVert Graphite for further share registry services to InVert Graphite during the two years preceding the lodgement date of this Prospectus. Further amounts will be paid to MUFG Corporate Markets in accordance with its normal charges.

Further amounts may be paid to InVert Graphite's service providers in accordance with their normal time-based charges.

#### 10.14 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) (except for the Directors and Proposed Directors) makes no representation regarding and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section 10.14.

None of the parties referred to in this Section 10.14 (other than the Directors and Proposed Directors) authorised or caused the issue of this Prospectus or the making of the Offer.

- (a) PKF Brisbane Audit has given its written consent to be named as InVert Graphite's, Exceptional Graphite's and Green Valley's auditor in this Prospectus, and as the

Company's Investigating Accountant in this Prospectus, each in the form and context in which it is named, and has given its written consent to:

- (i) the inclusion of information in this Prospectus relating to:
  - (A) its audit opinion for InVert Graphite's financial accounts for the year ended 31 December 2022, its audit opinion for InVert Graphite's 31 December 2023 financial accounts and its review conclusion for InVert Graphite's financial accounts for the half-years ended 30 June 2023 and 30 June 2024;
  - (B) its audit opinion for Exceptional Graphite's financial accounts for the period from the date of its incorporation on 5 April 2023 to 31 December 2023 and its review conclusion for Exceptional Graphite's financial accounts for the half-year ended 30 June 2024; and
  - (C) its audit opinion for Green Valley's financial accounts for the period from the date of its incorporation on 6 December 2022 to 31 December 2022, its audit opinion for Green Valley's 31 December 2023 financial accounts and its review conclusion for Green Valley's financial accounts for the half-year ended 30 June 2024; and
- (ii) the inclusion of its Independent Limited Assurance Report (and each reference to it) in this Prospectus,

in each case in the form and context in which it is included, and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, PKF Brisbane Audit, in each case in the form and context as they appear in this Prospectus. PKF Brisbane Audit has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

- (b) BM Financial Consultants has given its written consent to be named as EGR Tanzania's auditor in this Prospectus, in the form and context in which it is named, and has given its written consent to the inclusion of information in this Prospectus relating to its audit opinions for EGR Tanzania's financial accounts for the period from the date of EGR Tanzania's incorporation on 4 April 2022 to 31 December 2022, for the financial year ended 31 December 2023 and for the six months to 30 June 2024, in each case in the form and context in which it is included, and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, BM Financial Consultants, in each case in the form and context as they appear in this Prospectus. BM Financial Consultants has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (c) Grant Thornton Corporate Finance Pty Ltd has given its written consent to being named as an Independent Expert in this Prospectus in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of the Independent Expert's Report (and each reference to it) in the form and context in which it is included and the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Grant Thornton Corporate Finance Pty Ltd, in each case in the form and context as they appear in this Prospectus. Grant Thornton Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (d) Taylor Collison Limited has given its written consent to being named in this Prospectus as lead manager to the Offer in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Taylor Collison Limited, in each case in the form and context as they appear in this Prospectus. Taylor Collison Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

- For personal use only
- (e) SRK Consulting (Australasia) Pty Ltd has given its written consent to be named as the independent technical expert to InVert Graphite in this Prospectus in the form and context in which it is named and to the inclusion of its Independent Geologist's Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, SRK Consulting (Australasia) Pty Ltd, in each case in the form and context as they appear in this Prospectus. SRK Consulting (Australasia) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
  - (f) Bowmans Tanzania Limited has given its written consent to being named as the tenement solicitors to InVert Graphite in this Prospectus in the form and context in which it is named and to the inclusion of its Tanzanian Independent Solicitor's Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Bowmans Tanzania Limited, in each case in the form and context as they appear in this Prospectus. Bowmans Tanzania Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
  - (g) O'Loughlins Lawyers has given its written consent to being named as the tenement solicitors to InVert Graphite in this Prospectus in the form and context in which it is named and to the inclusion of its Australian Independent Solicitor's Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, O'Loughlins Lawyers, in each case in the form and context as they appear in this Prospectus. O'Loughlins Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
  - (h) Thomson Geer has given its written consent to be named in this Prospectus as Australian legal advisor to InVert Graphite in relation to this Prospectus, in the form and context in which it is named. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
  - (i) MUFG Corporate Markets has given its written consent to be named as InVert Graphite's share registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by MUFG Corporate Markets, in each case in the form and context as they appear in this Prospectus. MUFG Corporate Markets has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
  - (j) Dr (Gavin) Heung Ngai Chan has given his written consent to being named in this Prospectus as a Competent Person, as a Practitioner and Specialist and as the author of the Independent Geologist Report, in each case in the form and context in which he is named. Dr Chan has also given his written consent to the inclusion in this Prospectus of the Independent Geologist Report in the form and context in which it is included, and the matters and the supporting information based on his information and all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this Prospectus. Dr Chan has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
  - (k) Hashimu Millanga has given his written consent to being named in this Prospectus as a Competent Person in the form and context in which he is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this Prospectus. Mr Millanga has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
  - (l) Andrew Boyd has given his written consent to being named in this Prospectus as a Competent Person in the form and context in which he is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this

Prospectus. Mr Boyd has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

- (m) Each of the Directors and Proposed Directors has given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus. The Directors and Proposed Directors have not withdrawn their consents prior to lodgement of this Prospectus with ASIC.

## 10.15 Ownership Restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 10.15 details a general description of certain of these laws.

- (a) ***Foreign Acquisitions and Takeovers Act 1975 (Cth) and Commonwealth Government Foreign Investment Policy***

Generally, the *Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA)* applies to acquisitions of shares and Voting Power in a company of 20% or more by a single "foreign person" and its associates (**Substantial Interest**).

Where a proposed acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia's Foreign Investment Policy or a statutory period has expired without the Commonwealth Treasurer objecting. An acquisition of a Substantial Interest meeting certain criteria may also result in a disposal order unless prior notification of the acquisition has been made to the Commonwealth Treasurer and either a non-objection notification has been issued or a statutory period has expired without objection to the acquisition.

In addition, under the FATA, proposed acquisitions of a "direct interest" in an Australian company by "foreign government investors" and their associates must be notified to the Commonwealth Treasurer for prior approval, irrespective of the value of the investment. Under the FATA, a "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity, or where the investor is in a position to influence or participate in the management and control or policy of the entity. It is the responsibility of each investor to confirm whether the FATA applies to them before acquiring securities in a company and to comply with the FATA. Failure to comply with the FATA may result in civil and/or criminal penalties.

The Australian Federal Treasurer also retains the right to "call-in" certain acquisitions for review after the acquisition occurs.

If a sufficient proportion of InVert Graphite's issued securities are held by "foreign persons" (or "foreign government investors"), then InVert Graphite itself (and its subsidiaries) will be a "foreign person" (or a "foreign government investor") for the purposes of the FATA and InVert Graphite and its corporate group would be subject to regulatory compliance requirements under the FATA.

- (b) **Corporations Act**

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) Voting Power in that company would increase from 20% or below to more than 20% or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on

persons having Voting Power of 5% or more in InVert Graphite either themselves or together with their associates.

## 10.16 Expenses of the Offer

The estimated total expenses of the Offer payable by InVert Graphite are (including GST):

*Table 48: Estimated expenses of the Offer*

Category of expense	Minimum Subscription A\$	Maximum Subscription A\$
ASIC Lodgement Fee	5,125	5,125
ASX Listing Fee	100,754	101,018
Australian Legal Counsel Fees	197,304	197,304
Lead Manager Fee	198,000	210,000
Independent Limited Assurance Report	37,618	37,618
Independent Geologist's Report	61,609	61,609
Independent Expert's Report	53,813	53,813
Tanzania Legal Counsel Fees	71,611	71,611
Share Registry	5,125	5,125
Other expenses of the Offer	3,075	3,075
<b>Total expenses of the Offer</b>	<b>734,034</b>	<b>746,297</b>
Expenses of the Offer paid up to the date of this Prospectus	(178,090)	(178,090)
<b>Expenses of the Offer to be paid from the proceeds of the Offer</b>	<b>555,944</b>	<b>568,207</b>

## 10.17 Disclosing Entity

InVert Graphite is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, is subject to additional obligations under the Corporations Act, including (among other things):

- the special requirements that apply to remuneration recommendations in relation to key management personnel;
- the obligation to prepare financial statements and reports for half-years as well as full financial years, as detailed in Chapter 2M of the Corporations Act; and
- the continuous disclosure requirements under the Corporations Act (in addition to the other obligations that will continue to apply under the Listing Rules following InVert Graphite's Readmission to the Official List).

InVert Graphite complies with its continuous disclosure requirements by publicly releasing price sensitive information through ASX before it is otherwise disclosed to Shareholders and market participants.

## 10.18 Litigation and Claims

So far as the Directors and Proposed Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which InVert Graphite or any of its subsidiaries (or any of the companies to be acquired by the Company pursuant to the Acquisition) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of InVert Graphite or the Group (including after completion of the Acquisition).

## 10.19 Continuous Disclosure Obligations

InVert Graphite is subject to regular reporting and disclosure obligations. Specifically, InVert Graphite is required to continuously disclose to the ASX market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information is publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, InVert Graphite posts this information on its website after ASX confirms that an announcement has been made.

At the date of this Prospectus, InVert Graphite is in compliance with its continuous disclosure obligations.

## 10.20 ASX Listing Rules waivers and confirmations

The Company has applied for and been granted the following waivers of certain ASX Listing Rules, based solely on the information provided by the Company to ASX and in connection with the Acquisition and the Offer:

- (a) A waiver of Listing Rule 1.1 condition 12 (relating to the minimum exercise price of options), to the extent necessary to do each of the following:
- (i) issue the 15,000,000 Lead Manager Options;
  - (ii) issue the 3 Performance Shares;
  - (iii) issue the 1,231,120 Chairman Options; and
  - (iv) issue the 28,315,758 Director and Management Performance Options,
- detailed in this Prospectus, on condition that the full terms and conditions of those Securities are clearly disclosed in this Prospectus (which disclosures are included in Section 10).
- (b) A waiver of Listing Rule 2.1 condition 2 (relating to the minimum issue price of Shares), to the extent necessary to permit the Company to issue the Shares pursuant to the Offer at an issue price of A\$0.03 each, subject to the following conditions:
- (i) the issue price of the Shares is not less than A\$0.02 per Share;
  - (ii) the terms of this waiver are disclosed to the market (which the Company complied with via its announcement to the ASX released on 12 March 2025) and, along with the terms and conditions of the Shares pursuant to the Offer, are clearly disclosed in the notice of the General Meeting and in this Prospectus (refer to Section 10.1 for details relating to the terms and conditions of the Shares); and
  - (iii) the Shareholders approve the issue price of the Shares pursuant to the Offer in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Acquisition (which approval was obtained at the General Meeting).
- (c) A waiver from ASX Listing Rule 14.7 to the extent necessary to permit the Company to do each of the following:
- (i) issue the Shares pursuant to the Offer;
  - (ii) issue the 15,000,000 Lead Manager Options;
  - (iii) issue the 3 Performance Shares; and
  - (iv) issue the 76,757,576 Consideration Shares,

later than 3 months after (or, in the case of the up to 9,166,667 Shares pursuant to the Offer proposed to be issued (in aggregate) to Directors and Proposed Directors (and/or their respective nominees) as detailed in Table 18 in this Prospectus, later than 1 month after) 20 December 2024, being the date of the General Meeting, on the following conditions:

- (v) the issue of those Securities occurs prior to the reinstatement of trading in the Company's securities following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and in any event by no later than 20 April 2025; and
- (vi) those Securities are issued on the same terms and conditions as approved by shareholders at the General Meeting.

The Company has also applied for a further timing waiver from Listing Rule 14.7, to enable the Company to issue those Securities referred to in Section 10.20(c) by no later than 20 June 2025 without obtaining further Shareholder approval of those issues.

ASX has also confirmed to the Company that the terms of the 3 Performance Shares, 1,231,120 Chairman Options and 28,315,758 Director and Management Performance Options are appropriate and equitable for the purposes of Listing Rule 6.1, subject to certain conditions.

Further information that was required by ASX in relation to those Performance Shares and Options has also been included in Section 10 (or elsewhere in this Prospectus).

## 10.21 Electronic Prospectus

If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email InVert Graphite and (if you are eligible) InVert Graphite will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both. This Prospectus may be made available in electronic form only to persons in Australia.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

InVert Graphite reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

## 10.22 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia.

## 10.23 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the principal place of business of InVert Graphite at Level 5, 56 Pitt Street Sydney NSW 2000:

- (a) this Prospectus; and
- (b) the Constitution.

## 10.24 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Section 6, there have not been any

circumstances that have arisen that have materially affected the assets and liabilities, financial position, profits or losses or prospects of InVert Graphite, other than as disclosed in this Prospectus.

For personal use only

## 11 AUTHORISATION

This Prospectus is authorised by InVert Graphite and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors and Proposed Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of InVert Graphite by:



**Dr David Brookes**  
Non-Executive Chairman  
Dated: 13 March 2025

## 12 GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>A\$ or \$ or AUD</b>	means Australian dollars.
<b>Acquisition</b>	has the meaning given in Section 2.2.
<b>Acquisition Agreements</b>	has the meaning given in Section 2.2.
<b>Allotment Date</b>	means the date InVert Graphite anticipates the Shares will be allotted and issued to Applicants pursuant to the Offer.
<b>Applicant</b>	means a person who submits Application Monies, whether with or without an Application Form.
<b>Application</b>	means a valid application for Shares under the Offer made pursuant to an Application Form (accompanied by the payment of Application Monies) or made via the payment of Application Monies.
<b>Application Form(s)</b>	means the application form(s) attached to this Prospectus.
<b>Application Monies or Application Money</b>	means application monies (being A\$0.03 per Share) to be paid to InVert Graphite by Applicants applying for Shares pursuant to the Offer under this Prospectus.
<b>Approved US Shareholders</b>	means any director of the Company who is resident in the United States.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
<b>ASX Listing Rules</b>	means the listing rules of ASX.
<b>ASX Settlement Rules</b>	means the ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Australian Independent Solicitor's Report</b>	means the report contained in Section 8.2.
<b>Board</b>	means the board of Directors of InVert Graphite.
<b>Broker</b>	means any ASX participating organisation selected by the Lead Manager and InVert Graphite to act as a broker to the Offer.
<b>C\$</b>	means Canadian dollars.
<b>Chairman Options</b>	means the Options proposed to be issued to Dr David Brookes (and/or his nominee(s)) pursuant to the Employee Incentive Plan and on the terms and conditions detailed in Section 10.3.
<b>Cash Settled</b>	means where instead of Shares being issued upon exercise of an Option, a cash payment is made (for example, by or on behalf of the Company) to the Eligible Participant (or its nominee, where applicable) in accordance with the terms and conditions of those Options (subject to certain deductions that may be made by the Company in relation to, for example, any applicable tax the Company

is required to withhold (or otherwise deduct) in connection with such cash payment or any superannuation or pension amount InVert Graphite is required to pay in connection with such cash payment).

<b>CHES</b>	means the Clearing House Electronic Subregister System.
<b>Closing Date</b>	means the date the Offer closes.
<b>Company or InVert Graphite</b>	means InVert Graphite Limited (ACN 101 955 088).
<b>Competent Person</b>	has the meaning given in the JORC Code.
<b>Consideration Shares</b>	has the meaning given in Section 2.2
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director and Management Performance Options</b>	means the Options to be issued to certain Directors and Proposed Directors and Ms Louisa Martino, who is the Company's Company Secretary and Chief Financial Officer, (and/or their respective nominee(s)), pursuant to the Employee Incentive Plan and on the terms and conditions detailed in Section 10.4.
<b>Director</b>	means a director of InVert Graphite.
<b>EGA Term Sheet</b>	means the Binding Term Sheet dated 7 August 2024 pursuant to which the Company will, subject to conditions precedent, acquire 100% of the shares in Exceptional Graphite from the EGA Vendors, as part of the Acquisition.
<b>EGA Vendors</b>	has the meaning given in Section 2.2.
<b>EGR Tanzania</b>	means Exceptional Graphite Resources Limited (Company Registration Number: 155732989), a company incorporated in Tanzania.
<b>EGR Tanzania Term Sheet</b>	means the Binding Term Sheet dated 7 August 2024 pursuant to which Exceptional Graphite and Green Valley will, subject to conditions precedent, acquire 100% of the shares in EGR Tanzania from the EGR Tanzania Vendors, as part of the Acquisition.
<b>EGR Tanzania Vendors</b>	has the meaning given in Section 2.2.
<b>Electronic Prospectus</b>	means the electronic copy of this Prospectus located on InVert Graphite's website at <a href="http://www.invertgraphite.com.au">www.invertgraphite.com.au</a> .
<b>Eligible Participant</b>	has the meaning given in Section 10.2.
<b>Employee Incentive Plan</b>	means the Employee Incentive Plan adopted by InVert Graphite as summarised in Section 10.2.
<b>Exceptional Graphite</b>	means Exceptional Graphite (Aust) Pty Ltd ACN 667 051 372.
<b>Executive Agreements</b>	has the meaning given in Section 4.5.
<b>Existing Options</b>	means the 11,187,498 Options on issue as at the date of this Prospectus, the terms and conditions of which are detailed in Section 10.7.
<b>Exploration Target</b>	has the meaning given in the JORC Code, being a statement or estimate of the exploration potential of a mineral deposit in a defined

geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

<b>Financial Information</b>	Has the meaning given in Section 6.2.
<b>FMC Act</b>	means the Financial Markets Conduct Act 2013.
<b>General Meeting</b>	means the extraordinary general meeting of the Company held on 20 December 2024 pursuant to which Shareholders approved the resolutions described in Section 1.6.
<b>Georgia Lime Project</b>	has the meaning given in Section 2.1.
<b>Green Valley</b>	means Green Valley Resources Pty Ltd ACN 664 301 679.
<b>Group</b>	means InVert Graphite and its subsidiaries.
<b>GST</b>	means Goods and Services Tax.
<b>Historical Financial Information</b>	has the meaning given in Section 6.2.
<b>Independent Expert</b>	means Grant Thornton Corporate Finance Pty Limited ACN 003 265 987.
<b>Independent Expert's Report</b>	means the report contained in Section 9.
<b>Independent Geologist's Report</b>	means the report contained in Section 7
<b>Independent Limited Assurance Report</b>	means the report contained in Section 6.15.
<b>Independent Solicitors' Reports</b>	means the Australian Independent Solicitor's Report and the Tanzanian Independent Solicitor's Report.
<b>Indicative Timetable</b>	means the indicative timetable for the Offer which is on page 10 of this Prospectus.
<b>Institutional Investor</b>	means the institutional and professional investors (and any person for whom they are acting) in the Permitted Jurisdictions.
<b>Investigating Accountant or PKF Brisbane Audit</b>	means PKF Brisbane Audit ABN 33 873 151 348.
<b>Jimzbal Pty Ltd</b>	means Jimzbal Pty Ltd ACN 616 054 614, which is one of the EGA Vendors.
<b>JORC or JORC Code</b>	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 or subsequent editions.
<b>Lead Manager</b>	means Taylor Collison Limited ACN 008 172 450.
<b>Lead Manager Mandate</b>	has the meaning given in Section 10.9(a).

<b>Lead Manager Options</b>	means the 15,000,000 Options to be issued to the Lead Manager (and/or its nominee(s)) pursuant to the Lead Manager Mandate on the terms and conditions detailed in Section 10.6.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Loan Agreement</b>	has the meaning given in Section 4.4(d).
<b>Luna Energy</b>	means the Luna Energy Ltd.
<b>Maximum Subscription</b>	means the maximum subscription pursuant to the Offer, being 116,666,667 Shares at an Offer Price of A\$0.03 per Share to raise \$3.5 million (before associated costs) (comprised of the Minimum Subscription plus the maximum amount of Oversubscriptions).
<b>Mineral Resource</b>	has the meaning given to that term in the JORC Code, being a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
<b>Minimum Subscription</b>	means the minimum subscription pursuant to the Offer, being 110,000,000 Shares at an Offer Price of A\$0.03 per Share to raise \$3.3 million (before associated costs).
<b>Mining Act</b>	means the Mining Act, R.E. 2019, Cap 123 of the Laws of Tanzania (as amended).
<b>Morogoro Project or Project</b>	has the meaning given in Section 2.2.
<b>Mt</b>	Millions of tonnes.
<b>Non-Executive Directors</b>	means the non-executive directors of the Company from time to time, which as at the date of this Prospectus are Dr David Brookes and Mr Anastasios Arima.
<b>Non-Executive Director Appointment Letters</b>	has the meaning given in Section 4.6.
<b>Offer</b>	means the offer by InVert Graphite, pursuant to this Prospectus, of 110,000,000 Shares at an Offer Price of A\$0.03 per Share to raise A\$3,300,000 (before associated costs) (being the Minimum Subscription) with the ability to accept oversubscriptions of up to an additional 6,666,667 Shares at A\$0.03 per Share to raise an additional A\$200,000 (before associated costs).
<b>Offer Period</b>	means the period commencing on the Opening Date and ending at 5:00 pm (Sydney time) on the Closing Date.
<b>Offer Price</b>	means the issue price of A\$0.03 per Share under the Offer.
<b>Official List</b>	means the official list of ASX.
<b>Official Quotation or Quotation</b>	means official quotation by ASX in accordance with the Listing Rules.
<b>Opening Date</b>	means the date the Offer opens.
<b>Option</b>	means an option to subscribe for a Share.

For personal use only

<b>Ore Reserve</b>	means the economically mineable part of a measured and/or indicated Mineral Resource.
<b>Oversubscriptions</b>	means Applications for up to a total of 6,666,667 Shares at an issue price of A\$0.03 each to raise up to A\$200,000 (before associated costs) that may be accepted by the Company pursuant to the Offer (in addition to the Minimum Subscription).
<b>Performance Shares</b>	means the three performance shares to be issued to Hashimu Musedem Millanga (and/or his nominee(s)) on the terms and conditions detailed in Section 10.5.
<b>Permitted Jurisdictions</b>	means Australia, Hong Kong and New Zealand (or as may otherwise be permitted by the law and accepted by InVert Graphite).
<b>PowerLime Inc</b>	means PowerLime, Inc., a company incorporated in North Carolina.
<b>Pro-Forma Financial Information</b>	has the meaning given in Section 6.2.
<b>Proposed Directors</b>	means Mr Simon Taylor, Mr Andrew Boyd and Mr Andrew Lawson who are proposed to be appointed as Directors following completion of the Acquisition (effective on and from one or more dates to be determined by the Board).
<b>Prospectus</b>	means this prospectus dated 13 March 2025.
<b>pXRF</b>	means portable X-ray fluorescence.
<b>Readmission</b>	means re-admission of the Company to ASX's Official List and reinstatement of the Shares to trading on the ASX, following completion of the Offer and the Acquisition.
<b>REE</b>	means rare earth elements.
<b>Relevant Interest</b>	has the meaning given in section 9 of the Corporations Act.
<b>Restricted Person</b>	includes any person who was an employee, contractor, director, consultant, partner or agent of the Company or of an affiliate, in the twelve month prior period preceding the termination of the relevant executive's employment with the Company (however occurring).
<b>Royalty</b>	has the meaning given in part B of the Investment Overview.
<b>Royalty Agreement</b>	has the meaning given in part B of the Investment Overview.
<b>Section</b>	means a section of this Prospectus.
<b>Security</b>	means a security in InVert Graphite, being a Share, Performance Share or Option, as the context requires.
<b>SFO</b>	means the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.
<b>Share</b>	means a fully paid ordinary share in the capital of InVert Graphite.

<b>Share Registry or MUFG Corporate Markets</b>	means MUFG Corporate Markets (Au) Limited ACN 083 214 537.
<b>Shareholder</b>	means a holder of one or more Shares.
<b>SRK Consulting (Australasia) Pty Ltd</b>	means SRK Consulting (Australasia) Pty Ltd ACN 074 271 720.
<b>Takeover Bid</b>	has the meaning given to that term in section 9 of the Corporations Act.
<b>Tanzanian Independent Solicitor's Report</b>	means the report contained in Section 8.1.
<b>TGC</b>	means total graphitic carbon.
<b>TZS</b>	means Tanzanian Shillings.
<b>US\$</b>	means United States of America dollars.
<b>US Securities Act</b>	means the U.S. Securities Act of 1933.
<b>Voting Power</b>	has the meaning given to that term in the Corporations Act.
<b>VWAP</b>	has the same meaning as the term "Volume Weighted Average Market Price" has in the Listing Rules.
<b>White Hill Resources Pty Limited</b>	means White Hill Resources Pty Limited ACN 152 253 284.
<b>White Hill Licences</b>	has the meaning given in Section 2.1.
<b>White Hill Tenement Purchase Agreement</b>	means the binding tenement purchase agreement dated 7 August 2024 pursuant to which Exceptional Graphite will, subject to conditions precedent, acquire the White Hill Licences from White Hill Resources Pty Limited, as part of the Acquisition.