

AUREA EQUITY RESEARCH

International Graphite - (ASX:IG6)

International Graphite is developing a **vertically integrated graphite business** — combining its **Springdale mine** in Western Australia with a **graphite processing and R&D facility in Collie**, and future downstream expansion in **Germany** and the **United States**. Its aim is to produce high-quality graphite for **battery and industrial markets**, helping diversify global supply chains away from China.

Key snapshots

FY25 Highlights

Market Cap (approx.)

A35 - 40 Million | | ****FY25 Netloss**** | A 2.4 million (improved YoY)

Cash (June 2025

A\$ 1.08 million

Working Capital

Deficit A\$0.99 million (manily timing of rebates and grants)

Government Grants

Over A\$ 15 million secured.

****A10.2 million ** still available** | **** NetAssets ****

A 14 million

Insider Ownership

~ 15% +

ASX Code

IG6

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5 Pillar Summary

1. Liquidity & Tradability

- **Micro-cap** with low average daily turn over (~A\$50 - 100k).
- Limited institutional participation: primarily retail and insiders
- Current liquidity supported by **grants and R&D rebates**, with another **capital raise or partner investment** expected in FY26

VIEW: Treat as high - **risk, early stage**. small position sizing advised

2. Valuation & Upside

- IG6 is **pre-revenue**. so valuation used **riskd projected DCF** rather than earnings multiples.
- Weighted fair value = **A\$0/72/share** (current ~A\$0.13)
- Based on:
 1. WACC 10%
 2. Based on production ramp 5-15 ktpa by 2030
 3. Graphite price US\$1,100 - 3,500/t
 4. Net capex ~A\$25 million (after grants)
- **Trades at ~0.17 * riskd NAV** - large discount to Talga or Novonix.

VIEW: **Deep value** opportunity if milestones are achieved: potential >4* upside

3. Catalysts & Timelines

Period	Event	Impact
Q4 2025 - Q1 2026	Complete & commissioning Collie micronising plant	First revenue: proof of concept achieved
Q2 2026	Springdale DFS (AACE Class 3)	Enables mine development & financing discussions
FY26	Remaining A\$10+ grants drawn	De-risks capital spend
FY26 - FY27	Strategic investor or equity raise (A\$3m+)	Funds commercial rollout
FY27	Collie - Springdale integration complete	Vertically integrated supply chain milestone

VIEW: Monitor **Collie commissioning** and **Springdale DFS** - both key share price drivers

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4. Management & Governance

- **Andrew Worland (CEO)** – ex-Besra Gold; strong finance and operations background.
- **Philip Hearse (Chair)** – metallurgist; 40 yrs experience, owns engineering partner **Battery Limits**.
- **David Pass (Technical Director)** – 30 yrs graphite process design; drives feasibility and IP.
- **Robert Hodby (CFO)** – **CPA**; experienced in ASX resource finance.
- Insider holdings >15 %, aligning incentives.
- Related-party engineering services (Battery Limits) benchmarked as market-rate.

VIEW: technically credible leadership with long-term alignment.

5. Structural Tailwinds

- Graphite is a **critical mineral** under U.S. and Australian policy frameworks.
- Global EV **battery demand** expected to more than triple by 2030.
- Strong **government funding** and regulatory support for local processing.
- IG6 positioned as one of few **non-Chinese vertically integrated developers**.

VIEW: strong thematic exposure to decarbonisation and supply-chain independence.

Key Risks

1. **Funding risk:** additional A\$25m required for Collie & Springdale buildout.
 2. **Execution risk:** delays in commissioning or qualification could defer revenue.
 3. **Market risk:** graphite prices are volatile.
 4. **Dilution risk:** 37m options/rights (~18 %) may pressure share base.
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6. The Tape

Following a prolonged downtrend which has lasted since the company IPO'd, price action is now signalling momentum is shifting to the buyers. Here's why!

- The stock has broken through the strongest downward trend line which had halted previous attempts of the Buyers on numerous occasions during 2023 and 2024. (Grey line on Monthly chart)
- The price is now accepting higher bases or lows, as evidenced by the green 1,2,3 numbers. Sustainable uptrends can only continue if price is willing to accept higher bases and that is finally occurring now on the stock.
- We have seen 2 of the highest levels of weekly volume occur on the stock (green side arrows on weekly chart) EVER! Combine that with the market accepting higher lows and the volume adds weight to this being buyers entering the game.



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What to watch for moving forward

Right now with this change in momentum and support in trend, it appears the stock is on the way up. The next major milestone is if the price can close the month above \$0.087c. (red rectangle monthly chart). We have not seen a close above this level since the final flush out in June 2024. The stock has had 5 attempts at closing above with no success. So the line in the sand has been drawn. For prolonged upside a Monthly close above \$0.087 needs to occur.

Keep a close eye on the uptrend line (Grey line on weekly chart) to see how price reacts to this level when touched. This will provide insight into the strength of current up move and how reactive buyers are to higher bases.

With the fair value bear case sitting at \$0.25c, there is plenty of room for upside, but as always price will dictate the stocks next move and right now its starting to gain traction.

Final thought

IG6 represents a **speculative but strategically significant** Australian play in the battery supply chain.

Supported by government funding, experienced management, and major macro tailwinds, it offers **high-risk, high-reward** exposure to the graphite and energy transition theme.

Disclaimer

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