

1 March 2023

ASX ANNOUNCEMENT

## **Strong construction progress puts expandable graphite project on track for production this year**

**Indian JV set to generate strong cashflow and provide reliable market for  
concentrate from Evion's Maniry graphite project**

### **HIGHLIGHTS**

- Strong progress being made on pre-construction works at the site of the Panthera expandable graphite JV in Kurkumbh, India
- The site works pave the way for the start of building construction and plant installation
- Long-lead plant and equipment has been secured and will be installed over the next few months
- Meetings held with plant engineers and architects to optimise development and plan for production capacity increases over the short to medium-term
- Evion Executives recently visited Kurkumbh to inspect the site with Directors of the JV partner, Metachem Manufacturing Co Pvt Ltd
- The project will include a substantial investment in solar energy, which will meet more than 70% of the site's total power needs.
- Development being undertaken at the Kurkumbh Industrial Park (adjacent to Pune) and approximately 200km east of Mumbai. The region provides significant infrastructure, advanced technology and a well-trained and highly educated labour market.

### **Evion Managing Director Tom Revy said:**

*"Our recent site visit confirms that the Panthera project is well on track for production and cashflow in the December quarter.*

*"Engineering and site works are progressing rapidly, ensuring that the project is well-placed to capitalise on the growing demand for expandable graphite.*

*"All the project's production is covered by a binding offtake agreement which will provide immediate cash flow.*

*“Panthera will also provide a firm, reliable market for graphite concentrate from our Maniry mine in Madagascar once that is in production, further underpinning Evion’s vertical integration strategy in the graphite industry”.*

### **About our JV Partners**

Metachem is a highly successful, diversified group which has been producing and exporting expandable graphite for over three decades. The team at Metachem has extensive experience in the production of expandable graphite and will oversee the development of the site in Kurkumbh.



*Figure 1 – Our JV Partners existing operations near Pune*

### **Our Joint Venture – Panthera Graphite Developments (“PGT”)**

Evion entered into a formal JV agreement with Metachem in late 2021 and, with Metachem, holds a 50% interest in PGT.

The JV plans to commence production of 2,000 – 2,500Mtpa and expand output to 4,500 – 5,000Mtpa.

The project is underpinned by a binding offtake agreement with Grafitbergbau, Austria, which has committed to buy the initial production of up to 2,500 mt pa (see ASX release date 17 June 2021).

This offtake agreement offers a potentially strong and robust financial outcome with key financial projections as follows (see ASX release of 16 January 2023 and December 2021) –

1. Projected Stage 1 Revenue of US\$7,500,000 pa growing to over US\$17,000,000 at Stage 2 Project NPV of US\$100m
2. Project NPV of US\$100m Pre tax (based on a 25 year project life)
3. Project NPV of US\$79m Post tax

4. Project CAPEX – US\$7.74 – US\$8.5m over the Projects life time (including US\$3.5m initially)
5. Payback of 1.2 years

### Development Planning and Infrastructure

The Kurkumbh region in India has world-class industrial and infrastructure facilities in place and is a well-defined and advanced industrial location in India.

The production site is within the Indian Special Economic Zone (“SEZ”) which offers a range of economic, taxation and other concessions, adding substantially to the project’s valuation.

Evion executives recently undertook a site visit and a number of meetings with leading local industrial engineering group Shubhjyot Consulting Engineers Pvt Ltd – a well-regarded and experienced engineering consultancy.

The site development will include a 34% ‘green zone’ allowance to ensure complete compliance with local environmental licensing and regulations. We have also developed a safety plan on site which meets world-class industrial and mine operational standards.

A significant portion of the CAPEX is devoted to the construction of a solar power facility on site which is highly prevalent in the area. Based on the design, we expect 70% of energy and power needs to be met by the solar plant.

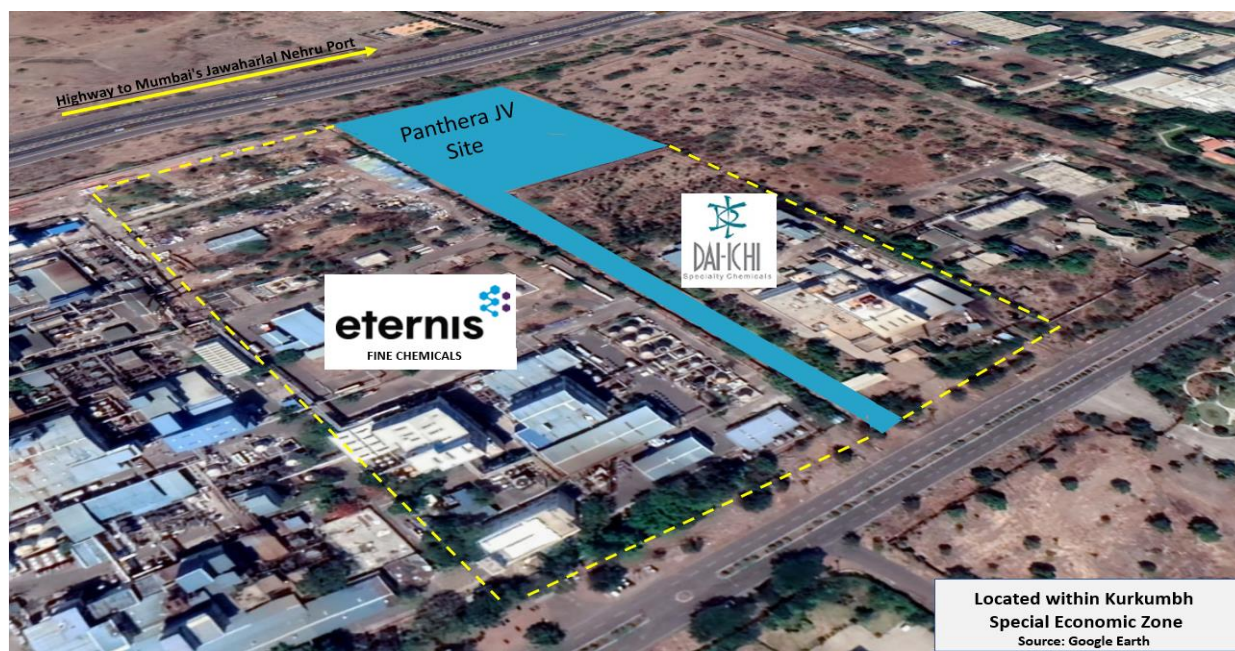


Figure 2 – Our JV development site located in Kurkumbh, India





*Figure 3 – Evion MD, Tom Revy, discuss development plans with our Project Engineers*

In addition to the appointment of Project Engineers, the JV has previously engaged experienced architects, United Architects, Pune which has previously assisted Metachem and has designed the site layout



*Figure 4 – Tom Revy and David Round of Evion with JV Partner Directors, PGT appointed CEO and Project Engineers on site*

### **Appointment of CEO to PGT operations**

The PGT Board also formally appointed Mr Ulhas Jagdhane as CEO of PGT Operations in India with immediate effect.

Mr Jagdhane is an experienced Industrial Engineer and will manage site and operational development for 2023.

The Board is delighted with the appointment of Mr Jagdhane as CEO. He brings a wealth of local and international industrial experience to the PGT team. He will be supported by an experienced R&D team from Metachem along with Metachem and PGT directors Mr Jayant Pawar and Mr Jonas Pawar.



Figure 5- PGT Directors Jayant and Jonas Pawar in discussions with David Round and Tom Revy of EVG with newly appointed CEO, Ulhas Jagdhane.

### **Short term Activities and Goals in the JV's Development**

PGT has a well-defined pathway to production and the following are key short term goals:

1. Conclude final detailed engineering – Q1, 2023,
2. Conclude licensing and permit requirements in Pune – Q2, 2023
3. Completion of site preparation and remediation of existing infrastructure – Q2, 2023,



4. Conclude purchase of all equipment and plant requirements Q2, 2023,
5. Continue and conclude building and infrastructure development Q3, 2023,
6. Plant installation and commissioning – Q3, 2023
7. Production commencement and exports – Q4, 2023

## Demand for Expandable Graphite Growth and Projections –

### About and the application of Expandable Graphite

Approximately 35% of expandable graphite production is processed into fire retardants. This is the single biggest end market for expandable graphite. The remaining product is processed into flexible graphite which is the precursor to a number of end products such as graphite foils for use in the **automotive, EV and alternative energy sectors (including hydrogen fuel cell and Vanadium flow batteries).**

***Rapid demand growth is also forecast due to the increasing use of high energy density batteries in mobile devices.***

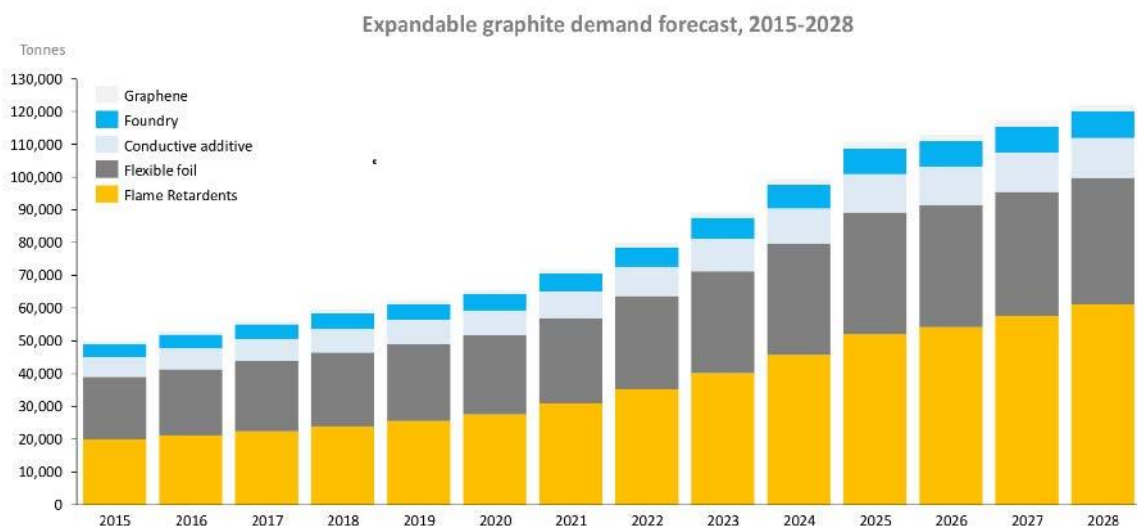


Figure 6 – The outlook for Expandable Graphite – Source Benchmark Mineral Resources

## Summary

The Board of Evion is delighted with recent progress at the JV Operations in India.

The PGT JV positions Evion as the only ASX-listed Company that produces expandable graphite and provides a demonstrated platform for the Company's proposed operations at Maniry in Madagascar and its planned Battery Anode Material plant in Germany.

This announcement has been authorised by the Board of Evion Group NL.

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Also See – <https://www.pantheragraphite.com/>

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