

9 March 2023

ASX ANNOUNCEMENT

Evion signs Collaboration Agreement with leading battery anode material producer

Partnership with Urbix designed to assess viability of developing a plant in Europe to supply EV sector; Plant would process graphite from Evion's Maniry project

HIGHLIGHTS

- Evion has entered into a Collaboration Agreement with leading US based Battery Anode Material ("BAM") developer Urbix, Inc. ("Urbix") to assess the viability of developing a plant to provide BAM for the EV and alternative energy sectors in Europe.
- Together Evion and Urbix ("Parties") will establish favourable site options and a corresponding feasibility study assessing financial, technical and logistical considerations for a proposed BAM plant in Europe.
- The feasibility study will complement the recent scoping study published by Evion that demonstrates a compelling commercial case for the development of a BAM production facility in Europe.
- Urbix has developed a superior, sustainable graphite processing technology and its products are in advanced testing and validation stages with major battery manufacturers.
- Graphite concentrate from Evion's Maniry Project would supply feedstock to the plant, providing a market for a substantial portion of Evion's production capacity.
- Urbix recently signed a Joint Development Agreement with battery manufacturer SK On, a supplier to EV makers such as Ford, Hyundai and Volkswagen. SK On is a South Korea based company with intentions to expand in the US and Europe.
- Urbix is actively developing a plant in Arizona to begin production in 2025 and serve as a template for rapid deployment of additional facilities in the US and Europe supplanting BAM from China.

Evion Managing Director Tom Revy said: “We are delighted to extend our relationship with Urbix into the rapidly growing market for advanced battery anode material.

Processing graphite from our Maniry project into BAM is a major growth opportunity for Evion given the pivotal role BAM plays in the production of lithium batteries and the EV industry.

Urbix is a highly experienced and well-regarded player in the BAM industry. Evion could not hope for a better partner as it looks to establish itself in this growth industry.”

Urbix Chairman and CEO, Nico Cuevas said: “This Agreement marks a significant milestone in our mission to help power the future of electric mobility. The Urbix and Evion partnership is an exciting step forward in our shared goal of developing a plant in Europe to supply the EV sector with sustainable, high-quality battery grade anode material. This expanding partnership will leverage the expertise of both companies to establish a sustainable supply chain for an essential component in the manufacturing of electric vehicles. We are elated to be working with Evion, and eager to accomplish the possibilities that can be achieved as we work together”.

Collaborative Agreement Terms

Key terms of the Agreement between Urbix and Evion include:

1. As an extension of their existing commercial relationship, the Parties seek to collaborate for the site identification, general feasibility, and costing for a BAM plant to be constructed in Europe (the **Project**)
2. The Parties intend to investigate the feasibility of the Project (Preliminary Feasibility Study) with a view to moving to a more mature project phase with the commercial intent of constructing and operating a proposed BAM plant (the **Plant**);
3. The Plant would process natural graphite concentrate feedstock supplied from Evion’s Maniry mine in Madagascar using Urbix’s proprietary technology for production of Coated Spheroidized Purified Graphite (**CSPG**). Urbix can also incorporate synthetic graphite feedstocks into its finished products to meet commercial partners’ specifications.
4. The collaboration period under this Agreement shall commence on the date of execution of this Agreement and expire twelve (12) months thereafter (**Collaboration Period**).
5. Subject to the positive outcome of the feasibility study, the Parties will elevate their partnership to include a definitive Joint Venture Agreement (**JVA**) designed to construct and operated the contemplated Plant.
6. The Parties would establish a joint venture company (**JVC**) and be majority owners of the Project along with additional investors needed to finance the project.

7. Urbix will solely oversee the design, engineering, procurement, construction and operation of the plant given the sensitive nature and significant value of their intellectual property and technical know-how.
8. A license fee and/or royalty for the use of Urbix's technology would be payable by the JVC to Urbix.
9. The JVC will enter into an offtake agreement with EVG for the supply of natural flake graphite concentrate from the Maniry mine on an exclusive basis. Urbix will separately negotiate the supply of synthetic graphite feedstock as needed.



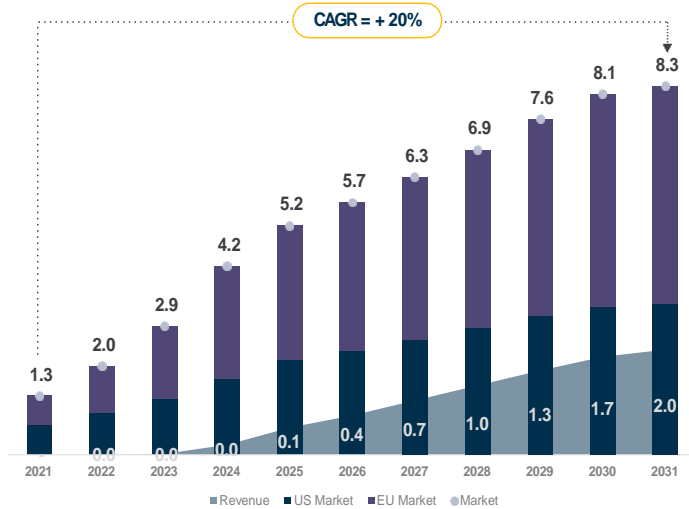
About Urbix

Since 2017, Urbix has invested over US\$40m in research and development guided by an experienced management and technical team with the expertise necessary to formulate, test and perfect a unique CSPG production technology. Internal assessments, corroborated by leading EV battery producers, demonstrate the following advantages in Urbix's technology:

- **Urbix provides a technology solution** that will **end the Chinese EV battery grade graphite dominance** offering manufacturers the first and only cost effective, fully sustainable, and better performing advanced battery grade graphite in the world independent of any Chinese affiliation.
- Compared to the Chinese method, **Urbix's superior proprietary** technology uses less than 5% of the energy required by the Chinese process, does not use dangerous chemicals, costs 40% less, and achieves over 2x the yield (70%+)
- Urbix's CSPG products have the unique ability to incorporate the best properties of natural and synthetic graphite
- Urbix's CSPG products also resolve several vulnerabilities of the current reliance on Chinese materials related to supply chain security and ESG compliance with products made in America
- Urbix's technology has been successfully scaled and demonstrated with commercial scale equipment, and the modular approach can be quickly deployed across different geographies based on demand and other opportunities.

URBIX Targets ~30% of US & European Market by 2031

Total Addressable U.S. & European LiB Grade Graphite
Billions of USD



With its superior product attributes and competitive pricing, URBIX aims to capture at least 30% of US and European market demand.

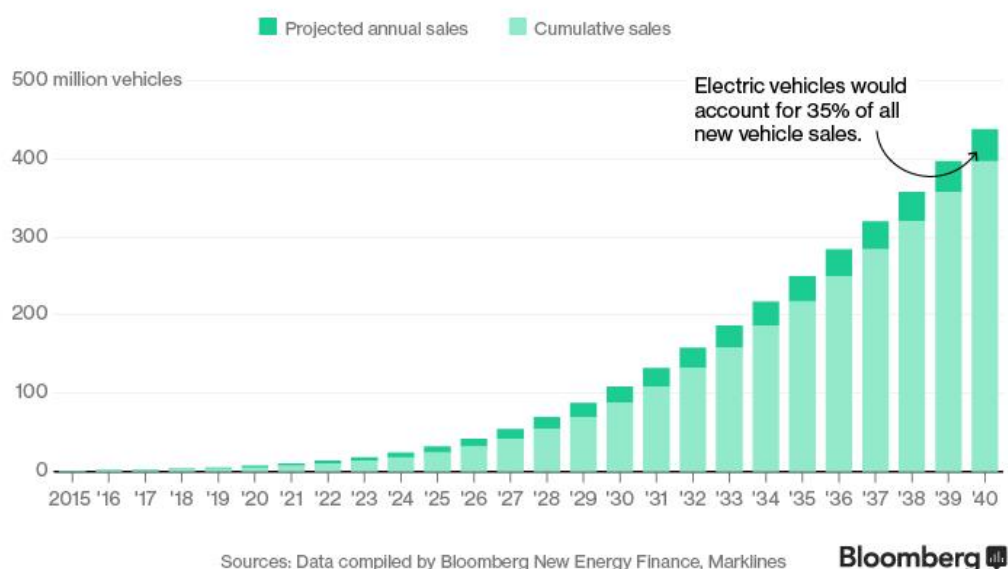
Anode and EV Demand Expected to Drive Li-B Graphite Pricing

Conservative price assumptions of an average of \$7,800 per metric tonne for CSPG suggest the global lithium-ion battery grade graphite market will grow from approximately \$5Bn to over \$27Bn by 2030.

Market analyses suggest improvements in technology have led to a dramatic reduction in EV pricing. However, broad market acceptance of EVs could be constrained by a shortfall of graphite supply, accordingly the price of CSPG anode material is expected to increase in the short term and settle at a price advantageous to Urbix and its feedstock suppliers such as Evion.

The Rise of Electric Cars

By 2022 electric vehicles will cost the same as their internal-combustion counterparts. That's the point of liftoff for sales.



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

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