



(formerly BlackEarth Minerals NL)
ABN 66 610 168 191

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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CORPORATE DIRECTORY

DIRECTORS

George Bauk
Non-Executive Chairman

Thomas Revy
Managing Director

David Round
Finance Director

Heather Zampatti
Non-Executive Director

COMPANY SECRETARY

David Round

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

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AUDITORS

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283 Rokeby Road
Subiaco WA 6008

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Level 5, 191 St Georges Terrace
Perth WA 6000
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DIRECTORS' REPORT

The Directors present their report on Evion Group NL ("EVG" or "the Company") and its controlled entities (the "Consolidated Entity") for half-year ended 31 December 2022.

BOARD OF DIRECTORS

The following persons were directors of the Company in office during the financial year and up to the date of this report, unless otherwise stated.

George Bauk	Non-Executive Chairman
Thomas Revy	Managing Director
David Round	Finance Director and Company Secretary
Heather Zampatti	Non-Executive Director

REVIEW OF OPERATIONS

In the first half of 2022/23, the Company carried out significant work on its Maniry Graphite Project situated in southern Madagascar, advanced its Joint Venture operation in India, commenced testing the suitability of its product for lithium-ion batteries, and continued exploration at its Donnelly River Ni-Cu-PGE exploration project located in Western Australia. An outline of these activities included:

- Progress was made in the commencement of developing an Expandable Graphite production plant in India with the acquisition of a site and the appointment of leading local engineers to oversee the project's construction.
- Publication of the Company's Definitive Feasibility Study ("DFS") was made in November 2022 with strong financial returns projected.
- Continued exploration and resource development activities at our Maniry Project tenements designed to enhance the Maniry Project's mine life.
- We continued our Environmental and Social Impact Assessment ("ESIA") study, with this study being a part of our submission to receive final mining permits and approvals.
- The advanced testing of the Maniry Project graphite by an independent German battery mineral consultancy has delivered results which confirmed that Maniry graphite is perfectly suited for use in a battery-grade product. An outstanding purity result of up to 99.99% fixed carbon grades was achieved.
- Assessment activities on the viability of the graphite from the Maniry Graphite Project to be processed into battery anode material ("BAM") commenced. The progress of this preliminary technical and economic study was subsequently completed during the period and revealed an initial favourable result with strong returns. The Company intends to build a BAM plant in Europe where the demand for BAM is forecast to soar over the coming years. The BAM plant has the potential to add significant value to Maniry fines, which will account for 40% of total production.
- A non-binding offtake agreement with Urbix, a leading graphite technology group in the USA, was signed, under which the Company will supply 15,000 metric tonnes per annum to feed Urbix's early-stage production of anode material for the EV industry.
- The Company changed its name to Evion Group NL to align its vision to be a future global supplier of critical minerals to the power and energy sectors.

During the second half of 2022/23, the Company plans to:

- Progress and conclude the ESIA study and make final construction approval applications for our Mining Licences.
- Provide details to the market concerning our proposed binding offtakes and funding plans designed to underpin the short-term development of the Maniry Project.
- Commence planning for the operational construction of the Maniry Mine operations following completion of the DFS.
- Continue further exploration and resource growth and development at the Company's Maniry Graphite Project.
- Further update on our Joint Venture Company in India with details associated with the development of the Expandable Graphite production plant.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

- Appoint additional key management personnel to further support the growth and development of the Company's various projects.
- Engage continuous discussions with battery anode manufacturers and downstream processing groups that are aligned with the Company's plans.
- Undertake exploration activities at our Donnelly River projects.

RESULTS OF OPERATIONS

The operating loss after income tax of the Consolidated Entity for the half-year ended 31 December 2022 was \$2,823,513 (31 December 2021: \$2,023,187).

No dividend has been paid during or is recommended for the financial period ended 31 December 2022.

FINANCIAL POSITION

The Consolidated Entity's working capital surplus, being current assets less current liabilities was \$1,953,880 at 31 December 2022 (30 June 2022 was \$5,146,146).

In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

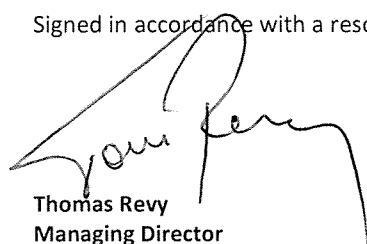
EVENTS OCCURRING AFTER THE REPORTING DATE

- On 17 January 2023, the Company announced that the Scoping Study for our proposed Battery Anode Material ("BAM") plant in Europe was completed with the Study finding that the BAM plant could generate strong returns. The Study was prepared and led by independent experts Wave International with the support from leading German based testing group, Dorfner Anzaplan. The next steps would be to determine the optimum processing route and production rate of BAM to feed the development of lithium-ion batteries.
- On 23 January 2023, the Company issued 250,000 shares to its employee pursuant to the Company's Employee Securities Incentive Scheme.
- On 1 March 2023, the Company announced the strong progress made on the pre-construction works at the site of the JV operations in India and that the JV project is on track for production and cashflow in the December 2023 quarter. The JV also appointed its inaugural CEO.
- On 9 March 2023, the Company announced that a Collaborative Agreement was signed with Urbix, Inc. The collaboration period is a 12-month timeframe from the execution date of the Collaborative Agreement. During this period, a preliminary feasibility study will be carried out to assess the viability of building a BAM plant in Europe. The feasibility study will complement the recent completed scoping study which found the development of a BAM plant could generate strong returns.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Board of Directors.



Thomas Revy
Managing Director

Perth, 15 March 2023

To the Board of Directors,

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Evion Group NL for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,


HALL CHADWICK WA AUDIT PTY LTD


MARK DELAURENTIS CA
Director

Dated at Perth, Western Australia this 15th day of March 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
Other income		83,189	98,139
Exploration and evaluation costs written off		(271,066)	(458,666)
Personnel and consulting costs		(720,550)	(633,368)
Share-based payments expense	9	(1,198,965)	(222,197)
Occupancy costs		(37,990)	(34,933)
Administration costs		(582,729)	(523,134)
Depreciation and amortisation		(8,378)	(4,568)
Net foreign currency exchange differences		(50,762)	(23,287)
Other expenses		(26,819)	(221,173)
Share of loss of equity-accounted joint venture		(9,443)	-
Loss before income tax		(2,823,513)	(2,023,187)
Income tax benefit		-	-
Loss after income tax		(2,823,513)	(2,023,187)
Exchange differences on translation of foreign operation		(217,392)	11,122
Total comprehensive loss for the period attributable to owners of Evion Group NL		(3,040,905)	(2,012,065)
Basic and diluted loss per share (cents per share)		1.02	0.93

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents		2,365,994	5,809,297
Trade and other receivables		201,401	248,069
Other current assests		84,703	87,143
Total current assets		2,652,098	6,144,509
Non-current assets			
Capitalised exploration and evaluation expenditure	2	6,227,453	5,606,642
Property, plant and equipment		154,725	65,629
Investments accounted for using the equity method	3	656,379	-
Total non-current assets		7,038,557	5,672,271
TOTAL ASSETS		9,690,655	11,816,780
Current liabilities			
Trade and other payables		592,540	908,700
Provisions		105,678	89,663
Total current liabilities		698,218	998,363
TOTAL LIABILITIES		698,218	998,363
NET ASSETS		8,992,437	10,818,417
Equity			
Issued capital	4	24,854,178	24,294,834
Reserves	5	1,894,863	1,456,674
Accumulated losses		(17,756,604)	(14,933,091)
TOTAL EQUITY		8,992,437	10,818,417

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	17,371,915	1,046,035	(9,507)	(11,493,266)	6,915,177
Loss for the period	-	-	-	(2,023,187)	(2,023,187)
Exchange differences on translation of foreign operations	-	-	11,122	-	11,122
Total comprehensive loss for the period	-	-	11,122	(2,023,187)	(2,012,065)
Issue of shares	226,386	-	-	-	226,386
Share issue transaction costs	(187,787)	187,787	-	-	-
Issue of performance rights	-	38,482	-	-	38,482
Amortisation of performance rights	-	183,715	-	-	183,715
Exercise of performance rights	89,710	(89,710)	-	-	-
Balance at 31 December 2021	17,500,224	1,366,309	1,615	(13,516,453)	5,351,695
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	24,294,834	1,504,107	(47,433)	(14,933,091)	10,818,417
Loss for the period	-	-	-	(2,823,513)	(2,823,513)
Exchange differences on translation of foreign operations	-	-	(217,392)	-	(217,392)
Total comprehensive loss for the period	-	-	(217,392)	(2,823,513)	(3,040,905)
Issue of shares	-	-	-	-	-
Share issue transaction costs	-	-	-	-	-
Issue of performance rights	-	-	-	-	-
Amortisation of performance rights	-	1,198,965	-	-	1,198,965
Exercise of performance rights	543,384	(543,384)	-	-	-
Partly paid ordinary shares fully paid up and become fully paid ordinary shares	15,960	-	-	-	15,960
Balance at 31 December 2022	24,854,178	2,159,688	(264,825)	(17,756,604)	8,992,437

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	31 December 2022	31 December 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	88,113	88,764
Payments to suppliers and employees	(1,281,786)	(1,312,325)
Expenditure on exploration	(246,146)	(458,666)
Interest received	10,324	909
Net cash used in operating activities	(1,429,495)	(1,681,318)
Cash flows from investing activities		
Payment for exploration and evaluation expenditure	(1,330,455)	(1,523,924)
Purchase of property, plant and equipment	(2,995)	(47,574)
Payment for investment in a joint venture	(698,579)	-
Net cash used in investing activities	(2,032,029)	(1,571,498)
Cash flows from financing activities		
Proceeds from issue of shares	15,960	241,826
Net cash generated by financing activities	15,960	241,826
Net (decrease)/increase in cash held	(3,445,564)	(3,010,990)
Cash and cash equivalents at the beginning of the period	5,809,297	6,565,750
Effect of exchange rates on cash and cash equivalents	2,261	3,809
Cash and cash equivalents at the end of the period	2,365,994	3,558,569

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

These condensed consolidated financial statements and notes represent those of Evion Group NL and its controlled entities (the "Consolidated Entity"). Evion Group NL is a no liability company, incorporated and domiciled in Australia.

The Consolidated Entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The condensed consolidated financial statements for the period ended 31 December 2022 were approved and authorised for issue by the Board of Directors on 15 March 2023.

1. BASIS OF PREPARATION

This condensed consolidated half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This condensed consolidated half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is therefore recommended that this condensed consolidated half-year financial report be read in combination with the annual consolidated financial statements of the Consolidated Entity for the year ended 30 June 2022, together with any public announcements made during the half-year.

The accounting policies and methods of computation adopted in the preparation of this half-year financial report are consistent with those adopted and disclosed in the Company's 2022 annual financial report for the year ended 30 June 2022.

Adoption of new and revised Accounting Standards

The Consolidated Entity has adopted all new and revised Standards and Interpretations issued by Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

Key accounting estimates, judgements and assumptions

The key accounting estimates, judgements and assumptions applied in the preparation of the half-year financial report were consistent with those applied in the Company's last annual financial statements for the year ended 30 June 2022.

Going concern

The condensed consolidated half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Consolidated Entity generated a loss for the period of \$2,823,513 (2021: loss of \$2,023,187) and net cash outflows from operating activities of \$1,429,495 (2021: \$1,681,318). As at 31 December 2022, the Consolidated Entity had a cash balance of \$2,365,994 (30 June 2022: \$5,809,297).

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with the available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The Directors are satisfied that the going concern basis of preparation of the condensed consolidated half-year financial report is appropriate due to:

- The Company has a history of successful capital raising to date and the Directors are confident of the Company's ability to raise additional funds as and when they are required; and
- The Directors have prepared a cash flow forecast which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for a period of 12 months from the date of this report.

Based on the reasons above, the Directors believe it is appropriate that the condensed consolidated half-year financial report be prepared on a going concern basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

1. BASIS OF PREPARATION (continued)

Going concern (continued)

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

New accounting policy – investment in a joint venture

During the current reporting period, Evion invested in an incorporated entity in India, in which it holds a 50% interest. The accounting policy adopted for this investment is compliant with AASB 128 *Investments in Associates and Joint Ventures*. Joint ventures are joint arrangements in which the parties with joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

2. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022	30 June 2022
	\$	\$
Balance at beginning of the period	5,606,642	659,646
Additions	857,100	4,949,070
Foreign currency translation	(236,289)	(2,074)
Balance at end of the period	6,227,453	5,606,642

3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Company has a 50% interest in Panthera Graphite Technologies Pvt Limited, a joint venture which is involved in the business of manufacturing and selling expandable graphite-based flame/fire retardants into the local market in India. The principal place of business and country of incorporation of the joint venture is in India. The joint venture is an unlisted private entity. The interest in this joint venture is accounted for using the equity method.

- (a) The summarised financial information for the joint venture is set out below. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not Evion's share of those amounts.

Summarised statement of profit or loss and other comprehensive income:

	31 December 2022
	\$
Revenue	-
Interest income	-
Depreciation and amortisation	-
Interest expense	(2,650)
Other expenses	(16,235)
Profit or loss before income tax	(18,885)
Income tax expense	-
Profit or loss for the period	(18,885)
Other comprehensive income	-
Total comprehensive income	(18,885)
Dividend received	-
Consolidated Entity's share of profit or loss for the period	(9,443)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Summarised statement of financial position:

	31 December 2022
	\$
Current assets, including cash and cash equivalents of \$623,960	655,934
Non-current assets	655,951
Total assets	1,311,885
Current financial liabilities (excluding trade and other payables and provisions)	-
Other current liabilities	177
Non-current financial liabilities (excluding trade and other payables and provisions)	5,324
Other non-current liabilities	-
Total liabilities	5,501
Net assets	1,306,384

Reconciliation to carrying amount:

Evion's 50% interest in the net assets of joint venture	653,192
Consolidation adjustments	3,187
Carrying amount of Evion's interest in joint venture	656,379

(b) Commitments and contingent liabilities of the joint venture

The joint venture had no contingent liabilities as at 31 December 2022.

As at 31 December 2022, there were no commitments to provide funding for the joint venture's capital commitments.

4. ISSUED CAPITAL

	31 December 2022		30 June 2022	
	Shares	\$	Shares	\$
Fully paid ordinary shares (a)	279,146,222	24,765,815	273,346,222	24,198,431
Partly-paid ordinary shares at 2.01 cents (b)	4,396,186	88,363	4,796,186	96,403
Balance at end of the period	283,542,408	24,854,178	278,142,408	24,294,834

(a) Movement in fully paid ordinary shares

	31 December 2022		30 June 2022	
	Shares	\$	Shares	\$
Balance at the beginning of the period	273,346,222	24,198,431	211,474,527	17,311,653
Exercise of performance rights	5,400,000	543,384	5,300,000	184,009
Partly paid ordinary shares fully paid up	400,000	24,000	2,720,740	163,245
Issued for services rendered at 13.5 cents per share	-	-	200,000	27,000
Issued for cash at 13.5 cents per share	-	-	50,650,955	6,837,879
Exercise of options	-	-	3,000,000	306,068
Share issue transaction costs	-	-	-	(631,423)
Balance at end of the period	279,146,222	24,765,815	273,346,222	24,198,431

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

4. ISSUED CAPITAL (continued)

(b) Movement in partly-paid ordinary shares

	31 December 2022		30 June 2022	
	Shares	\$	Shares	\$
Balance at beginning of the period	4,796,186	96,403	7,516,926	60,262
Partly-paid ordinary shares fully paid up and become fully paid ordinary shares	(400,000)	(8,040)	(2,720,740)	(54,085)
Proceeds from 2 cents call per share	-	-	-	90,226
Balance at end of the period	4,396,186	88,363	4,796,186	96,403

Partly-paid ordinary shares carry one vote per share and carry a right to dividends in proportion to the amount already paid.

5. RESERVES

	31 December 2022	30 June 2022
	\$	\$
Options (a)	772,255	772,255
Performance rights (a)	1,387,433	731,852
Foreign currency translation reserve	(264,825)	(47,433)
	1,894,963	1,456,674

(a) Refer to Note 9 for details.

6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board has identified that the Consolidated Entity has three reportable segments which are exploration activities relating to minerals within Australia and Madagascar and a joint venture operation in India.

(a) Segment revenue and results

For the half-year ended 31 December 2022	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Revenue	-	48,135	-	48,135
Exploration and evaluation expenditure	(168,154)	(102,912)	-	(271,066)
Personnel and consulting costs	(643,740)	(76,810)	-	(720,550)
Share-based payments expense	(1,198,965)	-	-	(1,198,965)
Occupancy costs	(26,400)	(11,590)	-	(37,990)
Administration costs	(531,514)	(41,941)	-	(573,455)
Depreciation and amortisation	(4,985)	(3,393)	-	(8,378)
Other expenses	-	(26,374)	-	(26,374)
Share of loss of equity-accounted joint venture	-	-	(9,443)	(9,443)
Segment result	(2,573,758)	(214,885)	(9,443)	(2,798,086)
Other income				35,054
Other expenses				(60,481)
Loss from continuing operations				(2,823,513)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2022

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

For the half-year ended 31 December 2021	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Revenue	-	48,378	-	48,378
Exploration and evaluation expenditure	(288,636)	(170,030)	-	(458,666)
Personnel and consulting costs	(530,663)	(102,705)	-	(633,368)
Share-based payments expense	(222,197)	-	-	(222,197)
Occupancy costs	(24,000)	(10,933)	-	(34,933)
Administration costs	(438,328)	(77,549)	-	(515,877)
Depreciation and amortisation	(1,408)	(3,160)	-	(4,568)
Other expenses	-	(244,969)	-	(244,969)
Segment result	(1,505,232)	(560,968)	-	(2,066,200)
Other income				49,761
Other expenses				(6,749)
Loss from continuing operations				(2,023,187)

(b) Segment Assets

31 December 2022	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Assets	177,292	6,144,701	656,379	6,978,372
Unallocated:				
Cash and cash equivalents				2,365,994
Other assets				346,289
Total Consolidated Entity Assets				9,690,655

30 June 2022	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Assets	82,751	5,523,891	-	5,606,642
Unallocated:				
Cash and cash equivalents				5,809,297
Other assets				400,841
Total Consolidated Entity Assets				11,816,780

(c) Segment Liabilities

31 December 2022	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Liabilities	-	-	-	-
Unallocated:				
Trade and other payables				592,540
Other current liabilities				105,678
Total Consolidated Entity Liabilities				698,218

30 June 2022	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Liabilities	-	-	-	-
Unallocated:				
Trade and other payables				908,700
Other current liabilities				89,663
Total Consolidated Entity Liabilities				998,363

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

6. SEGMENT INFORMATION (continued)

(d) Other segment information

31 December 2022	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Investment in joint venture	-	-	656,379	656,379

7. SUBSEQUENT EVENTS

- On 17 January 2023, the Company announced that the Scoping Study for our proposed Battery Anode Material ("BAM") plant in Europe was completed with the Study finding that the BAM plant could generate strong returns. The Study was prepared and led by independent experts Wave International with the support from leading German based testing group, Dorfner Anzaplan. The next steps would be to determine the optimum processing route and production rate of BAM to feed the development of lithium-ion batteries.
- On 23 January 2023, the Company issued 250,000 shares to its employee pursuant to the Company's Employee Securities Incentive Scheme.
- On 1 March 2023, the Company announced the strong progress made on the pre-construction works at the site of the JV operations in India and that the JV project is on track for production and cashflow in the December 2023 quarter. The JV also appointed its inaugural CEO.
- On 9 March 2023, the Company announced that a Collaborative Agreement was signed with Urbix, Inc. The collaboration period is a 12-month timeframe from the execution date of the Collaborative Agreement. During this period, a preliminary feasibility study will be carried out to assess the viability of building a BAM plant in Europe. The feasibility study will complement the recent completed scoping study which found the development of a BAM plant could generate strong returns.

8. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

(a) Exploration expenditure

The Consolidated Entity has certain obligations with respect to tenements and minimum expenditure requirements in Australia.

	31 December 2022	30 June 2022
	\$	\$
Within 12 months	138,706	123,296
Between 12 months and 5 years	138,706	123,296
Total	277,412	246,592

There are no minimum exploration expenditure for tenements in Madagascar. The Consolidated Entity is obliged to pay permit fees of \$107,404 per annum (30 June 2022: \$107,404 per annum).

(b) Capital commitments

The Consolidated Entity has no capital expenditure contracted at 31 December 2022 (30 June 2022: \$Nil).

(c) Contingent assets and liabilities

There were no contingent assets at 31 December 2022 (30 June 2022: \$Nil). There has been no change in contingent liabilities since the last annual reporting date. The Directors are not aware of any significant breaches of environmental legislation and requirements during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

9. SHARE-BASED PAYMENTS

(a) Movement in performance rights

	31 December 2022	31 December 2021
	Number of rights	Number of rights
Balance at beginning of the period	31,575,000	13,900,000
Granted	-	2,500,000
Exercised	(5,400,000)	(3,250,000)
Balance at end of the period	26,175,000	13,150,000

(b) Movement in options on issue

	31 December 2022	31 December 2021
	Number of options	Number of options
Balance at beginning of the period	8,500,000	7,500,000
Unlisted options issued, exercisable at 17.5 cents, expiring 30 March 2023	-	4,000,000
Balance at end of the period	8,500,000	11,500,000

No options expired during the periods covered by the table above. Options outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price (cents)	31 December 2022 Number of options	31 December 2021 Number of options
28 August 2019	29 August 2022	8	-	2,000,000
11 January 2021	30 September 2023	7	-	1,000,000
16 February 2021	9 February 2025	15	4,500,000	4,500,000
9 July 2021	30 March 2023	17.5	4,000,000	4,000,000
Total			8,500,000	11,500,000

DIRECTORS' DECLARATION

The Directors of Evion Group NL declare that:

- a) The financial statements and notes of the Company for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - ii. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Thomas Revy
Managing Director

Perth, 15 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EVION GROUP NL

Conclusion

We have reviewed the accompanying half-year financial report of Evion Group NL ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half year financial report, which indicates that the Consolidated Entity incurred a net loss of \$2,823,513 during the half year ended 31 December 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated at Perth, Western Australia this 15th day of March 2023