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ASX ANNOUNCEMENT

Strong outlook for graphite sees leading users request Maniry product for testing

Combination of demand from Evion's proposed Battery Anode Material plant in Europe and third-party customers is set to ensure that most of Maniry's production is covered by binding offtake agreements before project funding is completed

HIGHLIGHTS

- **Evion is making strong progress towards its goal of having most of the forecast production from its Maniry Graphite Project in Madagascar covered by binding offtake contracts**
- **Maniry is forecast to produce 39,000Mtpa (for Stage 1, moving to 55,000Mtpa in Stage 2) of graphite concentrate, with 50% of this budgeted to supply the Battery Anode Material Plant (BAM) Evion proposes to build in Europe in partnership with Urbix**
- **A further 10% is expected to feed Evion's expandable graphite joint venture in India**
- **Evion expects a further 20 -30% will be the subject of binding offtake agreements with third-party customers**
- **Consensus forecasts show the graphite market will move into deficit this year due to surging demand from the lithium battery industry; A lithium-ion battery contains more graphite than lithium, nickel and cobalt by volume.**
- **This strong outlook is leading to growing requests for Maniry bulk samples for testing by leading users which are seeking to secure more non-Chinese graphite to manufacture BAM**
- **Maniry Environmental and Social Impact Assessment (ESIA) on track for completion in the coming quarter; This will pave the way for the final permits and licences**

- **Evion's Tom Revy holds highly productive talks with World Bank Officials and the Mines Minister in Madagascar to secure licensing and infrastructure commitments in the short term.**

Evion Group (ASX: EVG) is pleased to provide an update on the progress being made at its Maniry Graphite Project in Madagascar.

The Company has been advancing multiple work streams in parallel as part of its strategy to capitalise on the strong outlook for the graphite market due to increasing demand from the lithium battery industry.

Expectations that the graphite market will swing into deficit this year have led to Evion receiving multiple requests for bulk samples of Maniry concentrate from leading users.

Evion is about to despatch 200 kgs of high grade graphite material to proposed BAM Plant development partner, Urbix. This large scale test program is testament to our commitment to jointly develop our BAM plant and we expect to receive positive results in the short term.

Additionally, Evion has made available other samples of larger flake product to leading graphite buyers in Asia and Europe.

Evion aims to secure binding offtake contracts with third parties covering up to 30 per cent of the forecast Stage One production at Maniry ahead of finalising project funding arrangements.

Evion has already earmarked up to 50 per cent of Maniry's production for supply to its planned European BAM plant, which it proposes to build in partnership with leading US-based BAM producer Urbix.

It has budgeted a further 10 per cent for supply to its Indian expandable graphite joint venture.

Evion Managing Director Tom Revy said the high percentage of product covered by binding offtake contracts would significantly strengthen the Company's position as it moved to finalise project funding for Maniry.

"A high degree of binding offtake agreements will enable us to conduct funding discussions autonomously from sales arrangements," Mr Revy said.

"This will in turn help ensure we secure favourable funding terms because we will be able to demonstrate secure, reliable revenue streams and we will not have to tie any funding offer to offtake."

The growing requests for bulk samples come as Evion moves to complete the Environmental and Social Impact Assessment for Maniry. The ESIA, which is on track for completion in the June quarter of this year, is a pre-requisite for securing the project's final permits and licences.

“Maniry is the cornerstone of Evion’s strategy to be a vertically-integrated supplier of graphite products for use in lithium batteries and other purposes,” Mr Revy said.

“Our timing is ideal given that we are moving into the funding and development stages as the market for graphite is set to gain momentum.

“The growing interest in our product among BAM producers reflects this pivotal phase in the graphite market and we are moving quickly to capitalise on it.”

Evion announced earlier this month that it has entered into a Collaborative Agreement with Urbix to assess the viability of developing a Bam plant in Germany (see ASX release dated March 9, 2023).

Under the agreement, Evion and Urbix will work together to identify the best site and assess the financial and economic feasibility of building the BAM plant.

The pre-feasibility study will be an extension of the scoping study recently completed and published by Evion which demonstrated a very strong commercial case for the development of a BAM production facility

Urbix recently signed a JV Agreement with leading battery manufacturer, SK On, South Korea to enable SK On to supply leading car manufacturers, Ford, Hyundai and Volkswagen.

Positive Progress in Madagascar

Evion MD, Tom Revy, recently met with senior officials of the World Bank in Madagascar who expressed their commitment to fast-track the short term massive infrastructure spending for regional Madagascar that was reported in 2022. This infrastructure spending will provide enormous logistical and freight cost benefits to Evion at the time of plant construction.

Mr Revy also met with the Malagasy Minister for Mines and they discussed Evion’s plans to make substantial investments in the local community and employ directly and indirectly over 750 local people. The Madagascar Minister for Mines was very supportive of the Company’s plans and further meeting are scheduled in the short term to coincide with the time that the Company shall submit its EISA and Mining Permit applications.

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

Contacts

Tom Revy

Managing Director

Evion Group NL

0411 475 376

David Round

Finance Director

Evion Group NL

0411 160 445

Paul Armstrong

Investor and

Media Relations

Read Corporate

+61 8 9388 1474

For more information – <https://eviongroup.com>

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