

3 April 2023

**ASX Announcement**

# Successful \$3.4m Placement to Accelerate Plans for Vertically Integrated Graphite Business

Evion poised to capitalise on forecasts for rapid growth in graphite demand from lithium battery industry

## Highlights

- **Firm commitments received for a Placement to raise \$3.4 million, reflecting strong progress across all streams of Evion's plans to become a significant and vertically integrated graphite business**
- **Strong support received for the emerging and long-life Maniry Graphite Project, providing a positive endorsement of the Company's strategy to capitalise on the huge opportunity stemming from the burgeoning EV and battery anode markets**
- **Funds shall be applied towards:**
  - **Further development and Resource expansion at the Company's Maniry Project;**
  - **Finalisation of statutory licensing and permitting for development of the Maniry Project;**
  - **Early stage development of the Maniry Project with the commencement of pre-construction engineering works**
  - **Progressing the feasibility study into the downstream Battery Anode Materials (BAM) plant proposed for Europe**
- **Evion now very well poised to benefit from the massive growth in projected demand for graphite over the next 10 years with expected increases in concentrate prices**

- **The Company's investment in the expandable graphite project (Panthera JV) in India is also fully funded with plans for commissioning by the end of this calendar year**
- **Following the Placement, the Company will hold a strong cash balance of over \$5 million**

**Evion Group (ASX: EVG)** (Evion or the Company) is pleased to announce that it has successfully completed a bookbuild and secured firm commitments from existing shareholders and new domestic and international institutional and sophisticated investors to raise gross proceeds of approximately A\$3.4 million (**Placement**) before costs.

### **Use of Proceeds**

The funds raised by the Placement will, together with the Company's existing cash balance, be used for a number of strategic development plans as follows:

- Completion of the Environmental and Social Impact Assessment (ESIA) for the advanced Maniry Graphite Project in Madagascar
- Finalise Statutory licensing and permitting in respect of the Maniry Project
- Pre-feasibility costs in relation to the downstream Battery Anode Material ("BAM") Plant in Europe in conjunction with Urbix Inc
- Further resource development and growth of the Maniry Project;
- Pre-construction engineering works in respect of the Maniry Project; and
- General Working capital

### **Evion's Managing Director, Tom Revy, said:**

*"The strong support for the raising reflects the Company's vision to capitalise on the forecast sharp increase in demand for graphite on the back of the massive growth in EV's.*

*"Evion's emergence as a near-term producer of graphite is being recognised and we look forward to rewarding all shareholders with a number of major company milestones as 2023 unfolds.*

*"The fund raising will enable us to complete the final elements of our plans to commence construction at our flagship graphite project in Madagascar and undertake pre-construction engineering works.*

*"Following our Scoping Study confirming the viability of our proposed BAM Plant in Germany, we also plan to complete an advanced pre-feasibility study with leading BAM technology company, Urbix Inc., USA. This study reflects the strong collaboration between our two companies.*

*“Additionally, our expandable graphite project in India is advancing very well with commissioning expected later this year. Evion Management will again be on site in India over the next few months to assist with the fast-tracking of development”.*

*The Board of Evion believes the Company is in an exciting stage of its growth with its plans for developing a large graphite mine and having downstream processing plants well advanced. The outlook for graphite, in concentrate and battery anode material form, is now quite widely considered to be very strong.*

## **Placement Details**

The Company will issue 62,962,966 New Shares at an issue price of \$0.054 per share to raise gross proceeds of \$3.4 million before costs.

The New Shares will be placed within the placement capacity under ASX Listing Rule 7.1 and 7.1A and without disclosure under the Corporations Act. The Placement is not subject to shareholder approval and the New Shares will rank equally with the Company’s existing fully paid ordinary shares. The New Shares are expected to be issued on or about 13 April 2023.

As part of the Placement, and subject to shareholder approval, subscribers will receive 1 option for each 2 shares received (**Options**). The Options will have an exercise price of \$0.075 and be valid for 12 months from the date of issue. The number of new Options to be issued will 31,481,483 and the Company proposes to apply to the ASX for listing of the Options.

Subject to shareholder approval, the Company will issue up to 17.5 million unlisted options to brokers in connection with the Placement with an exercise price of \$0.125 and term of 3 years.

The Company’s Board also contributed to the Placement (subject to shareholder approval); reflecting our strong commitment to the Company’s growth.

Euroz Hartleys was Lead Manager to the Placement.

This announcement has been approved by the Company’s Disclosure Committee for release.

### **Not for release in the United States**

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## Forward Looking Statements

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