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ASX ANNOUNCEMENT

Key tests confirm Evion graphite is highly suitable for making battery anode material

Outstanding results of extensive metallurgical tests are another significant step in Evion's strategy to build a battery anode material plant in Europe; The results also establish that the cost of processing the Evion graphite is globally-competitive

Evion Group (ASX: EVG) is pleased to announce another major milestone in its strategy to supply graphite to the lithium battery industry, with metallurgical tests confirming that its product is ideal for making battery anode material (BAM).

BAM is a key ingredient in lithium batteries. Evion has entered into a Collaborative Agreement with leading BAM developer, Urbix Inc, USA to assess the viability of developing a plant to provide BAM for the EV and alternative energy sectors in Europe.

The outstanding results from the latest BAM purification test work, which was conducted by Dorfner Anzaplan, are another important step towards establishing this plant.

The tests were conducted on 15kg of flake graphite concentrate material from Evion's Maniry project in Madagascar. Evion plans to establish a world-scale mine at Maniry, where it completed a Definitive Feasibility Study last year (see ASX release dated November 3, 2022).

To reach battery-grade product purity, the graphite needs to be purified to a Fixed Carbon (FC) content of >99.95%.

The tests used two processing routes, both of which delivered FC a content of more than 99.95wt-%.

High level operating cost estimates indicate that an energy cost saving in excess of 60% and a total cost saving of 30% could be achieved using a caustic pressure leach purification process.

Extensive tests conducted in 2020 had already established that Maniry graphite met the other chemical and physical parameters needed to be considered suitable for BAM production.

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In the latest assessments, eight tests were completed. Four of these used a caustic bake process and four used a caustic pressure leach. Both process routes delivered FC results >99.95%.

Importantly, the results show there is potential to reduce operating costs by up to 30 per cent using the caustic pressure leach process, largely through reduced power consumption.

Under the current Collaborative Agreement with Urbix, the results will be discussed as part of the joint prefeasibility to be undertaken to determine the viability of developing a BAM (coated spheronised purified graphite) plant in Europe.

Under the agreement, Evion and Urbix are working together to identify the best site and assess the financial and economic feasibility of building the proposed BAM plant in Europe

It is proposed that graphite concentrate from Evion's Maniry Project will feed the proposed BAM facility, providing a market for a substantial portion of Evion's proposed production.

Evion Managing Director Tom Revy said: "These results mark another important milestone in our strategy to be a vertically integrated supplier of graphite to the lithium battery industry.

"They show we are well on track to realise our goal of establishing a world-class mine at Maniry which will feed a BAM plant in Europe, which will in turn supply product to the battery industry.

"With the graphite price widely forecast to rise sharply as the market falls into deficit later this year on the back of demand from the battery industry, Evion is ideally placed to unlock the huge value of its assets by implementing this strategy".

Figure 1: Purified graphitic material produced as part of the ANZAPLAN test work program

Test Program

The purification was performed on flake graphite concentrate feed derived from the earlier reported large scale pilot test work program. In order to reach battery grade product purity, a target FC content of greater than 99.95 wt.-% was required. Two purification methods were tested:

- Caustic bake
- Caustic pressure leach

In total 8 sighter tests were conducted (four tests per purification route) aiming at the identification of the most suitable chemical purification process which matches the specific impurity profile of the material.

Residual mineral phases finely intergrown with graphite needed to be removed as a means for achieving battery grade purity levels. The FC content of the feed material for the purification has an important impact on the maximum final purity level achievable and on the reagent consumption required to reach fixed carbon greater than 99.95 wt.-%. The chemical composition of the flake graphite feed materials was assessed as >95% FC.

Results from the sighter tests demonstrated that results in excess of 99.95%FC could be achieved using either purification methods; a maximum of 99.99% FC was achieved.

Since both purification routes yielded promising results, both processes were compared regarding their operational expenditures (OPEX) on a high level. The calculation takes chemical and energy expenditures into consideration. Prices were assumed based on ANZAPLAN´s experience.

High level OPEX costs (based on chemicals and energy consumption, without reagent recycling) of the best tests of each purification route indicate that an energy cost saving in excess of 60% and a total cost saving of 30% could be achieved for the caustic pressure leach compared to caustic bake.

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

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	**Drilling** • the drill hole database only consists of diamond drill holes • sampling consists of 2m composite samples of quarter core with breaks at lithological discontinuities - typical 3-5Kg • samples are cut using a diamond blade core saw • duplicate samples are collected every 20th sample for QAQC purposes • standards (CRMs) are inserted every 20th sample for QAQC purposes • sampling is considered to be comprehensive and representative • quarter cores are sent for analysis, the remaining core material is retained and stored in EVG's secure core shed • metallurgical samples were obtained from diamond drilling using ½ cores. A split of crushed sample was used for metallurgical test work • downstream testwork was based on a split sample taken from concentrate produced in previous metallurgical testwork program which results were reported on 18th December 2018 **Trenching** • trenches are dug perpendicular to the strike of mineralised units with a JCB backhoe loader • trained geologists log and systematically sample the trenches using a rock hammer at 2m intervals • CRMs are inserted ~every 20th samples for QAQC purposes **Bulk Sample – 60 tonnes (Source of the Concentrate used in the test work program)** • A 60t bulk sample, was taken in the same location in the east strata of the Razafy deposit (digging site centred on 487,040mE, 7,285,860mN). This samples was taken from the same location as the previous 250 kgs Stage 1 Pilot Test Program as announced on 26 February 2020

Criteria	Commentary
	• The excavation location was chosen between drillholes MNDD047 and MNDD048, with trench MNT012 confirming the location of the strata and carbon grades, in an area where the mineralisation is thick and the base of oxidation close to the topographical surface
Drilling techniques	• diamond drilling only • core size is HQ and NQ typically in 0.5-1.5m runs • core from a select number of drill holes are orientated
Drill sample recovery	• core recovery is routinely recorded every metre by trained geologists • no bias or relationship has been observed between recovery and grade • recovery is typically +80% within weathered rock, and +95% in fresh rock
Logging	**Drilling** • all drill holes are logged by qualified and experienced geologists • logging includes descriptions of geotechnical, mineralisation, structural and lithological aspects of the core and is digitally recorded using an industry standard code system • cores are systematically photographed • the data collected offers sufficient detail for the purpose of interpretation and further studies **Trenching** • all trenches are logged by qualified and experienced geologists • logging includes descriptions of mineralisation, structural and lithological aspects of the encountered rocks and is digitally recorded using an industry standard code system • the data collected offers sufficient detail for the purpose of interpretation and further studies
Sub-sampling techniques and sample preparation	**Drilling** • quarter cores are cut using a diamond core saw and collected for assay • 2 metre composite sampling is deemed to be comprehensive and representative for the style/type of mineralisation under investigation • duplicate samples are taken (remaining quarter core) every 20th sample

Criteria	Commentary
	• sample preparation from quarter core to pulp is undertaken at EVG's sample preparation facility in Antananarivo (former Intertek-Genalysis facility) **Trenching** • the base of the trench is chipped to obtain a representative sample over 2m intervals. Although the sampling technique is not ideal, the technique is deemed satisfactory for this exploratory phase of work • QAQC measured are deemed satisfactory for this type of sampling and exploratory phase of work • the sample size (3kg) is deemed satisfactory to the grain size of the material being sampled • sample preparation from 3Kg chip sample to pulp is undertaken at EVG's sample preparation facility in Antananarivo **Bulk Samples–60 tonnes** • a dense grid sampling (0.5mx1m lines, for a total of 39 samples of 1kg) covering the complete excavation area was completed mid depth of the excavation of the 60t bulk sample for close space analysis of the mineralisation continuity and full control of the quality of the excavated material. The samples were prepared at EVG's Antananarivo preparation laboratory for analysis at Intertek Perth • in both instances, portable XRF measurements were completed during excavation in parallel to the sampling
Quality of assay data and laboratory tests	**Drilling & Trenching** • assaying is undertaken by Intertek Genalysis in Perth (Aus) • samples are pulverised to 75 microns, roasted to 420°C and digested with a weak acid. Final analysis is undertaken by CS analyser (Code: C73/CSA) • standards and duplicates (duplicates only for core, not for trench samples) are inserted every 20th sample by the EVG technical team in addition to the internal QAQC from the laboratory. No issues been observed with QAQC **Bulk Sample – 60tonnes** • for the 60t bulk sample, the 39 samples of the dense grid sampling were analysed at Intertek Perth. The 60t bulk sample was also analysed by BGRIMM as part of the metallurgical testing **Metallurgical Tests** • metallurgical work was undertaken by BGRIMM technology Group in Beijing. The metallurgical test work comprised. ○ Head assay, mineralogy and comminution testing

Criteria	Commentary
	○ Primary milling optimisation ○ Rougher flotation ○ Cleaner flotation and re grind optimisation ○ Locked cycle flotation test ○ Concentrate assay and sizing • Industry standard test methods and analytical techniques have been employed
Verification of sampling and assaying	• significant intersections have been verified by alternative company personnel • no twin holes have been completed • all data is recorded digitally using a standard logging system and files are stored in an industry standard database
Location of data points	**Drilling** • Razafy: all collars have been located using a DGPS (accurate to 1cm) Projection and grid systems used: UTM (WGS84 Z38S). The down hole azimuth and dip is recorded using a Magshot down hole instrument (accurate to 1deg) • Haja: topography and collar survey data is based on measurements taken on GPS handheld device **Trenching** • all XYZ surveying is collected using a handheld Garmin GPS accurate to ±4m • Projection and Grid system used: UTM (WGS84) Z38S **Bulk Sample – 60 tonnes** • the limits of the 60t bulk sample excavation were surveyed using a GPS handheld device, as were the end points of the dense grid sampling lines covering the excavation site at mid-depth
Data spacing and distribution	**Drilling** • the drill hole grid spacing is 100m along strike by 30m across strike at Razafy, and 50m across strike at Haja • the drill hole spacing allowed to follow the graphitic mineralisation outlines from section to section and down dip • samples have been composited to 2m length within the mineralised lenses interpreted to complete the statistical analysis, variography and estimation **Trenching**

Criteria	Commentary
	• the geologist in charge of the program systematically samples all visible mineralised units as well as the lithologies either side of these • this data is not thought to be appropriate for resource estimation purposes • no sample compositing has been applied.
Orientation of data in relation to geological structure	**Drilling** • the drilling grid matches the strike of the orebody • the orientation of the drilling is not expected to introduce sampling bias as drill holes intersect the mineralisation at a sufficient angle to the dip of the orebody, in addition, the mineralisation envelopes are interpreted in three-dimensions **Trenching** • the trenches are oriented perpendicular to the perceived orientation of the outcropping mineralisation, but since sampling is two-dimensional and not perpendicular to the dip of mineralisation, reported intercepts will be wider than the true width of the mineralised unit **Bulk Sample – 60 tonnes** • the 60t bulk sample was excavated within an area of approximately 7m along strike by 3m across strike
Sample security	**Drilling** • samples are cut and sampled on site before being transported to EVG's sample preparation facility in Antananarivo • sample pulps are freighted by plane to Intertek Genalysis in Perth (Aus) for assaying • the remaining core samples are kept in a secure facility adjacent to EVG's offices in Antananarivo **Trenching** • samples are packaged and stored in secure storage from time of gathering to sample preparation **Bulk Sample – 60 tonnes** • the material was bagged on site into bulk bags, and loaded on trucks • the 60t bulk sample was trucked to the port of Toliara, loaded in a container, shipped to China and delivered to BGRIMM

Criteria	Commentary
Audits or reviews	• sampling procedures has been reviewed by external auditors Sigma Blue Pty. Ltd. and OMNI GeoX Pty. Ltd, with site visits at the beginning of the programmes

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• work was undertaken upon permits 5391, 5393, 5394, 25094, 25605, 39751 • the tenements are located within the inland South West of Madagascar • tenements are held 100% by BlackEarth Madagascar SARL, a wholly owned subsidiary of Evion Group NL through Madagascar Graphite Ltd • no overriding royalties are in place • there is no native title agreement required • tenure does not coincide with any historical sites or national parkland • tenements are currently secure and in good standing
Exploration done by other parties	• regional mapping by BRGM • historical diamond drilling and trenching by Malagasy Minerals. Ltd. (2014-2016)
Geology	The project overlies a prominent 20km wide zone consisting of a folded assemblage of graphite and quartz-feldspar schists, quartzite and marble units, with lesser intercalated amphibolite and leucogneiss. This zone, termed the Ampanihy Belt is a core component of the Neoproterozoic Graphite System. The belt is interpreted as a ductile shear zone accreted from rocks of volcanic and sedimentary origins
Drillhole Information	refer to Section 1
Data aggregation methods	• cut offs of 5%, 10% 15% and 20% graphitic carbon have been used for aggregated reported intercepts • no cutting of high grades is applied • all trench samples represent a 2m interval length • metallurgical sample bulk samples were composited and subject to two stage crushing to a nominal -3.35mm and mixed to form a master composite. The master composite was there rotary split in to test work charges.

Criteria	Commentary
Relationship between mineralisation widths and intercept lengths	• sampling does not occur perpendicular to the dip of mineralisation and therefore is not truly representative of the true width of the mineralised unit • the dip of the mineralised units is known from previous drilling and/or the trenching logging • the dip of the mineralised unit is shown within the diagrams
Diagrams	• refer to body of text above for diagrams and tabulated intercepts when applicable
Balanced reporting	• all significant results that are material to the project have been reported • any data that has not been released has been deemed insignificant
Other substantive exploration data	• no other exploration related data has been collected that requires reporting
Further work	• future exploration work at Maniry is likely to include further mapping, trenching and drilling Additional downstream processing including purification of spheronised graphite products for Li-ion battery anodes.. • Future metallurgical work will include optimising test work relating to the production of expandable graphite as well as variability test work on core samples taken within the Maniry Graphite Project area. •

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	• the drill hole database has been loaded in an industry standard database • validation for duplicates, missing data, outliers, erroneous intervals is completed before proceeding to the interpretation and analysis
Site visits	• Competent Person for the resource estimate visited the site during the drilling programme in March-April 2018 • drilling, sampling and sample preparation procedures were reviewed and are considered of industry standard
Geological interpretation	**Razafy**

Criteria	Commentary
	• the confidence in the geological interpretation of the graphitic lenses is considered robust for the purpose of estimating and reporting Indicated and Inferred resource • graphite mineralisation hosted within graphitic schists and gneiss, visibly recognizable from the background rock • the complete extent of the two main lenses outcrop and can be followed by surface mapping • trenches have been used with success in early exploration stages to confirm the strike continuity • no major faulting or other structural disruption has been mapped in the deposit area and the location of the drilling intercepts of the graphitic mineralisation confirms the position of the lenses anticipated from the trenches observations • the boundary between graphitic schists and gneiss and the surrounding material is usually sharp with TGC below 0.5% in the background material changing to +3% grades in the graphitic lenses, leaving few options to shift the boundaries position when interpreting the mineralised body • mineralisation envelopes were interpreted at a nominal +3% TGC cut-off grade • only rare occurrences of non-mineralised material are included in the two main lenses • logged graphitic rich zones correspond extremely well with TGC assay results • no alternative interpretation has been considered at present • the weathered horizon (oxide) can easily be interpreted from the sulphur depression observed in the assay data. The oxide horizon is approximately 20m thick. The transition zone is usually of very limited thickness when present **Haja** • the confidence in the geological interpretation of the graphitic lenses at Haja is considered robust for the purpose of estimating and reporting a resource of the Inferred category • graphite mineralisation hosted within graphitic schists and gneiss, visibly recognizable from the background rock • the complete extent of the Haja lenses outcrop and can be followed by surface mapping • trenches have been used with success in early exploration stages to confirm the strike continuity • no major faulting or other structural disruption has been mapped in the deposit area and the location of the drilling intercepts of the graphitic mineralisation confirms the position of the lenses anticipated from the trenches observations

Criteria	Commentary
	• the boundary between graphitic schists and gneiss and the surrounding material is usually sharp with TGC below 0.5% in the background material changing to +1.5% grades in the graphitic lenses, leaving few options to shift the boundaries position when interpreting the mineralised body • mineralisation envelopes were interpreted at a nominal +1.5% TGC cut-off grade • the Haja orebody is composed of three adjacent parallel lenses dipping 25° to the east which often coalesce into a single body • logged graphitic rich zones correspond extremely well with TGC assay results • no alternative interpretation has been considered at present • the base of the weathered horizons- oxide & transition- can be interpreted from the sharp change in sulphur grades
Dimensions	**Razafy** • the Mineral Resource encompasses the Razafy deposit and a new prospect named Razafy East • the Razafy deposit comprises two major lenses – East Main d West Main lenses-, and four minor lenses adjacent to the main zone • the solids interpreting the two main zones are 1450m long with a maximum plan width of 65m for the East main lens, and 60m for the West main lens in the south part of the deposit • the two main lenses extend 155m depth below surface and define the lowest depth below surface at which a resource has been estimated • the Razafy block model extents 1625m along strike, 900m across strike and 200m depth to cover the East Razafy prospect area **Haja** • the resource model is based on six fences of drill holes 100m apart with drill holes separated by 50m on section • the Haja resource model cover the volume occupied by the Haja orebody and extents 725m north-south, 550m east-west and 210m at depth • the solids interpreting the Haja graphitic orebody extents 630m north-south, 500m east-west and 170m vertically
Estimation and modelling techniques	**Razafy** • TGC and sulphur have been estimated by ordinary kriging using 140m along strike by 50m down dip by 12m across strike search ellipse which defines the outmost distances to which blocks can be extrapolated from drill holes

Criteria	Commentary
	• drill sections are spaced regularly at a 100m (with the exception of the first northern section which is 200m away from the second section), with dril lholes spaced at 30m across sections • kriging parameters for both TGC and sulphur were obtained from modelling the directional variograms (normal variograms) for the two main lenses • nugget values are 20% of the total sill for both elements • the grade estimation was completed using Geovia GEMS mining software with partial blocks to honour the volume of the grade envelope solids • the block model is based on 25m along strike by 5m across strike by 5m Z, which is considered adequate given the current drill spacing of 100m section lines by 30m spacing • mineralised envelopes were used as hard boundaries during interpolation • the base of oxide was used as a hard boundary for the sulphur estimation but as a soft boundary for the TGC estimation • no top-cut measure was used as there is no evidence of outliers. The maximum TGC value for the 2m sample assays is 15% • the grade estimates -TGC & sulphur- were validated visually and statistically and honour spatially and statistically the input data • no previous estimate exists for this deposit **Haja** • TGC and sulphur have been estimated by ordinary kriging using Geovia GEMS mining software • mineralised envelopes were used as hard boundaries for the TGC during the interpolation • oxidation zones were used as hard boundaries for the interpolation of Sulphur • no top-cut was used for TGC but the influence of grades above 6.5% TGC was limited to 70mx70mx6m during interpolation. The 6.5% TGC grade corresponds to a statistical change in the data distribution. The maximum TGC value is 11.45% • no top-cut measure was used for sulphur • the grade estimates -TGC & sulphur- were validated visually and statistically and honour spatially and statistically the input data • no previous estimate exists for this deposit

Criteria	Commentary
Moisture	• the resource is reported for Razafy and Haja on a dry tonnage basis
Cut-off parameters	• the resource is reported for Razafy at a 6% TGC cut-off grade and a 5% TGC cut-off grade for Haja. These cutoff grades are in line with other reported Mineral Resources in East Africa • a Scoping Study has been completed on Razafy – refer to this study for cut-off grade calculations • no mining studies have been completed to date for Haja and cut-off grade calculations are not available
Mining factors or assumptions	• based on the orientation, thickness and depth to which the graphitic lenses have been modeled and their estimated TGC, the potential mining method is considered to be open pit mining for both deposits
Metallurgical factors or assumptions	**Razafy** • metallurgical testwork program has been undertaken on drill core samples taken from a drill program completed in 2018. A total of 20 diamond drill holes were sampled, to create representative composite samples • sample preparation was undertaken by ALS Metallurgy in Perth WA. BatteryLimits • sub samples (2x 1 kg) were issued to BGRIMM technology group for initial confirmatory flotation testwork. The samples were stage ground in a rod mill to 100% passing 1mm. The samples underwent rougher flotation and up to 6 stages of regrind polishing and 9 stages of cleaner flotation. multiple stages of cleaning (up to 6), with recleaning. The results indicated that high grade (94% TGC) concentrates can be produced at a recovery of 87% in open circuit **Haja** • in accordance with Clause 49 of the JORC code (2012), the product specifications and general product marketability were considered to support the Mineral Resource Estimate for Industrial Minerals • independent preliminary flotation testwork completed by ALS Global Laboratory (Perth, WA) on three composites are reported in previous announcements and shows that: ○ 16% to 37% in overall weight of concentrate is of large or greater flake size category (+ 180 micron) at a concentrate grade above 97% TGC ○ overall concentrate grades range from 93.6% to 95.6% TGC
Environmen-tal factors or assumptions	• it is assumed that the processing of ore will have minimal environmental impact. This is based upon other graphite processing operations and basic assumptions on how graphite ore will be processed at Maniry
Bulk density	**Razafy**

Criteria	Commentary
	• the bulk density used to report the Razafy Mineral Resource is based on 19 measurements made by the water displacement method by the Intertek Perth laboratory • a 2.07t/m^3 value was used for the oxide material and 2.17t/m^3 for the fresh material **Haja** • the bulk density data used to report the resource comprises 56 measurements made by caliper method on competent fresh core drilled during the 2018 EVG's drilling campaign which cover the depth and extent of the deposit. The data has been averaged in 20m vertical slices, and corresponding values assigned to the block model range from 2.05 m/t^3 in the weathered material to a maximum of 2.69 m/t^3 at the lowest depth. The average density of the resource reported is 2.20m/t^3
Classification	**Razafy** • the two main lenses are continuous over the strike of the deposit. They can be followed on surface by mapping without interruption and are not disrupted by faulting • trenching completed during the early exploration stages, but not used in the resource estimate, confirm the location at surface of the thickness of the mineralisation estimated by the model • with a 100m drill section spacing and search ellipse of 140mx50mx12m, extrapolation of blocks is limited • all minor lenses, including the East Razafy prospect have been classified as Inferred material • for the East and West main lenses, the kriging slope of regression obtained for the TGC estimate was used to separate Indicated from Inferred resource at depth. Blocks with a slope of regression greater than 0.5 were classified as Indicated, the other blocks were classified as Inferred • the classification is based on a high degree of geological understanding of the mineralisation occurrence and spatial distribution, correlated by systematic drilling information with limited extrapolation • the Mineral Resource estimate appropriately reflects the view of the Competent Person **Haja** • the Haja lenses are continuous over the length of the deposit drilled • the mineralisation can be followed at surface from mapping and with the trenches available. Graphitic mineralisation is easily visually distinguished from the surrounding background rock from its colour and the presence of visible graphitic flakes

Criteria	Commentary
	• the trenches completed during the early exploration stages, but not used in the resource estimate, confirm the location at surface of the thickness of the mineralisation estimated by the model • at either strike end of the deposit, extrapolation has been limited by the wireframed envelopes which were extended 50m from the first and last drill hole fences • downdip, the mineralisation was extrapolated no more than 70m from the last drill hole intercepts on which the wireframes are based • all material inside the wireframe envelopes within the ranges detailed above has been classified as inferred material • the classification of the resource estimate appropriately reflects the view of the Competent Person
Audits or reviews	• no audit nor review were undertaken for the Razafy and Haja Mineral Resource estimates
Discussion of relative accuracy/ confidence	• the relative accuracy of the Mineral Resource estimates is reflected in the reporting of the resources as per the guidelines of the JORC Code 2012 edition • no other estimation method or geostatistical assessment has been performed • the Mineral Resource estimates of the Razafy and Haja deposits are global estimates of tonnes and grades • tonnages and grades above the nominated cut-off grades applied on TGC are provided in the body of the announcement • the contained graphite values were calculated by multiplying the TGC grades (%) by the estimated tonnage on a block by block basis • no production data is available to reconcile results with.