

November 23, 2023

ASX ANNOUNCEMENT

Plant construction due for completion this Quarter in preparation for the commencement of expandable graphite production in India

HIGHLIGHTS

- **Panthera Graphite Technologies (PGT) is a JV between Evion and Metachem, India with plans to commence production of 2,500 tonne of expandable graphite in year 1 growing to 4,500 tpa by year 3.**
- **The JV's plant is in Pune, India (near Mumbai) and construction has continued to schedule with substantial development achieved over the last few months.**
- **Most equipment is now on site or to be delivered in the next week in order to finalise installation and prepare for commissioning.**
- **Key executive and management team are already in place and working on site, with production team to commence in the short term.**
- **Initial production of sample material has commenced at the request of our European buyers for testing and product pricing assessment. This will provide maximum pricing opportunities for the JV with an initial 500t to be delivered in the first quarter of production.**
- **JV on target to achieve first year's operational goals - JV to generate US\$7m worth on sales in year one with capacity to more than double this in years 2 – 3.**
- **Based on strong market pricing at present, the JV expects it will be able to achieve product sales pricing more favourable to that assumed in the Scoping Study.**

Evion MD Tom Revy said: *"The PGT management and construction team have done a fantastic job in constructing our plant and related infrastructure so quickly. Extensive infrastructure is now in place, and we expect commissioning to start very soon and the Evion team will be on site shortly to assist in this process. This will pave the way for the start of production and cashflow in the coming quarter, enabling us to capitalise on the strong global demand for expandable graphite".*

Construction Update

Engineering and construction personnel have been on site for a number of months completing civil works and prefabrication of 4,000sqm of buildings with the installation of production equipment currently now in progress and due to be completed over the coming weeks. The lead contractor on site is Ulka Projects Private Ltd (<http://www.ulkaprojects.com/>)



The Project has successfully recorded no lost-time injuries to date

As previously announced, a decision was made to increase the main processing facility structure to accommodate the doubling of production in the short term. The new structure will result in lower capital and ensure minimal disruption occurs during the expansion, now expected to commence in the second year of production. The plan is to fund the expansion from operational cash flow.

In addition to this, the JV partners have decided to instal a more advanced effluent treatment plant (ETP) which is substantially more cost effective than the option previously considered and budgeted for. The new ETP plant should also reduce OPEX by a material amount, decrease the final volume of waste and reduce the carbon footprint of the Project.

The testing of the new ETP system has taken several weeks to complete and this may cause a slight delay with the conclusion of commissioning but given the material cost savings, the JV committee believed this action was appropriate.

Project activity continues on key support infrastructure (offices, water and fuel storage, etc) ahead of commissioning in the short term.

Evion continues to oversee the development of the Project and to ensure the delivery approach incorporates high HSE standards. The site has recorded no lost-time injuries to date.



Equipment installation and commissioning

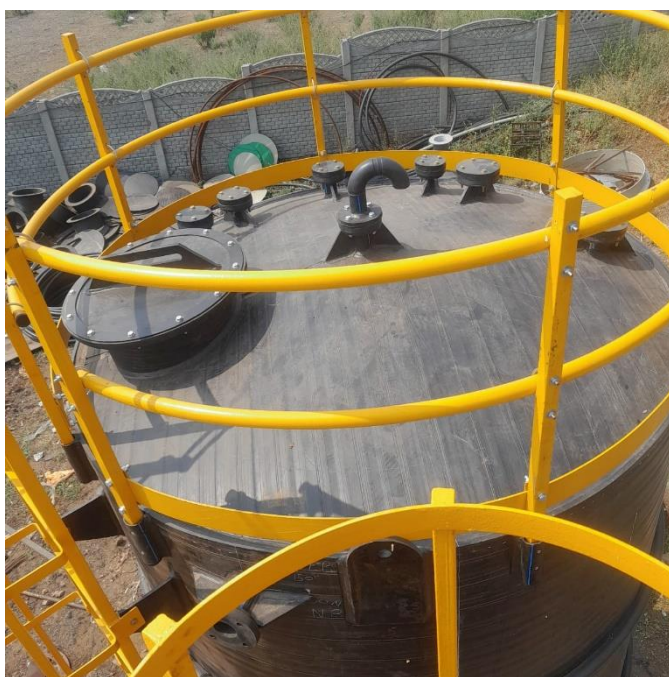
Long lead items have been ordered and are being delivered as scheduled and within tight and controlled budget plans. All of the equipment has now been ordered. No logistics issues are likely given that all equipment is being sourced from within India from reputable companies.

Risks associated with equipment selection have been significantly decreased as a result of using similar equipment, albeit larger scale, to that currently used by the Company's JV partner Metachem at their existing operations.

PGT has negotiated a secondment arrangement with Metachem whereby key experienced personnel will be provided to assist with commissioning the processing facility. This should have a positive result in terms of both schedule and cost.

(Left: Full load and half load tests carried out on reactors)

(Below: Inspection carried out on centrifuges)



Concentrate supplies and Sales of Expandable Graphite

PGT recently undertook a range of testing to ensure the product is suitable for its customers in Europe.

Following this, large orders have been placed to secure a regular supply of concentrate with graphite concentrate prices as expected.

PGT is also in detailed discussions with buyers to confirm pricing and other commercial terms for the sale of expandable graphite. Initial negotiations have been very positive, and PGT expects

to achieve prices at or above those assumed in the Scoping Study (see ASX market release of 21 July 2022 for details).

Strong and Robust Financial Returns Projected ¹

Evion's JV partner (Metachem) has been producing expandable graphite and supplying products to the worldwide market for decades. It has a strong business model which provides a degree of commercial security to the JV.

The Evion team will manage the marketing and sales of product produced utilising its strong logistics and global marketing network.

Evion's share of the JV's CAPEX is fully funded by capital contributed and a loan facility to be repaid from future cash flow.

Gross revenue is expected to be US\$7m in our first year of operations, growing to US\$18m pa following expansion of production

(1) see ASX market release of 21 July 2022



Highlights of the JV Terms (1)

- The JV operation is a low CAPEX business that will be established in a Special Economic Zone ("SEZ") in India
- The JV has forecast that production will commence at between 2,000t – 2,500tpa for years 1 – 3, increasing to 4,000 – 5,000tpa from year 2-3
- The JV has secured a license agreement with the JV operators for the forecast life of operations
- Proposed that graphite concentrate will be sourced from external parties for years 1-2 of operations with product from Maniry supplying operations from years 3 onwards.
- Capex is scheduled to be US\$3 –4m for the JV before production commences with Evion committed to funding 50% of CAPEX and initial concentrate acquisition and other start-up costs
- Revenue and pricing assumptions are based on conservative price projections and up to 25% lower than other market participants
- The JV has a signed offtake and sales agreement in place with Grafitbergbau Kaisersberg GmbH, Austria, for up to 2,500 tonnes per annum of expandable graphite.
- The JV will largely employ local labour and has recently appointed an experienced CEO and local management team.

(1) see ASX market release of 21 July 2022

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

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