



**ABN 66 610 168 191**

## **FINANCIAL REPORT**

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**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

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## CORPORATE DIRECTORY

### DIRECTORS

**Heather Zampatti**

Non-Executive Chairperson (appointed on 23 November 2023)

**George Bauk**

Non-Executive Chairman (resigned on 23 November 2023)

**Thomas Revy**

Managing Director

**David Round**

Finance Director

### COMPANY SECRETARY

David Round

### REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

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### AUDITORS

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

### SHARE REGISTRY

Automic Registry Services  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
T:1300 288 664

### DIRECTORS' REPORT

The Directors present their report on Evion Group NL ("EVG" or "the Company") and its subsidiaries (the "Group") for half-year ended 31 December 2023.

### 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.

Heather Zampatti	Non-Executive Chairperson (appointed on 23 November 2023)
George Bauk	Non-Executive Chairman (resigned on 23 November 2023)
Thomas Revy	Managing Director
David Round	Finance Director and Company Secretary

### REVIEW OF OPERATIONS

Throughout the six-month period to 31 December 2023, Evion continued to progress development activities across all projects in India, Madagascar and Australia. These key development and highlights, including key updates since 31 December 2023 are as follows:

#### Panthera Expandable Graphite Joint Venture ("the JV"), India

- During the six month to 31 December 2023, significant progress was made in the effort to prepare for production at the Expandable Graphite JV site, which is scheduled to commence over the next month. A more advanced effluent treatment plant has been installed to achieve cost efficiency. As part of the full scale qualification process, a range of potential feed stock material has been sourced and tested at Metachem's processing facility in Pune and the JV's expandable graphite products were deemed suitable for a variety of potential uses.
- Just after the end of first half of the 2024 reporting period, Evion announced that commissioning activities have continued to an advanced level with substantial infrastructure completed to date.
- More recently, the JV directors met in Dubai with parties representing the buyers of the JV's expandable graphite. These meetings focused on the establishment of fixed price terms for the first year of production at price levels that are within the JV's budget guidelines, production planning to maximise revenue and marketing of the JV's products in Australia and other parts of the world.
- Orders to acquire substantial volumes of graphite concentrate for the remainder of the calendar year 2024 will be concluded in the short term.
- Executives from Evion will be on site in March to review initial production and will provide regular updates to the market.

#### Maniry Graphite Project, Madagascar

- Following the publication of the Company's Definitive Feasibility Study ("DFS") in November 2022, Evion submitted the Environmental & Social Impact Assessment ("ESIA") to Office National pour l'Environnement ("ONE") and the ONE's technical review of the ESIA study was completed with positive feedback received.
- The Evion Executive team is presently working towards completing the Resettlement Action Plan ("RAP") with the local stakeholders. Once the RAP is finalised, the ONE will arrange the required site visit.
- The Company continues to engage with the local community around Maniry and seek feedback from stakeholders. A series of meetings will be held with the designated Madagascar Mines Minister and his team and leading officials from the World Bank in the calendar year 2024.
- The Company continues to refine the project design to further improve the initial DFS capital designs and to progress its exploration and resource growth and development activities at the Maniry Graphite Project.

## DIRECTORS' REPORT

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### REVIEW OF OPERATIONS (CONTINUED)

#### Donnelly River Project, Australia

- The Company entered into an Option and Share Sale and Purchase Agreement with Core Value Australia NL ("Core"), a Western Australia focused exploration company, that granted Core an exclusive 24 month option for \$20,000 consideration to acquire 100% interest in Evion's subsidiary, BlackEarth Australia Pty Ltd.
- During the option period, Core will keep the relevant Donnelly River Project tenements in good standing and meet the minimum tenement expenditure requirements.

### RESULTS OF OPERATIONS

The operating loss after income tax of the Group for the half-year ended 31 December 2023 was \$1,424,131 (31 December 2022: \$2,823,513).

No dividend has been paid during or is recommended for the financial period ended 31 December 2023.

### FINANCIAL POSITION

The Group's working capital surplus, being current assets less current liabilities was \$2,564,437 at 31 December 2023 (30 June 2023 was \$3,922,789).

In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable. Refer to note 1 for the directors' assessment of going concern.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 23 November 2023, Ms Heather Zampatti was appointed to the Board as the Chairperson and Mr George Bauk resigned from the Board.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

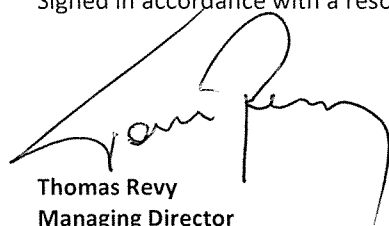
### EVENTS OCCURRING AFTER THE REPORTING DATE

Since 31 December 2023, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report that has significantly or may significantly affect the Group's operations, results or state of affairs in subsequent periods.

### 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, 8 March 2024

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 period ended 31 December 2023, 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*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*

**MARK DELAURENTIS CA**  
**Director**

Dated this 8<sup>th</sup> day of March 2024  
Perth, Western Australia

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
For the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Other income		192,946	83,189
Exploration and evaluation costs written off		(297,566)	(271,066)
Personnel and consulting costs		(656,751)	(720,550)
Share-based payments expense		(164,389)	(1,198,965)
Occupancy costs		(39,582)	(37,990)
Administration costs		(364,023)	(582,729)
Depreciation of non-current assets		(7,549)	(8,378)
Net foreign currency exchange differences		(19,934)	(50,762)
Other expenses from ordinary activities		(15,544)	(26,819)
Finance costs		(3,131)	-
Share of loss of equity-accounted joint venture	3	(48,608)	(9,443)
<b>Loss before income tax</b>		<b>(1,424,131)</b>	<b>(2,823,513)</b>
Income tax benefit		-	-
<b>Loss after income tax</b>		<b>(1,424,131)</b>	<b>(2,823,513)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified subsequently to the consolidated statement of profit or loss:			
- Exchange differences on translation of foreign operations		(114,093)	(217,392)
Items not to be reclassified subsequently to the consolidated statement of profit or loss:			
- Investments designated as fair value through other comprehensive income		(5,664)	-
<b>Total comprehensive income/(loss) for the period attributable to owners of Evion Group NL</b>		<b>(1,543,888)</b>	<b>(3,040,905)</b>
Basic and diluted loss per share (cents per share)		0.41	1.02

*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 2023

		31 December 2023	30 June 2023
	Notes	\$	\$
<b>Current assets</b>			
Cash and cash equivalents		2,945,698	4,303,402
Trade and other receivables		154,331	137,716
Other current assets		74,027	102,460
<b>Total current assets</b>		<b>3,174,056</b>	<b>4,543,578</b>
<b>Non-current assets</b>			
Other financial assets		224,802	230,466
Equity accounted investment	3	539,511	607,533
Capitalised exploration and evaluation expenditure	4	6,406,296	6,339,257
Property, plant and equipment		175,753	182,826
<b>Total non-current assets</b>		<b>7,346,362</b>	<b>7,360,082</b>
<b>TOTAL ASSETS</b>		<b>10,520,418</b>	<b>11,903,660</b>
<b>Current liabilities</b>			
Trade and other payables		401,212	438,769
Provisions		188,077	182,020
Deferred income		20,330	-
<b>Total current liabilities</b>		<b>609,619</b>	<b>620,789</b>
<b>Non-current liabilities</b>			
Provisions		7,427	-
<b>Total non-current liabilities</b>		<b>7,427</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>617,046</b>	<b>620,789</b>
<b>NET ASSETS</b>		<b>9,903,372</b>	<b>11,282,871</b>
<b>Equity</b>			
Issued capital	5	28,217,007	27,716,757
Reserves	6	1,429,073	1,884,691
Accumulated losses		(19,742,708)	(18,318,577)
<b>TOTAL EQUITY</b>		<b>9,903,372</b>	<b>11,282,871</b>

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 2023**

	Issued capital	Share-based payment reserve	Financial assets reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>27,716,757</b>	<b>2,133,375</b>	<b>(7,779)</b>	<b>(240,905)</b>	<b>(18,318,577)</b>	<b>11,282,871</b>
Loss for the period	-	-	-	-	(1,424,131)	(1,424,131)
Other comprehensive income/(loss) for the period	-	-	(5,664)	(114,093)	-	(119,757)
Total comprehensive loss for the period	-	-	(5,664)	(114,093)	(1,424,131)	(1,543,888)
Issue of shares	-	-	-	-	-	-
Share issue transaction costs	-	-	-	-	-	-
Share-based payments - performance rights	-	164,389	-	-	-	164,389
Exercise of performance rights	500,250	(500,250)	-	-	-	-
Partly paid ordinary shares fully paid up and become fully paid ordinary shares	-	-	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>28,217,007</b>	<b>1,797,514</b>	<b>(13,443)</b>	<b>(354,998)</b>	<b>(19,742,708)</b>	<b>9,903,372</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**  
**For the half-year ended 31 December 2023**

	Issued capital	Share-based payment reserve	Financial asset 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)
Other comprehensive income/(loss) for the period	-	-	-	(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	-	-	-	-	-	-
Share-based payments - 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 2023**

	31 December 2023	31 December 2022
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	104,180	88,113
Payments to suppliers and employees	(1,083,349)	(1,281,786)
Expenditure on exploration	(282,339)	(246,146)
Interest received	83,746	10,324
Interest paid	(3,131)	-
Net cash used in operating activities	(1,180,893)	(1,429,495)
<b>Cash flows from investing activities</b>		
Payment for exploration and evaluation expenditure	(164,785)	(1,330,455)
Purchase of property, plant and equipment	(1,194)	(2,995)
Payment for investment in a joint venture	-	(698,579)
Net cash used in investing activities	(165,979)	(2,032,029)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	15,960
Payment for capital raising costs	(13,824)	-
Net cash generated by/(used in) financing activities	(13,824)	15,960
Net (decrease)/increase in cash held	(1,360,696)	(3,445,564)
Cash and cash equivalents at the beginning of the period	4,303,402	5,809,297
Effect of exchange rates on cash and cash equivalents	2,992	2,261
<b>Cash and cash equivalents at the end of the period</b>	<b>2,945,698</b>	<b>2,365,994</b>

*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 2023

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

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The condensed consolidated financial statements for the period ended 31 December 2023 were approved and authorised for issue by the Board of Directors on 8 March 2024.

#### 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 Group for the year ended 30 June 2023, 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 2023 annual financial report for the year ended 30 June 2023.

##### ***Adoption of new and revised Accounting Standards***

The Group 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 2023.

##### ***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 Group generated a loss for the period of \$1,424,131 (half-year ended 31 December 2022: loss of \$2,823,513) and net cash outflows from operating activities of \$1,180,893 (half-year ended 31 December 2022: \$1,429,495). As at 31 December 2023, the Group had a cash balance of \$2,945,698 (30 June 2023: \$4,303,402).

The ability of the Group 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 Group 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 2023**

**1. BASIS OF PREPARATION (continued)**

***Going concern (continued)***

Should the Group 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.

**2. 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 Group has three reportable segments which are exploration activities relating to minerals within Australia and the Republic of Madagascar, a joint venture operation in India and activities relating to pre-feasibility study of battery anode materials plant.

**(a) Segment revenue and results**

<b>For the half-year ended 31 December 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	-	57,457	-	57,457
Exploration and evaluation expenditure	(197,214)	(100,352)	-	(297,566)
Personnel and consulting costs	(547,386)	(109,365)	-	(656,751)
Share-based payment expense	(164,389)	-	-	(164,389)
Occupancy costs	(27,600)	(11,982)	-	(39,582)
Administration costs	(321,222)	(31,960)	-	(353,182)
Depreciation of non-current assets	(4,191)	(3,358)	-	(7,549)
Other expenses from ordinary activities	-	(15,178)	-	(15,178)
Finance costs	(3,131)	-	-	(3,131)
Share of loss of equity-accounted joint venture	-	-	(48,608)	(48,608)
<b>Segment result</b>	<b>(1,265,313)</b>	<b>(214,738)</b>	<b>(48,608)</b>	<b>(1,528,479)</b>
Other income				135,488
Other expenses				(31,140)
<b>Loss from continuing operations</b>				<b>(1,424,131)</b>

<b>For the half-year ended 31 December 2022</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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 payment expense	(1,198,965)	-	-	(1,198,965)
Occupancy costs	(26,400)	(11,590)	-	(37,990)
Administration costs	(531,514)	(41,941)	-	(573,455)
Depreciation of non-current assets	(4,985)	(3,393)	-	(8,378)
Other expenses from ordinary activities	-	(26,374)	-	(26,374)
Finance costs	-	-	-	-
Share of loss of equity-accounted joint venture	-	-	(9,443)	(9,443)
<b>Segment result</b>	<b>(2,573,758)</b>	<b>(214,885)</b>	<b>(9,443)</b>	<b>(2,798,086)</b>
Other income				35,054
Other expenses				(60,481)
<b>Loss from continuing operations</b>				<b>(2,823,513)</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2023**

**2. SEGMENT INFORMATION (continued)**

**(b) Segment Assets**

<b>31 December 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Segment Assets</b>	<b>435,259</b>	<b>6,323,545</b>	<b>539,511</b>	<b>7,298,315</b>
Group and unallocated items				<b>3,222,103</b>
<b>Total Group Assets</b>				<b>10,520,418</b>
<b>30 June 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Segment Assets</b>	<b>440,923</b>	<b>6,256,506</b>	<b>607,533</b>	<b>7,304,962</b>
Group and unallocated items				<b>4,598,698</b>
<b>Total Group Assets</b>				<b>11,903,660</b>

**(c) Segment Liabilities**

<b>31 December 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Segment Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Group and unallocated items				<b>617,046</b>
<b>Total Group Liabilities</b>				<b>617,046</b>
<b>30 June 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Segment Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Group and unallocated items				<b>620,789</b>
<b>Total Group Liabilities</b>				<b>620,789</b>

**(d) Other segment information**

<b>31 December 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	\$	\$	\$	\$
Investment in joint venture	-	-	-	-
Capital expenditure <sup>(1)</sup>	<b>88,767</b>	<b>89,882</b>	-	<b>178,649</b>
<b>30 June 2023</b>	<b>Australia</b>	<b>Madagascar</b>	<b>India</b>	<b>Total</b>
	\$	\$	\$	\$
Investment in joint venture	-	-	607,533	607,533
Capital expenditure <sup>(1)</sup>	937,139	137,884	-	1,075,023

(1) Capital expenditure consists of additions to exploration and evaluation assets and property, plant and equipment.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2023**

**3. EQUITY ACCOUNTED INVESTMENT**

The Group's interest in equity accounted investments as at the end of the period is as follows:

Name of joint venture	Country of incorporation	Acquisition date	Principal activity	Ownership interest (%)	
				31.12.2023	30.6.2023
Panthera Graphite Technologies Pvt Limited	India	7 July 2022	Manufactures and sells expandable graphite-based flame/fire retardants	50%	50%

The Group's carrying amount and share of profit/(loss) of the equity accounted investments is as follows:

	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of the period	607,533	-
Share of profit/(loss)	(48,608)	(77,734)
Dividends received from equity accounted investments	-	-
Acquisition of an equity accounted investment	-	698,579
Foreign currency translation	(19,414)	(13,312)
<b>Balance at end of the period</b>	<b>539,511</b>	<b>607,533</b>

**4. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE**

	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of the period	6,339,257	5,606,642
Additions	109,996	944,321
Foreign currency translation	(42,957)	(211,706)
<b>Balance at end of the period</b>	<b>6,406,296</b>	<b>6,339,257</b>

**5. ISSUED CAPITAL**

	31 December 2023		30 June 2023	
	Number of securities	\$	Number of securities	\$
Fully paid ordinary shares (a)	345,959,187	28,128,644	342,359,187	27,628,394
Partly paid ordinary shares at 2.01 cents	4,396,186	88,363	4,396,186	88,363
<b>Balance at end of the period</b>	<b>350,355,373</b>	<b>28,217,007</b>	<b>346,755,373</b>	<b>27,716,757</b>

**(a) Movement in fully paid ordinary shares**

	31 December 2023		30 June 2023	
	Number of securities	\$	Number of securities	\$
Balance at the beginning of the period	342,359,187	27,628,394	273,346,222	24,198,431
Exercise of performance rights	3,600,000	500,250	5,400,000	543,384
Partly paid ordinary shares fully paid up	-	-	400,000	24,000
Issued for cash at 5.4 cents per share	-	-	62,962,965	3,400,000
Employee securities incentive scheme issues	-	-	250,000	17,000
Share issue transaction costs	-	-	-	(554,421)
<b>Balance at end of the period</b>	<b>345,959,187</b>	<b>28,128,644</b>	<b>342,359,187</b>	<b>27,628,394</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2023**

**6. RESERVES**

	31 December 2023	30 June 2023
	\$	\$
Options (a)	888,070	888,070
Performance rights (b)	909,444	1,245,305
Financial assets reserve	(13,443)	(7,779)
Foreign currency translation reserve	(354,998)	(240,905)
	<b>1,429,073</b>	<b>1,884,691</b>

**(a) Options**

As at 31 December 2023, there were 21,500,000 unlisted options (30 June 2023: 21,500,000).

Unlisted Options	Opening balance	Granted in period	Exercised in period	Expired in period	Closing balance
	Number	Number	Number	Number	Number
Expiring 9 February 2025 at \$0.15	4,500,000	-	-	-	4,500,000
Expiring 8 June 2026 at \$0.125	17,000,000	-	-	-	17,000,000
<b>Total</b>	<b>21,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,500,000</b>

The weighted average remaining contractual life of the options outstanding at the end of the period was 2.16 years (30 June 2023: 0.34 years).

**(b) Performance Rights**

As at 31 December 2023, there were 22,575,000 unlisted performance rights (30 June 2023: 24,175,000).

Unlisted Performance Rights	Opening balance	Granted in period	Exercised in period	Expired in period	Closing balance
	Number	Number	Number	Number	Number
Expiring 30 November 2023	5,100,000	-	(1,100,000)	(4,000,000)	-
Expiring 20 January 2026	19,075,000	-	(2,500,000)	-	16,575,000
Expiring 22 November 2026	-	6,000,000	-	-	6,000,000
<b>Total</b>	<b>24,175,000</b>	<b>6,000,000</b>	<b>(3,600,000)</b>	<b>(4,000,000)</b>	<b>22,575,000</b>

The Group has provided benefits to employees of the Company in the form of performance rights under the Company's Securities Incentive Plan as approved at the annual general meeting on 23 November 2023, which constituting a share-based payment transaction.

During the period, 6,000,000 performance rights with a nil exercise price and expiry of three years were granted. The fair value of the performance rights granted during the period was \$0.036. No performance rights were granted during the year ended 30 June 2023.

The weighted average remaining contractual life of the performance rights outstanding at the end of the period was 2.28 years (30 June 2023: 2.11 years).

The following table identifies the hurdles to which conversion of the newly issued performance rights are linked during the term of the performance rights:

Hurdles	Number of rights
Vesting on the Company finalising a binding offtake and/or supply agreement for a minimum of 20,000 tonnes of graphite concentrate from the commencement of production at Maniry graphite operations in Southern Madagascar	6,000,000



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2023**

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**7. RELATED PARTY DISCLOSURES**

The following transactions were entered into with PVW Resources Ltd during the six months ended 31 December 2023.

	<b>31 December 2023</b>	30 June 2023
	\$	\$
Provision of rental services by PVW Resources Ltd	<b>23,000</b>	70,240

George Bauk, a director of PVW Resources Ltd, had resigned as the Company's former Non-Executive Chairman on 23 November 2023. The disclosed amounts were billed based on normal market rates for such services and were fully paid by 31 December 2023.

There were no other material changes to transactions with related parties from the previous financial year.

**8. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES**

**(a) Exploration expenditure**

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

	<b>31 December 2023</b>	30 June 2023
	\$	\$
Within one year	<b>160,916</b>	122,916
Within one to five years	<b>160,916</b>	122,916
	<b>321,832</b>	245,832

All minimum exploration expenditure commitments associated with respective exploration tenements, as determined by the Government of Western Australia Department of Mines, Industry Regulation and Safety, were met by 31 December 2023.

There are no minimum exploration expenditures for tenements in Madagascar. The Group is obliged to pay permit fees of \$85,358 per annum (30 June 2023: \$99,915 per annum).

**(b) Capital commitments**

At 31 December 2023, the Group has no capital expenditure contracted (30 June 2023: \$nil) and funding commitments (if called) of \$250,000 (30 June 2023: \$200,000) in relation to the trade purchase commitments by the joint venture in India which the Group holds an interest.

**(c) Contingent assets and liabilities**

There were no contingent assets at 31 December 2023 (30 June 2023: \$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 2023**

**9. FINANCIAL INSTRUMENTS**

At the end of the financial period, the financial instruments of the Group are as follows:

	<b>31 December 2023</b>	30 June 2023
	\$	\$
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	<b>2,945,698</b>	4,303,402
Trade and other receivables	<b>154,331</b>	137,716
<b>Financial assets at fair value through other comprehensive income</b>		
Other financial assets	<b>224,802</b>	230,466
	<b>3,324,831</b>	4,671,584
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	<b>401,212</b>	438,769
	<b>401,212</b>	438,769
<b>Net financial instruments</b>	<b>2,923,619</b>	4,232,815

The carrying values of the Group's financial assets and liabilities measured at amortised cost are equal to or approximate their respective fair values due to their short-term nature.

The fair value of the Group's investment in unlisted equity securities is classified as Level 3 on the fair value hierarchy with reference to the nature of valuation inputs used:

- Level 1 – Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3 – Valuation inputs are unobservable market data.

The following table shows the movements in the Group's Level 3 financial assets:

	<b>31 December 2023</b>	30 June 2023
	\$	\$
At the beginning of the period	<b>230,466</b>	-
Addition of financial assets	-	238,245
Unrealised losses recognised in the consolidated statement of comprehensive income (in the financial assets reserve)	<b>(5,664)</b>	(7,779)
<b>At the end of the period</b>	<b>224,802</b>	230,466

**10. SUBSEQUENT EVENTS**

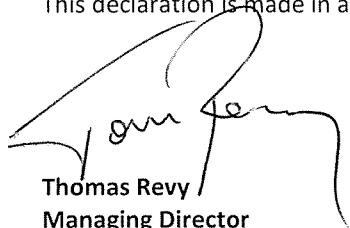
Since 31 December 2023, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report that has significantly or may significantly affect the Group's operations, results or state of affairs in subsequent periods.

## 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 2023 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 2023 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, 8 March 2024

## 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 2023, 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 Evion Group NL and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Evion Group NL financial position as at 31 December 2023 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 financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,424,131 during the half year ended 31 December 2023. 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 Evion Group NL 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 2023 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 this 8<sup>th</sup> day of March 2024  
Perth, Western Australia