

20 June 2024



ASX ANNOUNCEMENT

Progressing to Full Production at Expandable Graphite JV

Highlights

- Ramp up is currently concluding with all testing completed in preparation for full production to commence
- Initial production has yielded high value expandable graphite ready for export to Europe in Q3 2024 to coincide with first sales and revenue
- All government permits, infrastructure and treatment plants are now in place, ready to ensure full production capacity is achieved in the short term
- The JV has already commenced planning for an expansion to production that has the potential to more than double sales volumes and revenue
- **Planned increases to production are in response to very strong demand which could see the JV become one of the world's largest producers of Expandable Graphite outside of China – supplying expanding markets in Europe, the USA and southeast Asia**
- The JV is currently finalising purchase of graphite concentrate and sales of expandable graphite terms that will provide pricing certainty and are well within budget forecasts



Figure 1 – production team on site inspecting material

Evion Group NL (ASX:EVG) (“Evion” or the “Company”), is pleased to announce that testing and the production ramp up period has largely concluded with the JV Operational team planning full production at the newly constructed expandable graphite facility located in India. The operation (Panthera Graphite Technologies “PGT”) is a 50/50 JV between Metachem Manufacturing Company Pvt Ltd and Evion.

It is anticipated that production will steadily increase over the next few months and achieve full production capacity of at least 150 tonnes of production in the short term. Furthermore, planning is underway for a further expansion to scale to satisfy strong demand for Evion’s high quality expandable graphite project.

Evion Managing Director, David Round, commented – *“We’re delighted with progress of our JV operations in India over the last few months. There has been a substantial amount of testing and refining to production processes to ensure we produce a range of premium products to meet the ever-growing demand for our product.*

“Apart from selling to Europe, we have extensive enquiries from buyers in the USA and Asia and this gives us great confidence that we should move forward and increase the plant’s production output.

“I plan to be on site over the next few weeks and look forward to publishing an extensive release and videos demonstrating the potential for this world class downstream graphite facility”



Figure 2 – our growing inventory of graphite concentrate ready for treatment

Marketing and Graphite Concentrate

PGT have assembled a highly experienced management and operational staff to drive the success of our expandable graphite operations.

PGT Management shall be supported by the Evion team who will assist with the acquisition of graphite concentrate and the sales of material to Europe and other prospective markets.

The JV is currently in the process of concluding fixed price contracts for the acquisition of much of the graphite concentrate needed to meet production over the next 12 months. The prices likely to be achieved are well within our forecasts and this will provide substantial security of return to the JV.

Additionally, the JV is also negotiating updated sales prices and volumes with our current and new buyers in order to expand our markets to the USA and Japan. This, again, will provide diversity to our sales channels and increasing fixed sales contracts can provide returns that ensure strong JV cash flow over the next year.

Impact of China Ban in 2024

China's exports of natural graphite plummeted in December 2023 following imposed controls at the start of the month, tightening China's grip on the supply of minerals vital to advanced manufacturing. Reductions in exports continued for the first quarter of 2024 which has resulted in increased prices for graphite concentrate and many downstream produced materials. (Source: FastMarkets, April 2024).

The result of this ban is likely to see a substantial increase in demand for graphite material from existing and new markets able to supply world class material at competitive prices.

"We are now likely to see a disruption in supply chains and sharp increase in graphite prices. And this comes after prices had dropped to an 11-year low, down over 50% year on year during June 2023. So the potential for a powerful bounce in the prices for graphite off oversold levels is high.

Over the longer term, natural graphite and active anode material (AAM) demand is expected to increase four and eight times, respectively, over the next 10 years". (Source: Jason Hamlin, Nicoya Research, November 2023).

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

Contacts

David Round

Managing Director

Evion Group NL

0411 160 445

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

Forward Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Evion Group operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company's Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.