

25 July 2024



## ASX ANNOUNCEMENT

# Agreement reached for supply of Graphite to Indian Expandable Graphite JV

### Highlights

- Evion's 50/50 Joint Venture in India ("Panthera Graphite Technologies" or "PGT") has secured a supply of concentrate for the remainder of the year – guaranteeing supply for operations
- The Evion and PGT executive team negotiated a medium-term agreement for the supply of high-quality large flake material
- Security of supply provides a significant boost to PGT's operations as we continue to ramp up production to meet strong demand for the sale of material
- The JV has commenced reviewing options for a medium term upgrade to production that has the potential to more than double sales volumes and revenue
- Samples of PGT material have recently been provided to multinational buyers in Japan and the USA as we seek to meet unprecedented demand
- ***The JV is currently finalising sales pricing agreements for the short to medium term for offtake and new buyers – pricing for expandable graphite continues to increase due to the restrictions on exports from China***



Figure 1 – Part of the completed production plant

Evion Group NL (ASX:EVG) ("Evion" or the "Company"), is pleased to announce that its JV Partner, Panthera Graphite Technologies, has entered into an Agreement with leading graphite processing group, Technogرافit GmbH, Germany, to acquire approximately an additional 1,000 tonne of graphite concentrate to meet production demands for the remainder of the year. This is in addition to material currently on site and in production.

Most graphite concentrate to be acquired is large / jumbo flake with fixed carbon ("FC") content ranging from 90-95FC. The CIF landed to India pricing per tonne will vary depending on the FC content of the materials delivered.

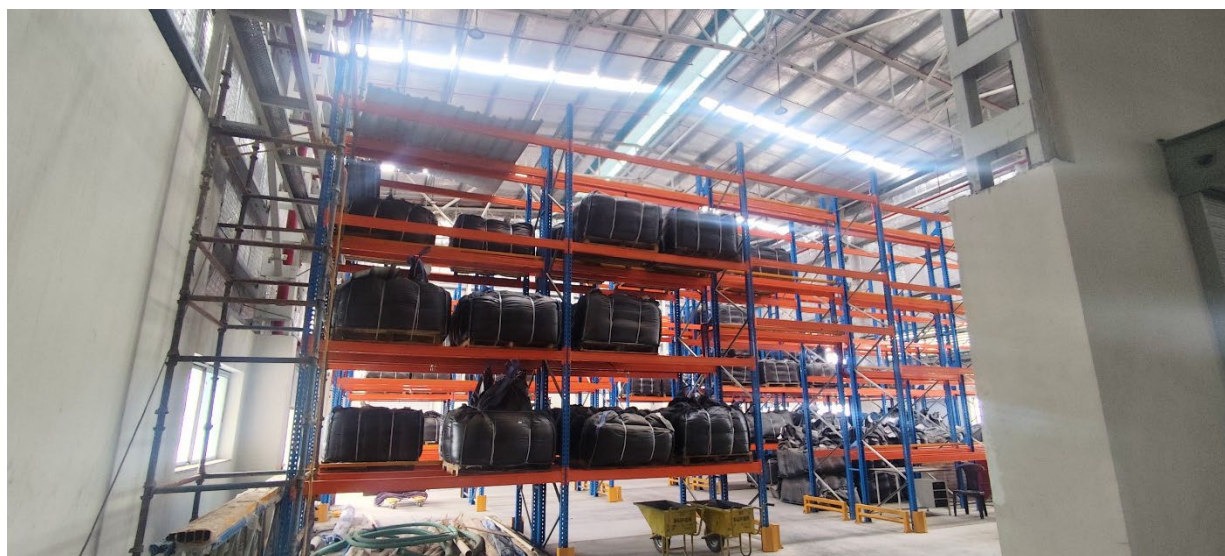
In addition to this, the JV has also secured prices for lower specification material at significantly lower prices delivered to Mumbai, India. Some of this material may also be purchased to meet expected short-term demand from certain buyers and the pricing per tonne will vary depending on the lower specification materials delivered.

The Company considers this an important step forward given the current and looming shortage of graphite concentrate available worldwide.

***Evion Managing Director, David Round, commented – "On behalf of our JV Partner, we're very pleased to secure these commercial terms that guarantee us a supply of world class graphite concentrate that has been tested by us and approved for use.***

*The current ban on China produced and exported graphite material is causing some increase in worldwide pricing and shortages of supply and, as such, building a strong supply agreement with a reputable partner is important to our ongoing growth and success.*

*We're currently concluding sales pricing for the short term, and we look forward to updating the market on this soon".*



*Figure 2 – Our growing inventory of graphite concentrate ready for treatment and produced expandable graphite for shipment*





Figure 3 – Part of the internal infrastructure on site – PGT July 2024

### Update to Sales Pricing and Market Conditions

Market conditions for the sale of Expandable Graphite are favourable at present given China's reduction in exports to certain world markets. China previously has provided 90-95% of the world's supply of expandable graphite with substantial worldwide exports.

***This presents an enormous opportunity to PGT and we are currently negotiating sales and pricing terms with existing buyers for the short-term supply of our expandable graphite.***

PGT's operations produces approximately 10-12 expandable graphite products with a variety of technical specifications. We expect that pricing for our product will be within our forecasts and we look forward to providing material to the market to meet short term strong demand.

The acquisition of large / jumbo flake material with high FC content will allow us to produce material at a higher commercial price thus providing a higher margin.

Details of our pricing and production results will be available over the next few months and a full operational report will be provided for in Q4 2024.

### 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.com; 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

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

## Forward Looking Statements

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