

30 July 2024

ASX ANNOUNCEMENT

JUNE 2024 QUARTERLY ACTIVITIES REPORT

Evion prepares for its new Development and Growth Phase with the Appointment of a new Managing Director and Board Members

PROJECT HIGHLIGHTS

- During the Quarter, all equipment testing was completed at Evion's joint venture, Panthera Graphite Technologies ("PGT") newly constructed expandable graphite facility in India, paving the way for the commencement of full-scale production.
- All government permits, infrastructure, and treatment plants are now in place, ensuring that full production capacity can be achieved in the short term.
- Strategic planning has already commenced for PGT to expand production, with the potential to more than double sale volumes and revenue. This potential production increase is driven by strong demand for expandable graphite, positioning PGT as one of the largest producers, outside of China, supplying markets in Europe, the USA, and Southeast Asia.
- Subsequent to the end of the quarter, PGT has secured a concentrate supply for the rest of the year, ensuring both supply and pricing stability to meet production demands for the remainder of the year.
- During the quarter, the Board appointed Ms Lydia Boarlaza as leading mine development advisor to the Evion executive team as the Company progresses to secure permits and licence approvals in Madagascar.
- Development planning and community liaison for the Maniry Graphite Project continued with ongoing productive discussions held with the local community and local government officials.

CORPORATE HIGHLIGHTS

- On 2 May 2024, Mr Thomas Revy retired from the Company's Board and Mr David Round was appointed as Managing Director. Mr Warrick Hazeldine and Mr Craig Lennon joined the Company's Board as Non-Executive Directors.
- On 22 May 2024, Mrs Kellie Davis and Ms Kah Yan Lim were appointed as Joint Company Secretaries.
- Evion Executives continue discussions with a number of OEM's and battery manufacturers in relation to future offtake and funding plans.

- The Company closed the quarter with \$1.95m in cash and deposits – details are provided in the Appendix 5B report. The cash reserves are sufficient to meet working capital requirements and immediate development plans and nil debt.

Evion Group NL (ASX: EVG) (“Evion” or the “Company”) is pleased to present to shareholders an overview of key achievements and milestones achieved during the June 2024 quarter.

JV with Metachem, India – Panthera Graphite Technologies Pvt Ltd

Progressing to full production at expandable graphite JV site

Evion executives are pleased to announce that the testing and production ramp-up period has largely concluded. The JV operational team is now planning for full-scale production at the newly constructed expandable graphite facility within the Kurkumbh Special Economic Zone in Pune, which offers favourable fiscal terms for foreign investors. The operation (Panthera Graphite Technologies “PGT”) is a 50/50 JV between Metachem Manufacturing Company Pvt Ltd and Evion.

Production is expected to steadily increase over the next few months, achieving full production capacity of at least 150 tonnes in the short term. Additionally, plans are underway for further expansion to meet the strong demand for Evion’s high-quality expandable graphite product.

No lost-time injuries have been reported over the quarter. Evion executive team continues monitoring the development of the operation and making sure the project’s delivery approach adheres to strict HSE guidelines.



Figure 1 – Part of the completed production plant

Marketing of expandable graphite

Over the quarter, the JV concluded contracts for the procurement of graphite concentrate to meet production over the next 12 months. Post quarter end, the JV has entered into an agreement with leading trading group, Technograft GmbH, Germany to procure approximately an additional 1,000 tonnes of graphite concentrate to meet production requirement for the year. This new acquisition further increases the inventory of material currently on site and in production.

Additionally, the JV is also negotiating updated sales prices and volumes with 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.



Figure 2 – Part of the production circuit on site

The Expandable Graphite Market

China previously supplied 90-95% of the global expandable graphite supply and recent global reductions in exports from China have continued this quarter. This has resulted in increased prices for graphite concentrate and many downstream produced materials (*source: FastMarkets.com; April 2024*).

The demand for expandable graphite produced outside of China is expected to see significant growth, driven by rising demand for its use as a fire-retardant material and its expanding applications in the automotive, electric vehicle (EV), and alternative energy sectors.

PGT is well positioned to supply material to the key world markets of Europe, the USA and various parts of Asia that have previously relied on a supply of China sourced materials.

Maniry Graphite Project in Madagascar

During the quarter, the Company announced the appointment of leading mine development and licensing advisor, Ms Lydia Boarlaza, to the Evion executive team in Madagascar.

Ms Boarlaza has commenced the role of General Manager – Development, where she is responsible for securing all permitting and license approvals for our proposed development of the Maniry Graphite project in Southern Madagascar.

In addition to overseeing the completion of our Relocation Action Plan (RAP), Ms Boarlaza will ensure the successful implementation of Evion's Environmental and Social Impact Plan (ESIP).

Ms Boarlaza brings a wealth of experience as a General Manager. Most recently, Lydia held a senior management role with Next Source Materials Inc. (Next Source), where her management of the permitting and licensing processes over several years culminated in the successful development and commencement of the operations of the Molo Graphite mine in late 2023.

In addition to Ms Boarlaza's appointment, Evion has strategically recruited additional key staff to support the ESIP approval and implementation efforts whilst facilitating close collaboration with Madagascar's National Office for the Environment (ONE).

Over the quarter, Evion Executives met with senior Mines Ministry officials in Madagascar about the country's commitment and support to developing graphite mines with positive results. The Company is continuing its formal meetings and discussions with the local community and relevant government authorities towards finalisation of the current RAP process.

EVION'S Pathway to Production In Madagascar

NEXTSOURCE
materials

TSX:NEXT Market Cap – CA\$ 127M(1)

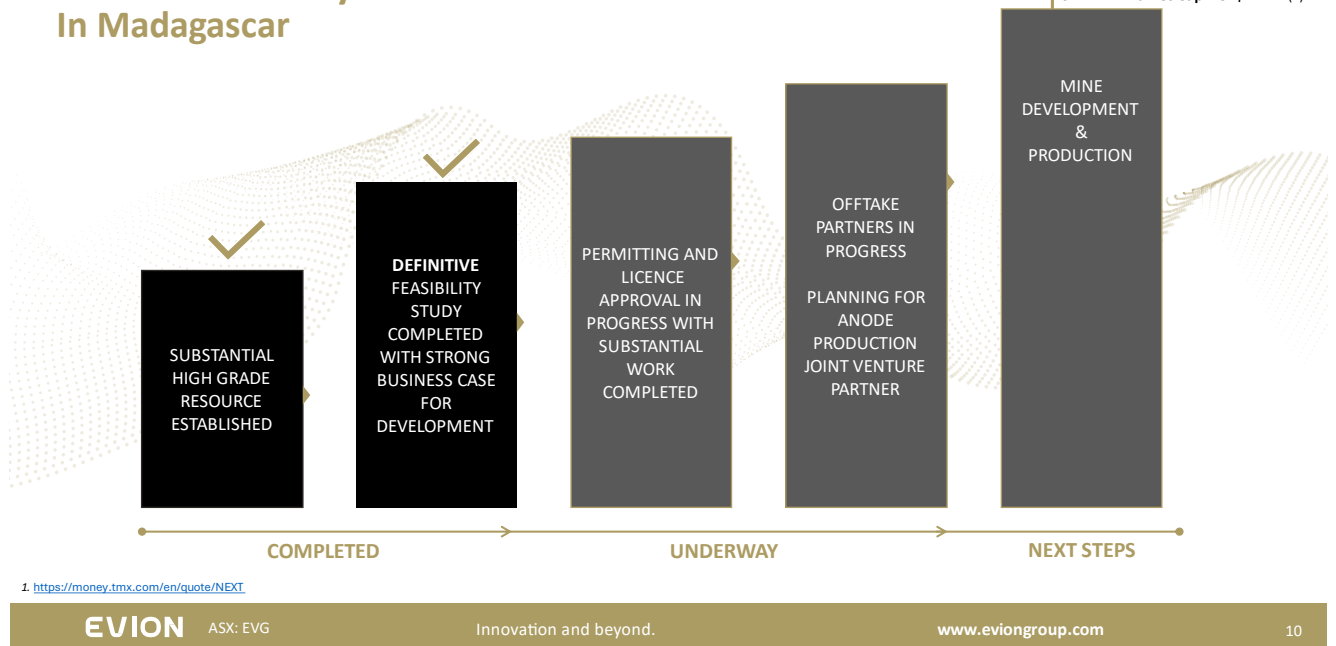


Figure 3 – Evion's pathway to production



Figure 4– Maniry location adjacent to existing large-scale operations

WA Tenements at Donnelly River

As reported in the December 2023 quarter, Core Value Australia NL (“Core”) were granted an exclusive 24 month option for a \$20,000 consideration to acquire a 100% interest in the Company’s Donnelly River Project tenements in Western Australia.

Core are keeping the tenements in good standing during the option period, including minimum tenement expenditure requirements.

CORPORATE HIGHLIGHTS

New Managing Director and Non-Executive Directors Appointment

The Company announced the appointment of Mr David Round in the role of Managing Director effective 2 May 2024 and also appointed Mr Warrick Hazeldine and Mr Craig Lennon as Non-Executive Directors.

Mr Round is a highly experienced finance and mining executive with extensive graphite experience in-country Madagascar.

Mr Hazeldine is an experienced public company chairman and director, with over 20 years of capital markets experience working with a range of ASX-listed companies, predominantly in the natural resources sector. He is the Chair of ChemX Materials (ASX: CMX) and a board member of Surfing WA and Curtin University Business and Law School.

Mr Hazeldine is the founding director of investor and corporate communications firm Purple (formerly Cannings Purple). He is also a former chair and non-executive director of Global Lithium Resources (ASX: GL1) and has held a range of advisory and board positions with not-for-profit organisations.

Mr Lennon has vast experience working internationally with funding partners and corporate transactions including joint ventures, mergers and acquisitions, capital raisings and debt funding. He is currently the Head of Asia Pacific for TSXV listed Nickel 28 Capital Corp, a leading battery metals investment vehicle.

Mr Lennon has previously held roles with Greenwing Resources Ltd (ASX: GW1) where he was CEO and with former ASX listed Highlands Pacific Limited where he was MD, CEO and CFO.

Ongoing Offtake and Funding Plans

Members of the Evion Executive team continue working toward securing binding offtake agreements that provide a solid commercial return to the group, and we are confident of achieving this in the short term as the demand for battery grade graphite continues to expand.

Investor Relations

Recently, the Company attended the Noosa Mining Investor Conference. There was significant interest in the Company and its project portfolio.

Upcoming conferences

Members of the Evion executive team will attend and also plan to speak at the following conferences scheduled for Perth :-

- Africa Down Under 4-6 September 2024 in Perth
- Benchmark Giga Asia Pacific 11-12 September 2024 in Perth

Key Short-Term Activities and Goals

Evion Executives are actively pursuing a range of transformational initiatives, and we look forward to updating the market on these efforts in the near future.

- ✓ Growth in India JV including a strong sales pipeline for the second half of 2024 and the development of plans to double production
- ✓ Achieve significant final milestones for the Maniry Project: approval of the ESIA and Relocation Action Plans
- ✓ Continue to advance Maniry Licensing, Permitting and Project Financing
- ✓ Finalise Offtake Agreements for the Maniry Concentrate
- ✓ Ongoing development of BAM Plant pre-feasibility study and commercial plans

Payments to related parties of the entity and their associates

Payments made during the quarter and included in items 6.1 and 6.2 of the Appendix 5B – mining exploration entity quarterly cash flow report comprise:

- 6.1 Aggregate amount of payments to the related parties and their associates included in cash flow from operating activities - \$157,000. This includes payments of directors and management remuneration for services to the economic entity - \$157,000.
- 6.2 Aggregate amount of payments to related parties and their associated including in cash flow for investing activities – nil.

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

Contact

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.

SCHEDULE OF MINING TENEMENTS

Details of Mining Tenements Held as at Quarter ended 30 June 2024				
(ASX Listing Rule 5.3.3)				
Australia				
Tenement ID	Location	State	Interest	Acquired/Disposed during the quarter
E70/4824	Yanmah, Donnelly	WA	100%	No change
E70/4825	Manjimup, Donnelly	WA	100%	No change
International				
Tenement ID	Location	Country	Interest	Acquired/Disposed during the quarter
PR25605	Maniry	Madagascar	100%	No change
PR25606	Maniry	Madagascar	100%	No change
PR3432	Maniry	Madagascar	100%	No change
PR39750	Maniry	Madagascar	100%	No change
PR39751	Maniry	Madagascar	100%	No change
PE5394	Maniry	Madagascar	100%	No change
PE19932	Maniry	Madagascar	100%	No change
PE5391	Ianapera	Madagascar	100%	No change
PE5392	Ianapera	Madagascar	100%	No change
PE5393	Ianapera	Madagascar	100%	No change
PE25093	Ianapera	Madagascar	100%	No change
PE25094	Ianapera	Madagascar	100%	No change

- PE n° 25093 and PE n° 25094, previously under Amodiation Contract with SQNY INTERNATIONAL SARL, Amodiation terminated in 2017 ;
- PR n° 25605 and PR n° 25606, previously under Amodiation Contract with ERG -, Amodiation terminated in 2018
- PE n° 5394, under Amodiation Contract with JUPITER MINES ET MINERALS SARL for mining Labradorite only.

References

1. Refer to Evion Group ASX Announcement dated 20th June 2024, 'Progressing to full production at Expandable Graphite Site'.
2. Refer to Evion Group ASX Announcement dated 20th June 2024, 'Progressing to full production at Expandable Graphite Site'.
3. Refer to Evion Group ASX Announcement dated 25th July 2024, 'Supply agreement for Expandable Graphite JV site in India'.
4. Refer to Evion Group ASX Announcement dated 16th July 2024, 'Appointment of Key Advisory Team in Madagascar'.
5. Refer to Evion Group ASX Announcement dated 16th July 2024, 'Appointment of Key Advisory Team in Madagascar'.
6. Refer to Evion Group ASX Announcement dated 2nd May 2024, 'Evion appoints new Leadership Team'.
7. Refer to Evion Group ASX Announcement dated 17th July 2024, 'Noosa Mining Conference Presentation'.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Evion Group NL

ABN

66 610 168 191

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(110)	(471)
	(b) development	-	(177)
	(c) production	-	-
	(d) staff costs	(552)	(1,459)
	(e) administration and corporate costs	(264)	(872)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	138
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	285	285
1.8	Other (cost recovered/royalties)	89	237
1.9	Net cash from / (used in) operating activities	(537)	(2,325)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(16)	(17)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(16)	(17)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(14)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (receipts from partly paid shares fully paid)	-	-
3.10	Net cash from / (used in) financing activities	-	(14)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,503	4,303
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(537)	(2,325)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(14)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	3
4.6	Cash and cash equivalents at end of period	1,950	1,950

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,950	2,503
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,950	2,503

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	157
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>The payments to directors or their associates in 6.1 and 6.2 include gross salaries, superannuation, director fees and consulting fees.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(537)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(537)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,950
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,950
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2024

Authorised by: David Round – Managing Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.