

18 September 2024

ASX ANNOUNCEMENT

Progress continues with Madagascan Government for the issue of Mining Permits as Indian JV operations host key trading partners

Highlights

- The Madagascan Mines Minister and key advisors attended the Africa Down Under Conference in Perth during September 2024 with meetings held with the Evion Board
- Meetings with the Mines Minister concluded with a plan for the submission of formal development plans and consultation over the forthcoming weeks
- The Madagascan Government have identified Evion's Maniry Project as one of the key regional mining projects to be fast tracked into development over the next year
- As previously outlined, the Government has now adopted an Indicative Programme for action on the issue, transfer and validation of mining permits with the programme formally commencing on 1 August 2024
- The World Bank has provided significant incentives to the Madagascan Government in support of these major development initiatives with funding available to the Government from the World Bank
- Evion Managing Director, David Round, recently undertook a tour of the Panthera Graphite JV plant with representatives of key JV trading partners with positive feedback and agreements concluded

Mr David Round, Company Managing Director commented – “We were delighted to host the Madagascan Government team at the Africa Down Under conference (“ADU”) during the last few weeks. We held several very productive meetings and concluded our discussions with agreement on a pathway forward for the development of the Maniry Graphite mine in Southern Madagascar. Further meetings have been also held over the last few days as we continue to progress all necessary approvals.

The Madagascan Government's new Mining Code (2023) has seen a positive step to unlocking the country's vast critical mineral resources, including large graphite projects.

The Government's recent initiatives and announcements, combined with significant World Bank support and funding, is an enormous positive step for mining in Madagascar and our plans continue to advance to be a material supplier of graphite concentrate and downstream material to the world over decades to come.

We are delighted with these developments and our team is actively working in country to conclude all tasks necessary for Evion to be issued with development and mining permits as soon as possible”.



Figure 1 – Members of the Evion Board with Evion’s Madagascan executive team, Lydia Boarlaza (centre), and Laurent Ampilahy (third from left)

The New Mining Code and plans for Maniry

During ADU, members of the Evion Executive team held a number of detailed discussions on actions to be undertaken to ensure the issue of mine development permits in the short term.

A series of actions were agreed to, and subsequent to ADU, the Evion Executive team have presented a range of plans, budgets and important community development programs for the Madagascar government to consider.

During ADU, the Madagascar Mines Minister, in his public address, also emphasised the importance of developing and growing the mining industry in Madagascar and the Maniry project was highlighted as a priority development project. The Maniry project has the potential to employ over 350 local people in the Maniry region and Evion is committed to providing community support with the building of infrastructure, schools and local health and community centres.

Subsequent to the ADU Conference, the Evion Madagascar based management team have held a series of meetings with the local mines ministry as they jointly work together toward the finalisation of tasks necessary for Evion to be granted mine development permits in the short term.

As part of this process, our in-country development team, led by Lydia Boarlaza¹, is currently in the process of concluding our Environmental and Social Impact Plan, which shall include our Relocation Action Plan

¹ ASX announcement 16 July 2024

("RAP"), and we are confident of having these concluded in the short term. As part of the conclusion of these plans is a very significant period of consultation with the local community to ensure they are fully engaged with our project's development.

The local community has been highly supportive of our development, and we are committed to providing the Maniry region with employment, education, health and medical support and a range of other social and economic initiatives.



Figure 2 – The Madagascan Mines Minister, H.E. Olivier Herindrainy Rakotomalala, presenting at ADU – September 2024

EVION'S Pathway to Production In Madagascar

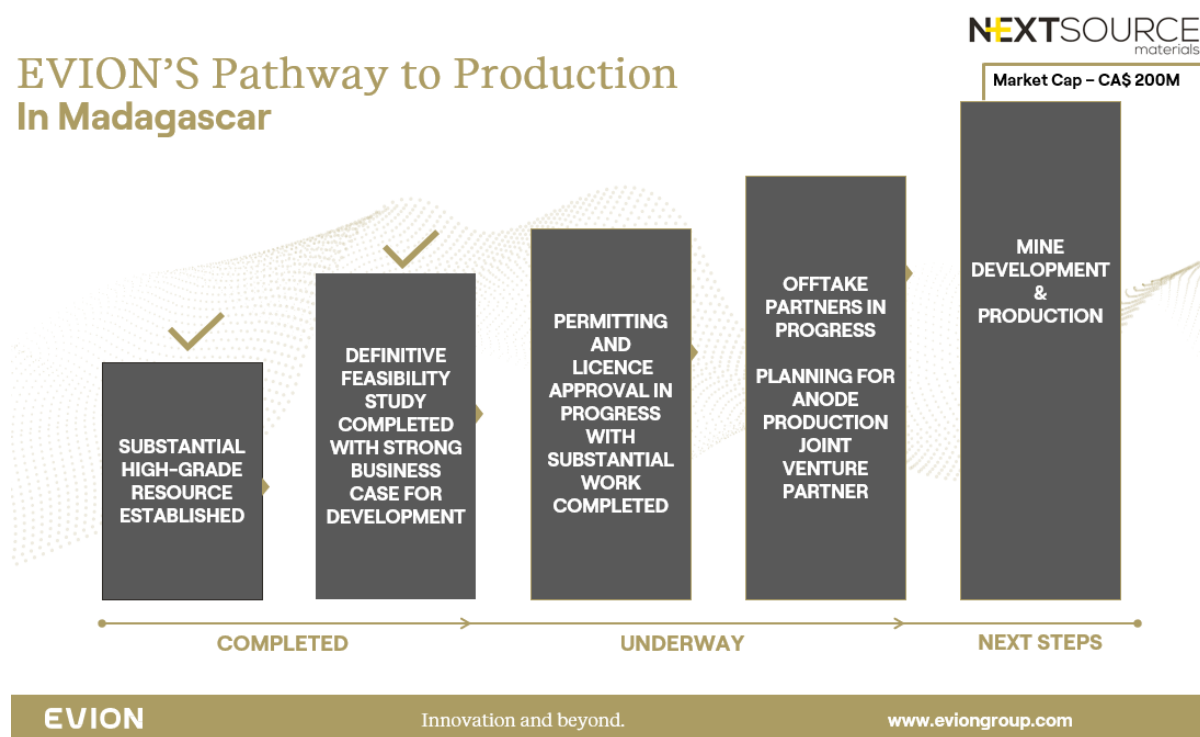


Figure 3 – Evion's pathway to production²

World Bank support for Madagascar's mining industry

The World Bank has been actively working with the Madagascan Government on a range of funding and administrative matters designed to fast-track development of the country's highly prospective mining industry³.

Much of the immediate budget assistance to be provided by the World Bank to Madagascar has been conditional on the conclusion of a plan to promote and develop the mining industry and we are pleased to note that progress and commitments have now been made by all parties that can now see Madagascar develop its critical minerals and graphite mining sectors.

European Union Grant Application submitted

The Evion executive team recently submitted a grant application to the European Union ("EU") for funding and infrastructure support as part of the EU's Critical Raw Materials Act⁴.

The funding and infrastructure support programme offered by the EU is designed to ensure a secure and sustainable supply of critical raw materials for the EU, with the focus on critical minerals required for strategic technologies including EV's, digital, defence and space applications.

The EU recognises 34 raw materials of critical economic importance and 17 of these are defined as 'strategic' with graphite identified as strategically important.

Madagascar has a history, over many decades, of successfully exporting graphite concentrate to the EU and apart from China, it is estimated that 25% of Europe's graphite supplies and downstream products are from Madagascar.

² TSX:NEXT: <https://money.tmx.com/en/quote/NEXT>

³ ASX announcement 26 April 2022

⁴ https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en

The EU has identified graphite from Madagascar of critical importance to their development and has invited Evion to submit an application so that the European Commission (“EC”) may assist Evion with financing and offtake agreements. The Evion team is in the process of concluding our application for first round assessment and we believe we meet all the conditions requested to receive EC support.

The Evion executive team will provide regular updates on our application for this important global initiative.



Figure 4 – Evion’s proposed Maniry Graphite Mine adjacent to Next Sources’ Molo operation – Southern Madagascar

Evion and JV team host trading partners at Panthera Graphite (“PGT”) JV operations in India

During last week, Evion Managing Director, David Round, accompanied the Company’s largest offtake partner Mr Dominik George Luh, representing Technogرافit and Grafitbergbau in Europe, on a site visit to its completed expandable graphite operations in Pune, India.

Meetings onsite were highly productive with discussions held concerning the expansion of our operations to meet the projected medium and long term demand for expandable graphite in Europe, USA and parts of Asia.

Discussions were also held around pricing and the short-term outlook for expandable graphite, and the Evion and JV management team are confident of achieving premium and well above market prices for their material, given the high ESG standards and production methods developed on site. The PGT operations have developed a production and waste treatment process that will see the recycling of over 95% of water used in production. This, combined with our high standards of processing, will ensure the carbon footprint of our JV operation is minimal.



Figure 5 – the completed world class PGT expandable graphite operations in Pune, India

Production of expandable graphite has commenced over the past quarter and continued as the JV completed its testing of all infrastructure and operations⁵. Some minor delays with processing were encountered due to the removal of effluent from site by government appointed operators, but this matter has now been resolved with significant production output exported, as forecast, for quarter 4, 2024.

A further detailed update on production output and revenue projections shall be provided in due course.



Figure 6- members of the PGT operational team on site

⁵ ASX announcement 20 June 2024



Figure 7 – testing and processing under way at PGT operations Pune, India



Figure 8 – Graphite concentrate ready for processing and finished good inventory on site in Pune, India

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

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

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