

Evion continues Development and Growth Phase in Madagascar and India

PROJECT HIGHLIGHTS

- In the last quarter, the Mines Minister of Madagascar and key advisors attended the Africa Down Under (“ADU”) Conference in Perth during September 2024 with meetings held with the Evion Board.
- As previously outlined, the Madagascar Government passed legislation in late 2023 to adopt a new Mining Code which includes granting of development and production licences for complaint graphite projects.
- The Madagascar Government announced that it has adopted an Indicative Programme for action on the issue, transfer and validation of mining permits with the programme formally commencing during the last quarter.
- Meetings held in the last quarter with the Mines Minister concluded with a plan for the submission of formal development plans and consultation in the forthcoming weeks.
- The Government of Madagascar has identified Evion’s Maniry Project as one of the key regional mining projects to be fast tracked into development over the next year.
- Evion’s new and experienced in-country development team are now working to finalise all necessary permits and applications in preparation for the granting of development licenses.
- The World Bank has provided significant incentives to the Malagasy government in support of these major development initiatives, with funding made available by the World Bank.
- Evion has applied to the European Union for funding and other support as part of the EU’s Critical Raw Materials Act to guarantee supply of graphite to the EU in the short and long term.
- During the quarter, Evion Managing Director David Round undertook a tour of the Panthera Graphite JV plant with representatives of key JV trading partners, resulting in positive feedback and agreements concluded.
- The JV commenced reviewing options for a medium-term upgrade to production that has the potential to more than double sales volumes and revenue.
- All government permits, infrastructure, and treatment plants are now in place, ensuring that full production capacity can be achieved in the short term.

CORPORATE HIGHLIGHTS

- Evion has applied to the European Union for funding and other support as part of the EU's Critical Raw Materials Act to guarantee supply of graphite to the EU in the short and long term.
- Evion Executives continue discussions with several OEM's and battery manufacturers in relation to future offtake and funding plans.
- Offtake partners visited our JV Operations in India with plans for further visits and government meetings in Madagascar scheduled for the short term.

As of September 2024, the Company held strong cash reserves of \$1.37m – sufficient funds to meet all immediate development and growth 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 September 2024 quarter.

MANIRY GRAPHITE PROJECT MADAGASCAR

Evion Group is pleased to announce that during the last quarter, the Company's Maniry Project was identified by the Malagasy government as one of the key regional mining projects to be fast-tracked into development over the next year.

The Mines Minister of Madagascar and key advisors attended the Africa Down Under ("ADU") Conference in Perth in September 2024. During this time, members of the Evion Executive team held several detailed discussions on actions to be undertaken to ensure the issuance of mine development permits in the short term.¹



Figure 1 – Members of the Evion Board with Evion's Madagascar executive team, Lydia Boaralaza (centre), and Laurent Ampilahy (third from left)

Subsequently to ADU, the Evion Executive team presented a range of plans, budgets and important community development programs for the Malagasy government to consider.

¹ ASX announcement 18th September 2024

At the ADU conference, the Malagasy Minister of Mines emphasised the importance of developing and growing the mining sector in Madagascar. The Maniry Project was specifically highlighted as a priority development project. With the potential to create over 350 local jobs in the Maniry region, Evion Group is committed to supporting the community by developing essential infrastructure, including schools, healthcare, and community centres.²



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

Evion Group’s in-country development team, led by Lydia Boarlaza, is currently in the process of concluding the Company’s Environmental and Social Impact Plan, which shall include the Relocation Action Plan (“RAP”). A key component of this process involves an extensive period of consultation with the local community to ensure their full engagement in the project’s development. The Company is confident of having these concluded in the short term.

The local community has shown strong support of our initiatives, and we remain committed to delivering lasting benefits to the Maniry region, including employment opportunities, education, healthcare, and a range of other social and economic initiatives.

² ASX announcement 18th September 2024

Market Cap – CA\$ 200M



³ Critical Raw Materials Act - European Commission ([europa.eu](#))

THE NEW MINING CODE AND PLANS FOR MANIRY

Recently, the Mine's Ministry of Madagascar issued an order to Bureau du Cadastre Minier ("BCMM" – the department responsible for the administration of licences) in Madagascar authorising BCMM to commence, following the recent changes to the new Mining Code in late 2023. This legislation, amongst other things, allows the transfer (upgrade) of permits to allow for construction and development of mine operations.

The Government has adopted an Indicative Programme which formally commenced during the last quarter (01 August 2024) to address the issuance, transfer and validation of mining permits. It was previously noted in the last quarter, that the Madagascar Government completed a Remediation Plan for the Mines Registry, which outlines a detailed six-month action plan. The programme encompasses a wide range of significant activities and includes a commitment to process pending mining permit applications, covering renewals, transfers, and the transformation of all permit categories.

Evion currently holds several Mining (Exploitation) Permits ("PEs") for its tenements in Maniry and is seeking to transfer its existing Exploration Permits ("PRs") to cover the remaining areas within the proposed Maniry mining region.⁴

Ms. Boarlaza will lead the completion of our Community Action Plan (which includes our Relocation Action Plan ("RAP") and the final implementation of Evion's Environmental and Social Impact Plan ("ESIP") as part of the process to obtain a mine development permit.⁵



Figure 4 – Managing Director, David Round, with members of the Evion team from Madagascar (Lydia Boarlaza, and Laurent Ampilahy) and the Governor of Toliara (Tovondrainy Andriantsitohaina)

⁴ ASX announcement 18th September 2024

⁵ ASX announcement 14th August 2024

PANTHERA GRAPHITE (“PGT”) JV OPERATIONS IN INDIA

In the last quarter, Evion Group Managing Director David Round accompanied Mr. Dominik George Luh, the Joint Venture’s (“JV”) largest offtake partner and representative of Technogرافit and Grafitbergbau in Europe, on a site visit to the completed expandable graphite facilities in Pune, India.

The onsite meetings were highly productive, with discussions focused on scaling up operations to meet the projected medium- and long-term demand for expandable graphite in Europe, the USA, and parts of Asia.



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

Pricing and the short-term market outlook for expandable graphite were key topics of discussion.

Both Evion and JV management are confident in securing premium prices above the market average for their material due to the site’s advanced production methods and high ESG standards.

The PGT operations have developed a process that recycles over 95% of the water used in production, significantly reducing waste. Combined with our high processing standards, this ensures a minimal carbon footprint for our JV operations.



Figure 6 – testing and processing under way at PGT operations Pune, India

Test production of expandable graphite continued over the last quarter as the JV finalised testing of all infrastructure and operations. This testing involved sample approvals from a range of independent parties and buyers, with all material produced meeting accepted standards.

Whilst there were delays in processing due to the removal of effluent by government-appointed operators, the issue has since been resolved. The management of recyclable material and effluent is carefully managed on site, and the disposal of material and system testing of recycling of water has now concluded with government contracts and approvals in place.

As a result, significant production output remains on track for export as forecast for quarter 4, 2024.

A comprehensive update on production output and revenue projections will be provided in due course.⁶

THE GRAPHITE MARKET

The graphite market is currently dominated by China, which supplies 75% of the world's flake graphite and 96% of its spherical graphite. However, by 2034, China's share of flake graphite production is expected to decline to 61% largely due to restrictions introduced late last year.

Graphite plays a critical role in the rapidly expanding electric vehicle battery industry, with demand projected to increase by 239% by 2034, according to Benchmark Mineral Intelligence. This highlights the growing need for alternative sources of graphite outside of China. PGT is well-positioned to serve key global markets in Europe, the United States, and Asia, regions that have historically relied on Chinese graphite supplies.⁷

⁶ ASX Announcement 18th September 2024

⁷ Benchmark Mineral Intelligence September 2024, referenced by GraphiteHub September 2024: [The Future of Graphite: Key Insights from Benchmark's Mines of Tomorrow Webinar \(graphitehub.com\)](https://www.graphitehub.com/blog/future-of-graphite-key-insights-from-benchmark-mineral-intelligence-webinar)

INVESTOR RELATIONS

During the quarter, the Company attended the ADU Conference in Perth alongside the Evion Group team from Madagascar. Numerous meetings were held regarding the next steps for the Maniry Graphite Project, and the Company received significant interest in its current projects.

Managing Director David Round delivered a presentation at the conference that provided key insights into our business model, focussing on the Maniry Graphite Project in Madagascar and the Company's forthcoming objectives.

Watch the full presentation here: <https://lnkd.in/dwXY4ncQ>

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, including:

- Growth in the India JV including a strong sales pipeline for the remainder of the year and the development of plans to double production,
- Achieve significant final milestones for the Maniry Project: approval of the ESIA and Community Action Plan (including the Relocation Action Plan),
- Continue to advance Maniry Licensing, Permitting and Project financing,
- Finalise Offtake Agreements for the Maniry Concentrate, and
- Ongoing development of BAM Plant pre-feasibility study and commercial plans.

ASX ADDITIONAL INFORMATION

The Company provides the following information pursuant to ASX Listing Rule requirements:

- ASX Listing Rule 5.3.1:
Approximately \$208,000 was spent on exploration expenditure during the quarter, primarily relating to the development of the Maniry Project.
- ASX Listing Rule 5.3.2:
Nil was spent on mine production and development activities during the quarter.
- ASX Listing Rule 5.3.5:
The Company advises that there were approximately \$138,000 in payments made to related parties and their associates included in cash flows from operating activities, for payments to directors and management for remuneration services to the economic entity.

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

Contact

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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 September 2024 (ASX Listing Rule 5.3.3)				
Australia				
Tenement ID	Location	State	Interest	Acquired/Disposed during the quarter
E70/4824	Yanmah, Donnelly	WA	100%	Surrendered
E70/4825	Manjimup, Donnelly	WA	100%	Surrendered
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.

The Company provides the following information pursuant to ASX Listing Rule requirement 5.3.3:

- Mining tenement interests acquired or disposed of during the quarter: Nil.
- Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter: Not applicable.
- Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter: Nil.

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 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(208)	(208)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(226)	(226)
	(e) administration and corporate costs	(198)	(198)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	16	16
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (cost recovered/royalties)	38	38
1.9	Net cash from / (used in) operating activities	(581)	(581)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(3)	(3)

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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,950	1,950
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(581)	(581)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,366	1,366

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	1,366	1,950
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)	1,366	1,950

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	138
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)	(581)
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)	(581)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,366
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,366
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2
<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: 24 October 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.