March 27, 2023

ASX ANNOUNCEMENT

Expandable graphite plant fully funded to production and cashflow

JV Project secures highly favourable debt, ensuring it is on track for commissioning in Dec quarter, 2023; Stand-alone debt maximises available cash for Maniry graphite mine

HIGHLIGHTS

- **Panthera Graphite Technology ("PGT") project in India, which is a JV between Evion and Metachem Manufacturing Co, secures US$2.1m loan**
- **The loan ensures PGT is fully-funded to production and cashflow**
- **The finance terms are extremely favourable with no repayments required until production commences; Funding is guaranteed by Indian based JV Partners, demonstrating their strong confidence in the PGT business.**
- **Completion of project financing paves way PGT to receive substantial rebates for power and other local costs as part of the Special Economic Zone concessions (SEC) available at the site in Pune**
- **The PGT plant will have an initial production capacity of 2,500tpa of expandable graphite with the modular form allowing for a very cost effective planned increase to 5,000tpa within two years.**
- **Initial production fully covered by binding sales contracts. Evion about to start discussions with potential Australian customers regarding the additional 2500tpa of production; Australia currently imports all its expandable graphite**
- **The project funding allows Evion to utilise current cash reserves to continue the development of its Maniry graphite project in Madagascar**
- **Once Maniry is in production, it will supply graphite concentrate to PGT**

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Evion Managing Director Tom Revy said: "This highly favourable debt package is a major achievement for our expandable graphite joint venture in India.

"On behalf of Evion, I would like to thank our India-based JV partners, who enabled us to secure the funding on such favourable terms and who also provided personal guarantees to the funding banks.

"Debt funding this development also means our JV will qualify for very favourable power and other rebate concessions as part of the SEC incentives in this region.

"With the debt funding and binding offtake contracts in place, we are well on track to starting commissioning later this year".

Figure 1 – Meeting of PGT team and leading Architects and Projects Engineers concluding plant design – February 2023

Key Financing terms

- Bankers – Janata Sahakari Bank Ltd., Pune
- Funding value – US$2.1m (equivalent of Indian Rupee)
- Term – up to 8 years to repay
- Interest rate – 9% (discounted from 11%)
- Dry Period (no repayment required) – for 12 months from draw down.
- Repayments to be met from operational positive cash flow

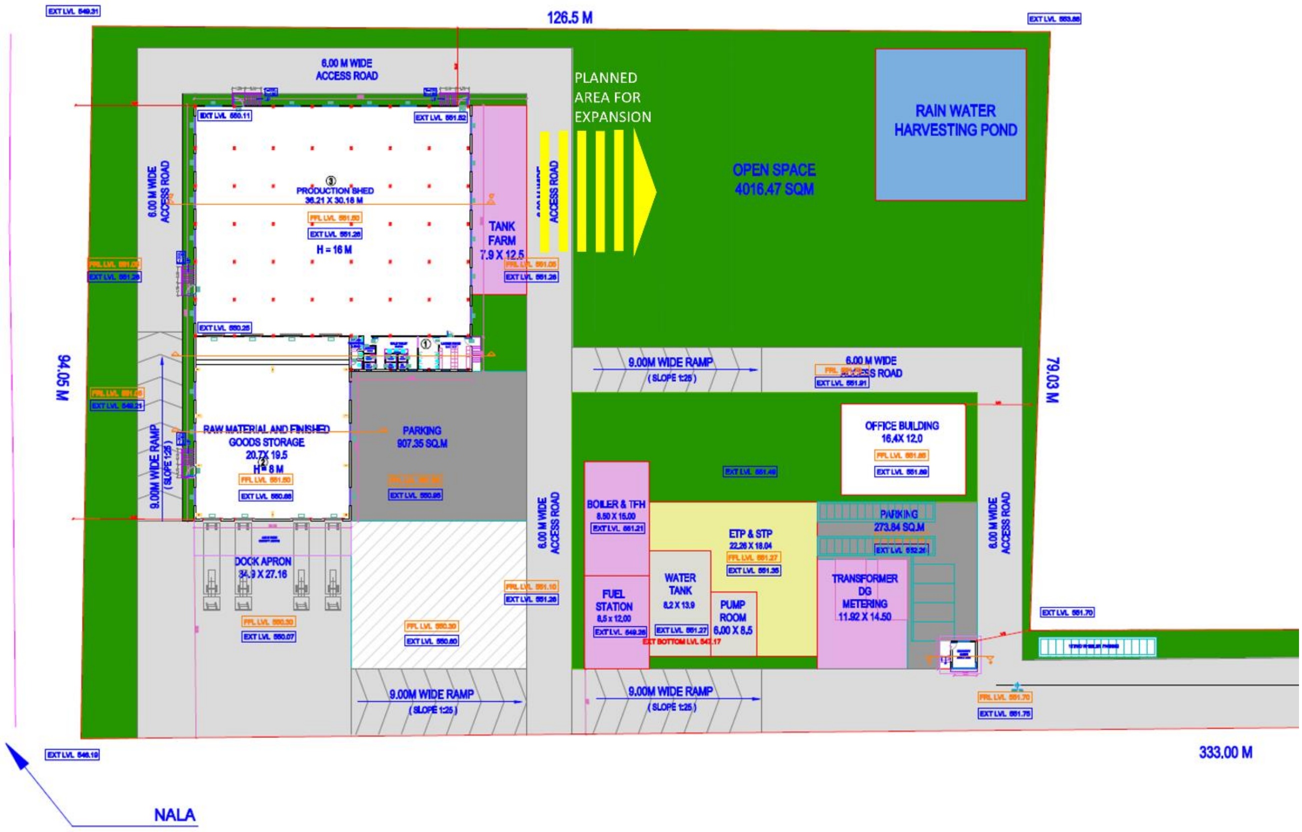

Figure 2 – PGT's Final Plant design concluded by appointed Architects and Engineers

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

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