



12 July 2023

ASX ANNOUNCEMENT

Maniry Graphite Project, Madagascar

Evion continues pre-construction discussions as graphite production in Madagascar continues to expand to meet world EV growth

Evion Executive team meet with potential funding and JV partners in the USA to advance development planning, as the adjacent Molo Mine commences production of substantial graphite material from Madagascar

Evion Group (ASX: EVG) is pleased to announce that Tom Revy (EVG Managing Director) and David Round (Director) recently met with a number of funding and development parties in the USA who may assist with the development of Maniry and our proposed battery anode ("BAM") JV plans in Europe.

Development discussions also included advancing agreements in relation to our proposed battery anode operations in Germany. Our recently completed scoping study relating to the battery anode plant has been prepared by Wave International in Australia with the ongoing assistance of Dorfner Anzaplan, Germany.

Evion now plans to expand on our completed Scoping Study by incorporating clean technology and production methods that are available to us as part of our Collaborative Agreement (as announced 9 March 2023). This will result in an advanced Pre-Feasibility Study ("PFS") with the parameters and final scope of this study currently being finalised.

A large batch sample is currently being tested in the USA, as part of this program, which will provide key results for completing the BAM PFS.

Evion has a strong relationship with Dorfner Anzaplan ("Anzaplan"), Germany and are committed to working with Anzaplan in the development of our PFS.

Evion Managing Director Tom Revy said: "Our strategy remains focused on becoming a leading vertically integrated graphite and battery anode material producer."

“Specialist industry analysts believe that the graphite market is widely forecast to move into deficit later this year on the back of surging demand from the lithium battery industry.”

“The European and US battery industry and EV manufacturers want to diversify their supplies and they want quality and sustainably produced material from within a transparent supply chain.”

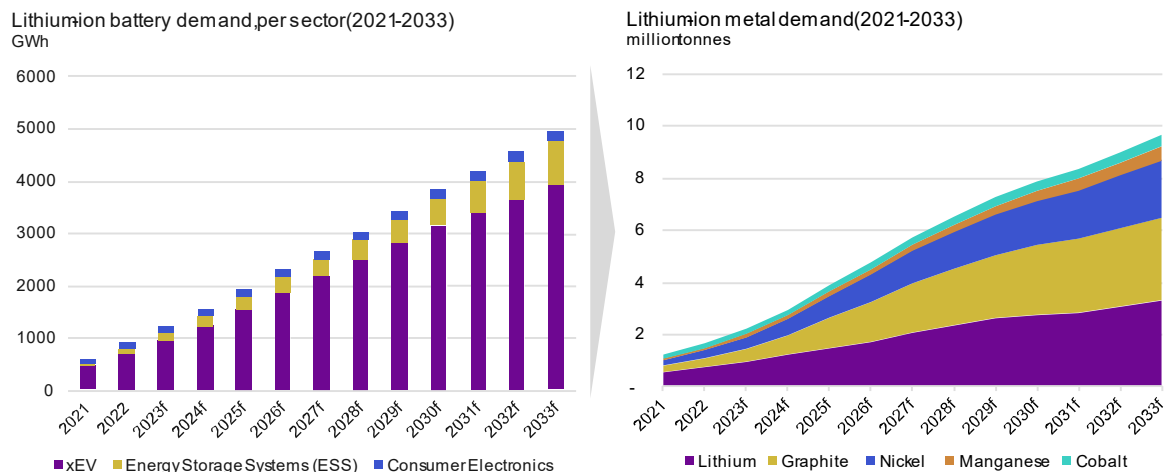
“Evion is perfectly placed to meet both of these demands.”

Demand for Alternative Energy and EV's to drive the growth in Graphite Production

Leading commodity pricing and demand forecasting group, Fastmarkets, recently published their projections for the demand in growth of EV's and alternative energy which will fuel the massive expected requirements for graphite and other critical minerals.

World demand for graphite concentrate which is suitable for use in battery anode material is expected to increase 5 fold over the next 5 years which will see many new mines needed.

Demand reaching 5TWh of batteries in 2033, requiring nearly 10mn tonnes of key BRM metals



Source: Fastmarkets Long Term Forecasts
2023 | Fastmarkets | Demand Outlook - Las Vegas BRM Conference

5

Figure 1 – EV and alternative energy demand and the corresponding growth expected in graphite demand

Growth in Graphite Mining in Madagascar

Madagascar continues to grow as one of the leading production and export market for graphite outside of China and the Board of Evion congratulate Next Source Materials Inc (TSX:NEXT) on the commencement of full scale commercial production, following extensive development, at their Molo Plant in Southern Madagascar.

<https://www.nextsourcematerials.com/nextsource-materials-announces-first-production-of-superflake-graphite-at-molo-mine-in-madagascar/>

(Next Source Inc are listed on the Canadian TSX and at 30 June 2023 had a market capitalisation of CAD \$228m).

The commencement of graphite production in the new corridor of Southern Madagascar is testament to the projected short term growth in this region with extensive infrastructure development now in place to cater for the growth in mining in the region.

The Board of Evion are delighted with this regional growth and look forward to updating the market on our short-term plans in the near term.

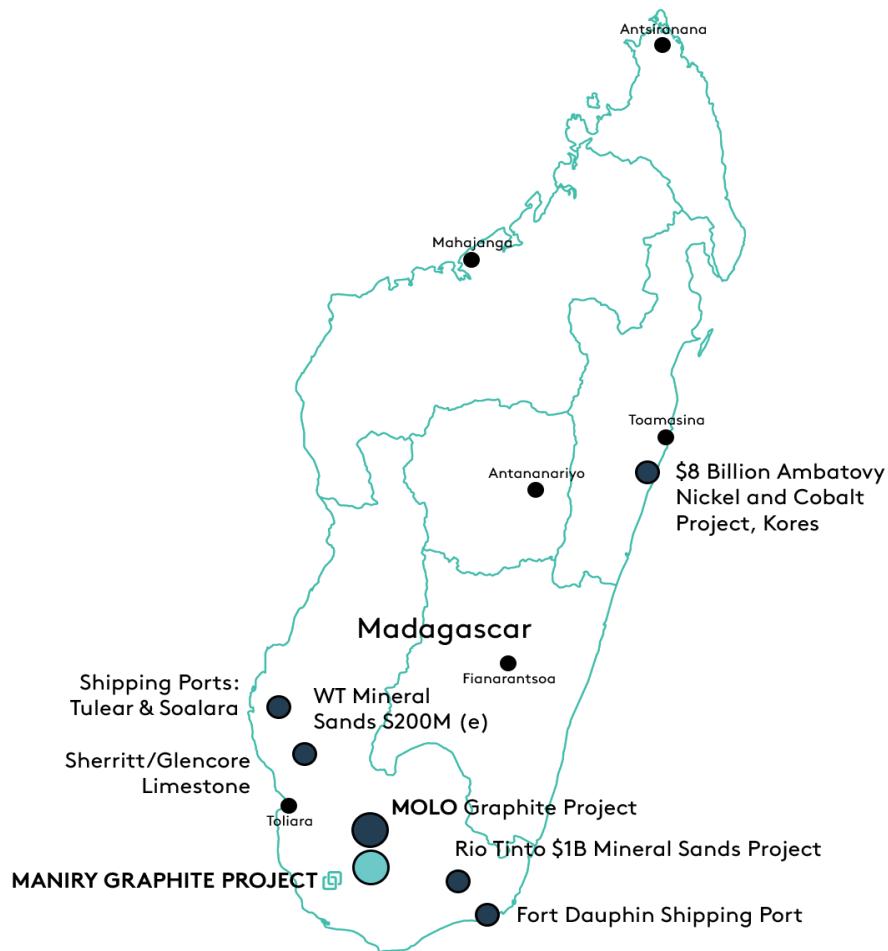


Figure 2- Evion's Maniry Project is adjacent to the Molo Plant in Southern Madagascar.

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

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