

8 April 2024

ASX ANNOUNCEMENT

Production & Ramp up commences at Expandable Graphite JV site in India

Highlights

- Evion executive team meet with JV Partners in India to review the final stages of commissioning over the last week
- The JV has completed the construction of all infrastructure on site with the capacity to double production capacity over the next few years
- **Production has commenced over the last few days with testing of all equipment ongoing during this ramp up period that will last 1 – 2 months**
- Planned increases to production to meet demand could see the JV become one of the world's largest producers of Expandable Graphite outside of China – supplying expanding markets in Europe, the USA and southeast Asia
- Substantial graphite concentrate is now on site and to be delivered in the short term to ensure, following ramp up, we achieve targeted levels of production and revenue.
- **The commencement of production can go toward filling a projected global shortage of expandable graphite following China's ban on the export of graphite materials.**



Figure 1 – PGT Chairman (Jayant Pawar- far right) and Production team inspecting equipment just prior to the commencement of Production

Evion Group NL (ASX:EVG) (Company), is pleased to announce that commissioning activities have largely concluded with the JV Operational team commencing production at their newly constructed expandable graphite facility located in India. The operation (Panthera Graphite Technologies “PGT”) is a 50/50 JV between Metachem Manufacturing Company Pvt Ltd and EVG.

Production commenced over the last week with 700 kgs of expandable graphite produced in the first trial production day as the operational team commence production in this exciting phase of the JV’s operations. It is anticipated that the ramp up period will take a number of months as we build up to production capacity of at least 150 tonnes of production per month.

Experienced Production and Marketing Team in place

PGT have assembled a highly experienced management and operational staff to commence production and drive the success of our expandable graphite operations.

PGT Management shall be supported by the Evion team who will assist with the acquisition of graphite concentrate and the sales of material to Europe and other prospective markets.

JV Management has already commenced discussions with a number of potential new buyers in southeast Asia, Japan and other markets as we seek to capitalise on a projected world-wide shortage of expandable graphite resulting from China’s ban on the export of this material.



Figure 2 – PGT CEO (Ulhas Jagdhane–foreground), PGT Director Jonas Pawas and other JV and Evion executives on pre-production tour



Figure 3 – the first supplies of graphite concentrate at PGT ready for processing



Figure 4 – various consumables and storage in place to accommodate over 1,000 tonne of material

Figure 5 – Production Infrastructure on site



Figure 6 – Operational staff inspecting power supply to site



Figure 7 – PGT Directors, Management and Operational team following the official opening of PGT's Plant

Global graphite opportunities – ban on China exports

In October 2023, China announced export controls on graphite, a key material used in electric vehicles, in order to preserve local reserves for domestic use only.

The result of the bans creates an enormous opportunity for nations, such as Madagascar, that currently produce graphite and related materials and also hold substantial resources of graphite available to be mined and exported.

This is highlighted by the below chart:-

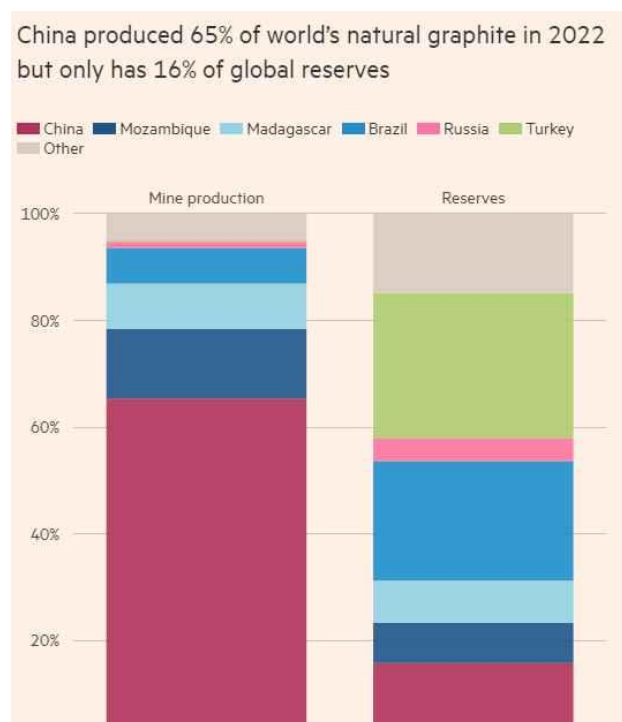


Figure 4 - Producers of Natural Graphite as a portion of Reserves
(Source: Financial Times, October 2023)

Impact of China Ban in 2024

China's exports of natural graphite plummeted in December 2023 following imposed controls at the start of the month, tightening China's grip on the supply of minerals vital to advanced manufacturing.

Overseas sales plunged 91% month-on-month to 3,973 tons, according to Chinese customs data, after a rush to buy ahead of the deadline saw them surge to more than 45,000 tons in November. Exports had averaged about 17,000 tons a month in the year through to October 2023 (source Bloomberg, Jan 2024).

The result of this ban is likely to see a substantial increase in demand for graphite material from existing and new markets able to supply world class material at competitive prices.

"We are now likely to see a disruption in supply chains and sharp increase in graphite prices. And this comes after prices had dropped to an 11-year low, down over 50% year on year during June 2023. So the potential for a powerful bounce in the prices for graphite off oversold levels is high.

Over the longer term, natural graphite and active anode material (AAM) demand is expected to increase four and eight times, respectively, over the next 10 years". (Source: Jason Hamlin, Nicoya Research , November 2023).

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

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