

EVION

G R O U P

ANNUAL REPORT

ABN 66 610 168 191

FOR THE YEAR ENDED 30 JUNE 2024

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CORPORATE DIRECTORY

DIRECTORS

Heather Zampatti

Non-Executive Chairperson (appointed 23 November 2023)

David Round

Managing Director (appointed 1 May 2024)

Craig Lennon

Non-Executive Director (appointed 1 May 2024)

Warrick Hazeldine

Non-Executive Director (appointed 1 May 2024)

JOINT COMPANY SECRETARIES

Kah Yan Lim (appointed 22 May 2024)

Kellie Davis (appointed 22 May 2024)

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

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CHAIRMAN'S LETTER

Dear Shareholders

I am pleased to present to you the Evion Group NL Annual Report for the year ended 30 June 2024.

Despite some challenging economic conditions, our Company has made substantial progress in the development of our assets over the last year.

Our Joint Venture development in Pune, India (Panthera Graphite Technologies "PGT"), to produce downstream expandable graphite, has been a highlight of the year with construction completed in April 2024. Testing and ramp up production also commenced at this time. We expect our production of expandable graphite to meet a current and projected future global shortage of this material and we have experienced significant demand for our product.

Our plan for 2025 is to update our earlier assessment to double plant capacity in India and this will be a priority for us over the short-term. Increasing our production capacity at PGT will not only maximise the potential of this plant, but also fill the current and expected short term strong demand for expandable graphite.

Following the publication of our Definitive Feasibility Study ("DFS") in 2023, we have continued to work toward the completion of community-based relocation action plans and our Environmental & Social Impact Plan, and we anticipate the completion of these projects over the short to medium term. We have continued to liaise extensively with the Office National pour l'Environnement ("ONE") and the Mines Ministry in Madagascar in relation to the completion of these important projects, and we are confident of a positive outcome which can then lead to Evion receiving Mining Approval to commence construction of our Maniry Project.

We have also recently appointed leading in country General Manager, Lydia Boarlaza, to our team in Madagascar. Ms. Boarlaza's experience in helping other graphite explorers mature from exploration to substantial global producers is significant and we believe Lydia will add enormous value to our Company's growth plans.

We are also excited by the recent announcements by the government in Madagascar that they have commenced an Indicative Program for the short term processing of mining permit applications and transformations in country. This is a positive step toward Madagascar becoming one of the world's largest exporters of graphite outside of China.

Our initial Scoping Study to build a Battery Anode Material ("BAM") plant using fines from our Maniry Project was also completed in 2023 and demonstrates strong financial returns. We plan to update this study in the short term to determine the best location and development partners to work with in our plans to be a global supplier of downstream graphite material and products.

During the year, we saw announcements from China that they would restrict and, in some cases, ban the export of graphite and related materials to global markets. We believe this presents Evion with an enormous strategic opportunity to become a leading supplier of downstream graphite material to the global market.

Finally, I thank my fellow directors and our Managing Director, David Round and all members of Evion's team for their contribution over the past year. This has indeed been a positive, transformational year and we believe we now have the right executive team in place to grow and develop Evion.

I also thank our Shareholders for their continued support as we work toward a number of exciting milestones in the growth and development of our Company and seek to maximise returns to our Shareholders.



Heather Zampatti
Chairperson

DIRECTORS' REPORT

The Directors present their report on Evion Group NL ("Evion" or the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2024.

BOARD OF DIRECTORS

The Directors of the Company at any time during or since the year end are:

Heather Zampatti

Non-Executive Chairperson – appointed 23 November 2023

Non-Executive Director – appointed 25 October 2021

Qualifications

BSc, Diploma of Education, Certified Financial Planner, Master of Stockbroking (MSAA), Doctor of Commerce (Hon)

Experience

Ms. Zampatti has over 40 years of experience in stockbroking, finance, investment policy, strategy and funds management. Ms. Zampatti sits on the boards of Silverchain Foundation, the Federal Government Remuneration Tribunal, Theatre 180, The University of WA Club, ASIC Financial Services Consultative Committee, and Edith Cowan University (ECU) Resources Committee. Ms. Zampatti was the head of wealth management at Bell Potter Securities since 2002. Ms. Zampatti was a former member of the Federal Government's Takeover Panel and the Financial Sector Advisory Council; Chair of Lotterywest and Princess Margaret Hospital Foundation; and board member of Osteoporosis Australia, Healthways, AIM WA, Chief Executive Women (CEW) and WA Ballet.

Other current and former ASX listed directorships in last 3 years

None

George Bauk

Non-Executive Chairperson – appointed 16 November 2020, resigned 23 November 2023

Non-Executive Director – appointed 15 March 2016, resigned 23 November 2023

Qualifications

MBA, BBus, GAICD, FCPA

Experience

Mr Bauk is an experienced director with over 15 years' experience as a listed company director in Australia with the resources industry in both production and exploration with assets in Western Australia, Australia and internationally. He is an experienced executive, with 30 years' experience in the resources industry. Mr Bauk has held global operational and corporate roles with WMC Resources and Western Metals. Mr Bauk has a strong background in strategic management, business planning, building teams, finance and capital/debt raising, and experience with a variety of commodities in particular rare earths, gold and industrial minerals. During his time as Managing Director of Northern Minerals, he led its rapid development from a greenfields heavy rare earth explorer to one of a few global producers of high value dysprosium outside of China.

Other current ASX listed directorships in last 3 years

Lithium Australia Limited – Non-Executive Chairman since 15 July 2015

PVW Resources Limited – Non-Executive Chairman appointed 15 July 2024, Executive Director since 1 February 2021

Thunderbird Resources Limited (formerly Valor Resources Limited) – Executive Chairman since 21 October 2020

Firetail Resources Limited – Non-Executive Director since 5 September 2023

Former ASX listed directorships in last 3 years

Spartan Resources Limited (formerly Gascoyne Resources Limited) – Non-Executive Chairman from 5 August 2020 to 31 January 2022

DIRECTORS' REPORT

BOARD OF DIRECTORS (continued)

David Round

Managing Director – appointed 1 May 2024

Finance Director – appointed 16 November 2020 to 1 May 2024

Company Secretary - appointed 16 November 2020 to 1 May 2024

Qualifications

BBus, FCPA, MBA

Experience

Mr Round has over 20 years senior executive experience in capital markets, mine operations and specifically in the development of critical minerals supply chain businesses. Mr Round was previously CFO and Company Secretary to Ironbark Zinc Ltd and Wolf Minerals Ltd, and acted for nickel sulphide producer, Albidon Ltd, overseeing their operations in Zambia. Mr Round previously acted as CFO and Head of Sales and Marketing for Australian listed graphite and critical minerals producer, Bass Metals Ltd and was instrumental in the company's acquisition of its assets, and development and growth of their operations over a 5-year period. Mr Round has been involved in a number of Board and Committee roles that have seen the growth and development of resource and mining services companies in Australian and overseas.

Other current ASX listed directorships

Resource Mining Corporation Limited – Non-Executive Director since 23 March 2022

Former ASX listed directorships in last 3 years

None

Thomas Revy

Managing Director – appointed 15 August 2016, resigned 30 April 2024

Qualifications

BAppSc (Metallurgy), GradDipBus, MAusIMM

Experience

With more than 30 years' experience within the resources industry Mr Revy is considered a corporate and project development specialist, with an extensive international network in the mining sector. Mr Revy has held senior operational and corporate positions within reputable organisations including GRD Minproc, WorleyParsons and Ferrum Crescent.

Other current and former ASX listed directorships in last 3 years

None

Craig Lennon

Non-Executive Director – appointed 1 May 2024

Qualifications

CA, AGIA

Experience

Mr Lennon is a highly experienced corporate and finance executive, having served as the Chief Executive Officer of ASX-listed Greenwing Resources Ltd, Managing Director (from 2016 to 2019), Chief Executive Officer (from 2007 to 2016) and Chief Financial Officer (from 2007 to 2016) of ASX-listed Highlands Pacific Limited. Prior to Highlands Pacific, Mr Lennon worked for KPMG for five years in Australia, gaining experience in industries including manufacturing, construction, retail, hospitality and mining, and also worked in the United Kingdom for two years in the manufacturing industry. Craig has vast experience working internationally with funding partners and corporate transactions including joint ventures, mergers & acquisitions, capital raisings and debt funding. Mr Lennon is also currently the Head of Asia Pacific and Chief Financial Officer for TSXV Listed Nickel 28 Capital Corp, a leading battery metals investment vehicle.

DIRECTORS' REPORT

BOARD OF DIRECTORS (continued)

Craig Lennon

Other current ASX listed directorships in last 3 years

None

Former ASX listed directorships in last 3 years

Greenwing Resources Ltd – Chief Executive Officer from 16 November 2021 to 1 May 2023

Warrick Hazeldine

Non-Executive Director – appointed 1 May 2024

Qualifications

GAICD

Experience

Mr Hazeldine has more than 20 years of capital markets experience from working with a range of ASX-listed companies on investor relations activities, predominately in the natural resources sector. In recent years, he has played a key role in several lithium, hydrogen and battery materials transactions. Mr Hazeldine is a founding director of investor and corporate communications firm Purple (formerly Cannings Purple). Mr Hazeldine is the Chair of battery materials company ChemX Materials (ASX:CMX) and former Chair and Non-Executive Director of Global Lithium Resources (ASX:GL1) and a current board member of Surfing WA, Curtin University Business and Law School and has held a range of advisory and Board positions with not-for-profit organisations.

Other current ASX listed directorships in last 3 years

ChemX Materials Ltd – Independent Non-Executive Chair since 6 February 2023, Non-Executive Director since 3 September 2021

Other current and former ASX listed directorships in last 3 years

Global Lithium Resources Ltd – Non-Executive Chair from February 2021 to May 2023 and Non-Executive Director from February 2021 to August 2023

COMPANY SECRETARIES

Kah Yan Lim

Joint Company Secretary – appointed 22 May 2024

Ms. Kah Yan Lim is a Certified Practising Accountant. She has over 20 years of professional corporate financial reporting and compliance experience primarily in the resource sector across different commodities. She is also the Company's Group Financial Controller.

Kellie Davis

Joint Company Secretary – appointed 22 May 2024

Mrs Kellie Davis is a Chartered Accountant with over 20 years of experience in accounting and ASX compliance, predominantly in the resources sector. She has provided company secretarial compliance services for a number of listed ASX companies in the exploration and resources sectors.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The number of meetings of the Directors and the number of meetings attended by each Director during the financial year ended 30 June 2024 were:

	Board Meetings		Remuneration Committee		Audit Committee	
	Number held and eligible to attend	Number attended	Number held and eligible to attend	Number attended	Number held and eligible to attend	Number attended
George Bauk	3	3	-	-		
Heather Zampatti	8	8	-	-	-	-
Thomas Revy	6	6				
David Round	8	8				
Craig Lennon	2	2			-	-
Warrick Hazeldine	2	2				

The Board approved the formation of the Remuneration Committee and the Audit and Risk Committee on 27 May 2024.

PRINCIPAL ACTIVITIES

Evion is a vertically integrated graphite developer with projects currently based in the Republic of Madagascar and India. At present, the Company is developing a number of vertically integrated projects.

(i) Maniry Graphite Project in Madagascar

The Company holds a 100% interest in this project. The Company's Definitive Feasibility Study ("DFS") for Maniry was completed in late 2022 and demonstrates a compelling business case, with strong financial returns.

Testing of graphite produced at Maniry has previously been undertaken by independent parties and results have indicated our graphite concentrate is highly suitable for a range of value-added products, including the EV industry. It also supports Madagascar as an optimal location for graphite processing.

The Company also completed its Environmental & Social Impact Assessment ("ESIA"), which has been approved by the Office National pour l'Environnement ("ONE"). Substantial progress has recently been made in the completion of a regional relocation and action plan. Completion of this plan is anticipated in the short term and is a key component of the finalisation of our mine development and construction permits.

In July 2024, the Board appointed Ms. Lydia Boarlaza as General Manager of Development for Evion in Madagascar. Ms. Boarlaza is a well recognised leading mine development advisor and has previously assisted other graphite mining groups in their evolution from development to the completion of construction and the commencement of mining.

Evion is also very active in implementing a number of social development and improvement programs and recently the Company constructed a new primary school, which can house 100 students, in the town of Maniry and donated 30mt of food to local villages.

(ii) Panthera Expandable Graphite Joint Venture ("the JV") in India

The Company holds a 50% interest in the JV project with Metachem Manufacturing Company Pvt. Ltd.

During 2023, the JV completed a Feasibility Study for the Expandable Graphite Plant with a projected JV post-tax NPV of US\$78 million and initial stage CAPEX of US\$3 million. During 2023, the JV completed a Feasibility Study for the Expandable Graphite Plant with a projected JV post-tax NPV of US\$78 million and initial stage CAPEX of US\$3 million.

Strong progress was made in FY24, with testing of all equipment and the commencement of ramp up production starting in April 2024 with ongoing progress made for the remainder of the year.

The JV has also secured a concentrate supply for the rest of the FY25, ensuring both supply and pricing stability to meet production demands.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES (continued)

(iii) Battery Anode Materials ("BAM") Plant Plans

During FY23, the Company completed and published its Scoping Study on its proposed BAM plant in Europe. The study found a BAM plant could generate strong financial returns.

In addition, the Company signed a Collaborative Agreement with Urbix Inc, a company in the USA which is positioned to become one of the world's largest producers of advanced, green anode material for the rapidly expanding EV battery market.

Evion now plans to undertake an advanced pre-feasibility study utilising the results of its Scoping Study with input from designated development partners.

STATE OF AFFAIRS

There were no significant changes in the Group's state of affairs during the financial year, other than as set out in the Review of Operations on pages 7 to 12.

OPERATIONS UPDATE

Maniry Graphite Project in Madagascar

Appointment of a Leading Mine Development Advisor

Post year-end, the Company formally appointed Ms. Lydia Boarlaza into the role of General Manager-Development. Ms. Boarlaza is responsible for the following key activities:

- all permitting and licence approvals associated with the project; and
- overseeing the completion of the relocation action plan ("RAP") and the final implementation of Environmental and Social Impact Plan ("ESIP") as part of the process to be granted a mine development permit.

Ms. Boarlaza is very experienced and previously worked with Next Source Materials Inc ("Next Source") to obtain all necessary permits and license to allow Next Source to develop their Molo Graphite Project and begin production in late 2023.

The Company also employed other key staff to assist with the process of getting approval for all permits and licences.

A New Mining Code in Madagascar and Strong Support from the World Bank

In August 2024, the Madagascar Government confirmed a new Mining Code which allows granting of development and production licences for compliant graphite projects. 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 new Mining Code has received strong support from the World Bank, where significant incentives and funding is made available to the Madagascar Government by the World Bank in an effort to promote mining industry in Madagascar.

One of the material activities of the Programme is to process pending Mining Permit Applications including the renewal, transfer and transformation of all categories of permits. One of the material activities of the Programme is to process pending Mining Permit Applications including the renewal, transfer and transformation of all categories of permits. The Company has applied for a number of its exploration permits ("PRs") to be converted to exploitation and mining permits ("PEs").

Progressing with the Environmental and Social Impact Plan ("ESIP")

As previously announced, the Company submitted the Environmental and Social Impact Assessment ("ESIA") to the Office National pour l'Environnement ("ONE") in July 2023. ONE's technical review of the ESIA study was completed and the ESIA was accepted and approved.

OPERATIONS UPDATE (continued)

Maniry Graphite Project in Madagascar (continued)

Currently, Ms. Boarlaza and other members of the project development team are in the process of completing the ESIP which contains the RAP. This process will involve substantial engagement with the local community around Maniry and seek feedback from the local stakeholders.

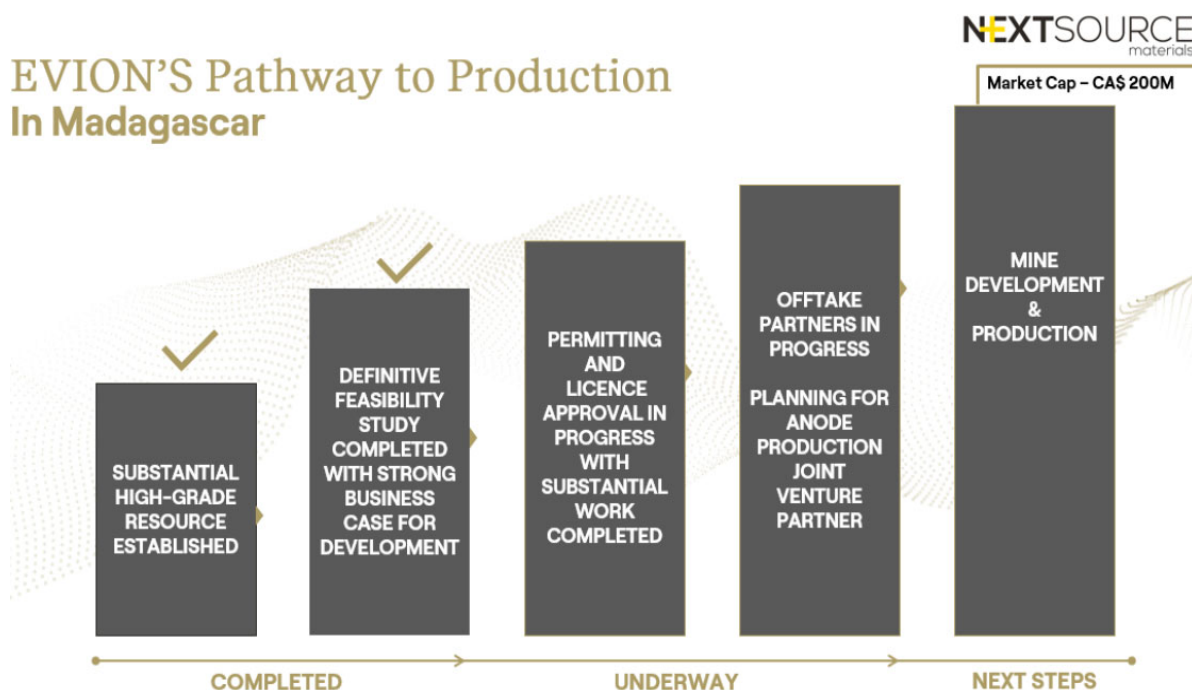


Figure 1 – Evion’s pathway to production

Panthera Expandable Graphite Joint Venture (“the JV”) in India

Testing and Production Ramp-Up Period Largely Concluded Pathing Way to A Full-Scale Production

During the reporting period, the focus of the JV was to complete the construction of all infrastructure needed in order to commence production . Following the approved plant design and meeting the licensing and permit requirements, civil works commenced. An extensive team of engineers and construction personnel were on site completing civil works and prefabrication of 4,000 sqm of building. The lead contractor on site is Ulka Projects Pvt Ltd, an ISO certified construction company in Pune, India.

Prior to the commencement of construction, the Board and management of the JV agreed to increase the main processing facility structure to provide for the doubling of production in the short-term. This structural change will result in lower capital and minimal disruption during the expansion, which is expected to kick start in the second year of production.

During the March 2024 Quarter, the JV operation successfully completed the construction of all infrastructure at the facility, with the inbuilt capability to accommodate the expansion of production in the short-term. All equipment is sourced from reputable companies within India, thereby reducing any risk associated with logistics. They are carefully selected by the JV’s partner Metachem. As part of capital cost efficiency management, the JV partners decided to install a more advanced effluent treatment plant (ETP). This new ETP will lower operating costs and reduce final waste and overall carbon footprint of this project.

Over the course of construction activities, a site safety plan has been established and the plan meets the world-class industrial and mine operational standards. The site has recorded no lost-time injuries to date.

OPERATIONS UPDATE (continued)

Panthera Expandable Graphite Joint Venture ("the JV") in India (continued)

At the end of the March 2024 Quarter the JV commenced production, with ramp-up to occur over the next few months as the JV operational team continued with the testing of all equipment. Key experienced personnel from our JV partner, Metachem, assisted with the commissioning of the processing facility. All Metachem's operational members have a track record in expandable graphite processing, with competence in maintenance, technical aspects and operational analysis. This places Evion Group a step closer to becoming the first ASX-listed expandable graphite company. In addition, the commencement of production of this project will fill a projected global shortage of expandable graphite following China's ban on export of graphite materials.



Figure 2 – PGT Chairman (Jayant Pawar – far right) and Production Team inspecting equipment just prior to the commencement of production

Funding of the Panthera Expandable Graphite Project

To-date, the JV has invested over US\$4 million to this processing facility. The funding of this project is secured via financing from a reputable Indian based bank, and this ensures that the Project is fully funded to production.

The Project site at Kurkumbh is an advanced industrial location within the Indian Special Economic Zone which offers various economic, taxation and business concessions. The site development also includes a 34% 'green zone' allowance in compliance with the local environmental regulations. With the debt funding, the JV entity will qualify for very favourable power and other concessions as part of the Special Economic Zone incentives.

Concentrate Supplies and Sales of Expandable Graphite

As part of the full scale qualification process, a range of potential feed stock material has been sourced and tested at Metachem's processing facility in Pune, and the JV's expandable graphite products were deemed suitable for a variety of potential uses.

Prospective customers have shown strong interest in the JV's product. Initial production of sample material has commenced during the financial period at the request of European buyers for testing and product pricing assessment.

OPERATIONS UPDATE (continued)

Panthera Expandable Graphite Joint Venture (“the JV”) in India (continued)

This creates maximum pricing opportunities for the JV with an initial 500 tonnes to be delivered in the first quarter of production.

Evion has previously announced that it had signed an offtake and sales agreement with a global graphite downstream processing leader, Grafitbergbau in Austria. Under this agreement, the JV will supply up to 2,500 tonnes per annum of expandable graphite upon commencement of operation.

The JV had various discussions with current and several potential new buyers in southeast Asia, Japan and other markets. These meetings focused on the establishment of fixed price terms for the first year of production at price levels that are within the JV's budget guidelines. This, again, will provide diversity to the JV's sales channels and increasing fixed sales contracts can provide returns that ensure strong JV cash flow and that the JV is on target to deliver first year's operational metrics, that is to generate US\$9 million of revenue initially with capacity to more than double this in subsequent years.

Post financial year end, the JV has entered into an agreement with leading trading group, Technogرافit GmbH, Germany, to procure approximately an additional 1,000 tonnes of graphite concentrate to meet production requirement for the year. This new acquisition further increases the inventory of material currently on site and in production. Most graphite concentrate to be acquired is large or jumbo flake with fixed carbon (“FC”) content ranging from 90-95FC.

In addition to this, the JV has secured prices for lower specification material at significantly reduced prices to be delivered to Mumbai, India. Some of this material may also be purchased to meet expected short term demand from certain buyers and the pricing per tonne will vary depending on the lower specification materials delivered.

The present market conditions for the sale of expandable graphite are favourable given China's reduction in exports, and this provides an immense prospect to the JV who are amid concluding sales and pricing terms with existing buyers.



Figure 3 –The JV's inventory of graphite concentrate ready for treatment and produced expandable graphite for shipment

OPERATIONS UPDATE (continued)

Panthera Expandable Graphite Joint Venture (“the JV”) in India (continued)

Key Short-Term Activities of the Panthera Expandable Graphite Project

As at the date of this report, the current developments are:

- All government permits and infrastructure is now in place.
- All equipment testing has been completed.
- Strategic planning to expand production has already kicked off.
- The JV is also negotiating updated sales prices and volumes with current and new buyers to expand its export market.

Donnelly River Project in Australia

On 18 September 2023, the Company entered into an Option and Share Sale and Purchase Agreement with Core Value Australia NL (“Core”), a Western Australia focused exploration company, that granted Core an exclusive 24 month option for \$20,000 consideration to acquire a 100% interest in Evion’s subsidiary, BlackEarth Australia Pty Ltd.

Should the acquisition proceed, Evion will receive 4 million fully paid ordinary shares in Core. Evion will maintain 80%, with Core to hold 20% and contractual rights to graphite across the relevant tenements, which are E70/4824, E70/4825 and E70/4972.

During the option period, Core will keep the relevant Donnelly River Project tenements in good standing and meet the minimum tenement expenditure requirements.

Forward Looking Statements

Some of the statements appearing in this report 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 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 report. 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 report. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this report reflect views held only as at the date of this report.

This report is not an offer, invitation or recommendation to subscribe for, or purchase securities by the Company. Nor does this report 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.

DIRECTORS' REPORT

OPERATIONS UPDATE (continued)

Corporate

Board changes

In November 2023, Evion Group announced the appointment of Mrs. Heather Zampatti as Non-Executive Executive Chairperson. In May 2024, the Company appointed Mr. David Round as Managing Director and also Mr. Craig Lennon and Mr. Warrick Hazeldine as Non-Executive Directors. The Company received the resignations from Mr. George Bauk and Mr. Thomas Revy in November 2023 and April 2024 respectively.

RESULTS OF OPERATIONS

For the financial year ended 30 June 2024, the Group incurred a loss of \$3,212,073 (2023: \$3,573,273).

There were no dividends paid or recommended during the financial year ended 30 June 2024 (2023: No dividends were paid or recommended).

FINANCIAL POSITION

The Group working capital surplus was \$1,660,675 at 30 June 2024 (2023: working capital surplus of \$3,922,789).

In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to environmental regulation under the laws of Commonwealth of Australia and the jurisdictions in which the Group has operations. The Board believes that adequate systems are in place to manage all applicable environmental requirements relevant to the operations of entities in the Group and are not aware of any breach of environmental requirements as they apply to the entities of the Group.

EVENTS OCCURRING AFTER THE REPORTING DATE

- On 1 July 2024, the Company's registered office and principal administrative office changed to Suite 3, Ground Floor, 28 Ord Street, West Perth WA 6005.
- On 16 July 2024, the Company announced the appointment of Ms. Lydia Boarlaza as the General Manager-Development for the Maniry Graphite project. Lydia will be responsible for all permitting and license approvals in relation to the project.
- On 25 July 2024, the Company announced its Joint Venture in India (Panthera Graphite Technologies) has secured a supply of concentrate for the remainder of the year, guaranteeing the supply for operations.
- On 14 August 2024, the Company announced that the Madagascan Government has confirmed a new Mining Code and adopted an Indicative Programme for action on the issue, transfer and validation of mining permits, with the programme to formally begin on 1 August 2024.

Other than the above, the Directors are not aware of any matter or circumstance that has significant or may significantly affect the Group's operations, results or state of affairs in subsequent financial years.

FUTURE DEVELOPMENTS

The Review of Operations section set out on pages 7 to 12 of this Annual Report gives an indication of likely developments and the expected results of the operations. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' REPORT

SHARE OPTIONS

(a) Unissued ordinary shares

At the date of this report, the unissued ordinary shares of Evion Group NL under option are as follows:

Date options granted	Expiry date	Exercise price (cents)	Number of shares under option
16 February 2021	9 February 2025	15	4,500,000
26 May 2023	8 June 2026	12.5	17,000,000
			21,500,000

PERFORMANCE RIGHTS

(a) Performance rights granted to the Directors

Details of the performance rights granted as remuneration to the Directors during the year ended 30 June 2024 are as follows:

Date rights granted	Expiry date	Vesting condition	Number of rights granted
23 November 2023	22 November 2026	(i)	6,000,000

(i) Vesting on the Company finalising a binding offtake and/or supply agreement for a minimum of 20,000 tonnes of graphite concentrate from the commencement of production at Maniry graphite operations in Southern Madagascar.

(b) Performance rights on issue

The total number of performance rights on issue as at 30 June 2024 is set out in Note 16 to the financial statements. No new rights have been granted since the end of 30 June 2024.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid insurance premiums to insure the Directors against liabilities incurred by them in their capacity as a Director of the Group. The total amount of insurance premiums paid has not been disclosed for confidentiality reasons.

During the year and as at the date of this report, no indemnity in favour of a current or former Director or officer of the Group has been called on.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year, no non-audit services were provided by the auditor (or by another person or firm on the auditor's behalf).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

The report outlines the remuneration arrangements in place for Evion Group NL's key management personnel ("KMP") for the financial year ended 30 June 2024. For the purposes of this report KMP personnel refers to as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key management personnel

The KMP of the Group during or since the end of the financial year were:

Name	Position	Appointed	Resigned
Heather Zampatti	Non-Executive Chairperson	23 November 2023	-
George Bauk	Non-Executive Chairman	16 November 2020	23 November 2023
David Round	Managing Director	1 May 2024	-
Thomas Revy	Managing Director	15 August 2016	30 April 2024
Craig Lennon	Non-Executive Director	1 May 2024	-
Warrick Hazeldine	Non-Executive Director	1 May 2024	-

Remuneration policy

The Board policy is to remunerate Directors, officers and employees at market rates for time, commitment and responsibilities. The Board determines payment to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the Group. There is currently no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

The Group's aim is to remunerate at a level that will attract and retain high-calibre directors, officers and employees. The Group's officers and Directors are remunerated to a level consistent with the size of the Group.

Remuneration Report at FY2023 AGM

The FY2023 remuneration report received positive shareholder support at the FY2023 AGM with a vote of 87.51% in favour.

Use of remuneration consultants

The Company did not engage any remuneration advisors during the current financial year.

Contractual arrangements with Executive KMPs

Component	Managing Director – David Round	Managing Director – Thomas Revy ⁽¹⁾
Contract duration	Ongoing employment contract	Ongoing employment contract
Notice by individual	6 months	3 months
Notice by Company ⁽²⁾	6 months	6 months

(1) Thomas Revy resigned on 30 April 2024.

(2) The Company may choose to terminate the contract immediately by making a payment in lieu of notice equal to the fixed remuneration the Executive KMP would have received during the 'Employer Notice Period'. On termination of employment, Executive KMP will be entitled to the payment of any fixed remuneration calculated up to the termination date and any leave entitlement accrued at the termination date. The Board determines in its discretion whether the Executive retains any unvested performance rights.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Non-Executive Directors ("NEDs") Remuneration

The current fee is \$90,000 per annum (inclusive of superannuation) for the role of Chairperson and \$50,000 per annum (inclusive of superannuation) for other NEDs. Fees paid to NEDs cover all activities associated with their role on the Board and any sub-committees. NEDs are entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform extra services on behalf of the Company. They are also entitled to be reimbursed for reasonable out-of-pocket expenses incurred in the course of their duties.

The Company's constitution and the ASX listing rules specify that the NED fee pool limit, shall be approved periodically by shareholders. Total fees payable to all NEDs, excluding amounts for special exertion or the reimbursement of reasonable business expenditures, must not exceed \$250,000 per annum, in accordance with the Company's constitution. The amount of the aggregate remuneration sought to be approved by shareholders and the manner in which it is paid to NEDs is reviewed annually against comparable companies.

All NEDs enter into a service agreement with the Company in the form of a letter of appointment which summarises the key terms and conditions of the NED's appointment.

From time to time, the Board may approve the grant of equity to NEDs. Considering the need to attract and retain specialist director skills and experience to guide the Company through project implementation and into successful operations, 1,000,000 performance rights were issued to NEDs during the year ended 30 June 2024 (2023: Nil).

The terms and conditions of the performance rights granted to NEDs during the reporting period are set out below:

Grant date	Expiry date	Vesting conditions	Value per unit at grant date
23 November 2023	22 November 2026	Vesting on the Company finalising a binding offtake and/or supply agreement for a minimum of 20,000 tonnes of graphite concentrate from the commencement of production at Maniry graphite operations in Southern Madagascar	\$0.036

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Details of remuneration for year ended 30 June 2024

The following table discloses the remuneration of the Directors of the Company:

Name	Year	Fixed remuneration ⁽¹⁾	Cash bonus	Termination payment	Non-monetary benefits	Other long-term benefits ⁽³⁾	Share-based payment ⁽⁴⁾	Total	Performance related
		\$	\$	\$	\$	\$	\$		\$
Heather Zampatti	2024	78,166	-	-	-	-	33,799	111,965	30
	2023	60,273	-	-	-	-	125,818	186,091	68
David Round	2024	322,994	-	-	3,506	-	91,689	418,189	22
	2023	335,538	30,000 ⁽²⁾	-	3,155	-	381,405	750,098	55
Craig Lennon ⁽⁵⁾	2024	8,333	-	-	-	-	-	8,333	-
Warrick Hazeldine ⁽⁵⁾	2024	8,333	-	-	-	-	-	8,333	-
George Bauk ⁽⁶⁾	2024	35,750	-	-	-	-	240,020	275,770	87
	2023	90,000	-	-	-	-	144,668	234,668	62
Thomas Revy ⁽⁷⁾	2024	293,193	-	216,667 ⁽⁷⁾	2,922	27,083 ⁽⁷⁾	793,773	1,333,638	63
	2023	361,619	-	-	3,740	61,740	404,946	832,045	49

(1) Fixed remuneration includes cash salary, fees, superannuation, and annual leave benefits.

(2) Related to prior year cash bonus.

(3) Other long-term benefits are the accounting expense of long service leave accrued.

(4) Represents non-cash value of performance right remuneration arrangements under the Company's Securities Incentive Plan. These amounts are recognised in the Company's profit or loss over the vesting period in accordance with AASB2 Share-based Payment.

(5) Craig Lennon and Warrick Hazeldine commenced with Evion Group on 1 May 2024.

(6) George Bauk resigned on 23 November 2023. The Board determined Mr Bauk could retain his performance rights. The share-based payment expense in relation to these was accelerated on resignation.

(7) Thomas Revy resigned on 30 April 2024 and his termination payment include value of fixed remuneration, salary sacrifice arrangement and leave entitlement accrued at the termination date. His other long-term benefits were fully paid at the termination date. The Board approved the termination payment and determined Mr Revy could retain his performance rights. The share-based payment expense in relation to these was accelerated on resignation.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Details of rights held by the KMP

The table below shows a reconciliation of rights over EVG ordinary shares held directly, indirectly, or beneficially by each KMP from the beginning to the end of the financial year 30 June 2024 (FY24).

KMP and grant dates of rights	Opening balance	Granted in FY24	Exercised in FY24 ⁽¹⁾	Lapsed/ Forfeited in FY24	Closing balance	Vesting date	Expiry date	Vested in FY24
	Number	Number	Number	Number	Number			Number
Heather Zampatti	1,925,000	1,000,000	-	-	2,925,000			-
20/1/2022	1,925,000	-	-	-	1,925,000	20/1/2026	20/1/2026	-
23/11/2023	-	1,000,000	-	-	1,000,000	22/11/2026	22/11/2026	-
David Round	8,475,000	2,000,000	(1,600,000)	(1,000,000)	7,875,000			-
9/7/2021	2,100,000	-	(1,100,000)	(1,000,000)	-	30/11/2023	30/11/2023	-
20/1/2022	6,375,000	-	(500,000)	-	5,875,000	20/1/2026	20/1/2026	-
23/11/2023	-	2,000,000	-	-	2,000,000	22/11/2026	22/11/2026	-
George Bauk	3,275,000	-	-	(1,000,000)	2,275,000			-
30/11/2018	1,000,000	-	-	(1,000,000)	-	30/11/2023	30/11/2023	-
20/1/2022	2,275,000	-	-	-	2,275,000	20/1/2026	20/1/2026	-
Thomas Revy	10,500,000	3,000,000	(2,000,000)	(2,000,000)	9,500,000			-
30/11/2018	2,000,000	-	-	(2,000,000)	-	30/11/2023	30/11/2023	-
20/1/2022	8,500,000	-	(2,000,000)	-	6,500,000	20/1/2026	20/1/2026	-
23/11/2023	-	3,000,000	-	-	3,000,000	22/11/2026	22/11/2026	-

(1) Rights converted to ordinary shares of EVG for nil consideration on 26 July 2023.

Shares and options over shares of the Company held by KMP

This table shows the movement of EVG ordinary shares held directly, indirectly, or beneficially by each KMP, including their related parties from the beginning to the end of the financial year 30 June 2024.

KMP	Opening balance	Received on exercise of rights	Other changes	Closing balance
	Number of shares	Number of shares	Number of shares	Number of shares
Heather Zampatti	885,185	-	-	885,185
David Round	3,785,956	1,600,000	1,185,706	6,571,662
Craig Lennon	-	-	-	-
Warrick Hazeldine	-	-	-	-
George Bauk	4,880,341	-	-	4,880,341
Thomas Revy	12,542,796	2,000,000	400,000	14,942,796

This table shows the movement of options of the Company held directly, indirectly, or beneficially by each KMP, including their related parties from the beginning to the end of the financial year 30 June 2024.

KMP	Opening balance	Granted free attaching	Other changes	Closing balance
	Number of options	Number of options	Number of options	Number of options
Heather Zampatti	92,593	-	(92,593)	-
David Round	185,184	-	(185,184)	-
Craig Lennon	-	-	-	-
Warrick Hazeldine	-	-	-	-
George Bauk	-	-	-	-
Thomas Revy	185,185	-	(185,185)	-

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Financial transactions with KMP

During the financial year, the followings were paid and payable to KMP for services.

Director	\$	Description of services
George Bauk	52,020	Rental and administration services paid and payable to PVW Resources Ltd from 1 July 2023 to 23 November 2023. George Bauk is a director of PVW Resources Ltd.

Financial transactions with KMP (continued)

At the end of the reporting period, the following was recognised in relation to the above transactions.

	2024	2023
	\$	\$
Current liabilities (amounts payable)	5,060	6,842

END OF REMUNERATION REPORT

The Directors' Report is signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors.



David Round
Managing Director

Perth, 4 September 2024

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Evion Group NL for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,


HALL CHADWICK WA AUDIT PTY LTD


D M BELL CA
Director

Dated at Perth this 4th day of September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Other income	3	598,138	785,052
Exploration and evaluation costs written off		(479,473)	(511,760)
Personnel and consulting costs		(1,322,154)	(1,473,544)
Share-based payments expense		(973,038)	(1,056,837)
Occupancy costs		(75,459)	(76,528)
Administration costs		(700,825)	(1,051,950)
Depreciation of non-current assets		(18,100)	(16,925)
Net foreign currency exchange differences		(8,814)	(13,370)
Other expenses from ordinary activities	4	(56,162)	(76,508)
Finance costs		(6,127)	(3,169)
Share of loss of equity accounted joint venture		(170,059)	(77,734)
Loss before income tax		(3,212,073)	(3,573,273)
Income tax benefit	5	-	-
Loss after income tax		(3,212,073)	(3,573,273)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the consolidated statement of profit or loss:			
Exchange differences on translation of foreign operations		24,699	(193,472)
Items not to be reclassified subsequently to the consolidated statement of profit or loss:			
Investments designated as fair value through other comprehensive income		(1,077)	(7,779)
Total comprehensive income/(loss) for the year attributable to owners of Evion Group NL		(3,188,451)	(3,774,524)
Basic and diluted loss per share (cents per share)	17	0.92	1.21

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	6	1,949,729	4,303,402
Trade and other receivables	7	244,462	137,716
Other current assets		122,022	102,460
Total current assets		2,316,213	4,543,578
Non-current assets			
Other financial assets	8	229,389	230,466
Equity accounted investments	20 (b)	430,174	607,533
Capitalised exploration and evaluation expenditure	9	6,545,651	6,339,257
Property, plant and equipment	10	181,896	182,826
Right-of-use assets	11	75,169	-
Total non-current assets		7,462,279	7,360,082
TOTAL ASSETS		9,778,492	11,903,660
Current liabilities			
Trade and other payables	12	417,646	438,769
Lease liabilities	11	19,833	-
Deferred revenue	9	159,945	-
Provisions	13	58,114	182,020
Total current liabilities		655,538	620,789
Non-current liabilities			
Lease liabilities	11	55,336	-
Total non-current liabilities		55,336	-
TOTAL LIABILITIES		710,874	620,789
NET ASSETS		9,067,618	11,282,871
Equity			
Issued capital	14	28,217,167	27,716,757
Reserves	15	2,381,101	1,884,691
Accumulated losses		(21,530,650)	(18,318,577)
TOTAL EQUITY		9,067,618	11,282,871

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Issued capital \$	Share-based payment reserve \$	Financial assets reserve ⁽¹⁾ \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2023	27,716,757	2,133,375	(7,779)	(240,905)	(18,318,577)	11,282,871
Loss for the year	-	-	-	-	(3,212,073)	(3,212,073)
Other comprehensive income/(loss)	-	-	(1,077)	24,699	-	23,622
Total comprehensive income/(loss) for the year	-	-	(1,077)	24,699	(3,212,073)	(3,188,451)
Issue of shares	-	-	-	-	-	-
Share issue transaction costs	-	-	-	-	-	-
Employee Securities Incentive Scheme issues	-	-	-	-	-	-
Share-based payments	-	973,038	-	-	-	973,038
Exercise of performance rights	500,250	(500,250)	-	-	-	-
Expired options transferred to accumulated losses	-	-	-	-	-	-
Partly paid ordinary shares fully paid up and become fully paid ordinary shares	160	-	-	-	-	160
Balance at 30 June 2024	28,217,167	2,606,163	(8,856)	(216,206)	(21,530,650)	9,067,618

(1) Represents the fair value movement in financial assets designated as fair value through other comprehensive income.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 30 June 2024

	Issued capital \$	Share-based payment reserve \$	Financial assets reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	24,294,834	1,504,107	-	(47,433)	(14,933,091)	10,818,417
Loss for the year	-	-	-	-	(3,573,273)	(3,573,273)
Other comprehensive income/(loss)	-	-	(7,779)	(193,472)	-	(201,251)
Total comprehensive income/(loss) for the year	-	-	(7,779)	(193,472)	(3,573,273)	(3,774,524)
Issue of shares	3,400,000	-	-	-	-	3,400,000
Share issue transaction costs	(554,421)	303,602	-	-	-	(250,819)
Employee Securities Incentive Scheme issue	17,000	-	-	-	-	17,000
Share-based payments	-	1,056,837	-	-	-	1,056,837
Exercise of performance rights	543,384	(543,384)	-	-	-	-
Expired options transferred to accumulated losses	-	(187,787)	-	-	187,787	-
Partly paid ordinary shares fully paid up and become fully paid ordinary shares	15,960	-	-	-	-	15,960
Balance at 30 June 2023	27,716,757	2,133,375	(7,779)	(240,905)	(18,318,577)	11,282,871

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

		2024	2023
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		236,727	169,759
Payments to suppliers and employees		(2,331,138)	(2,531,493)
Expenditure on exploration		(470,828)	(504,323)
Proceeds from government grants and tax incentives		284,972	622,486
Interest received		138,057	20,086
Interest paid		(6,108)	(3,131)
Net cash used in operating activities	6	(2,148,318)	(2,226,616)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(177,455)	(1,538,035)
Purchase of plant and equipment		(17,241)	(2,996)
Investment in a joint venture		-	(698,579)
Investment in financial assets		-	(238,245)
Net cash used in investing activities		(194,696)	(2,477,855)
Cash flows from financing activities			
Proceeds from issue of shares		-	3,415,960
Payments for share issue transaction costs		(13,824)	(236,996)
Net cash (used in)/generated by financing activities		(13,824)	3,178,964
Net (decrease)/increase in cash held		(2,356,838)	(1,525,507)
Cash and cash equivalents at the beginning of the year		4,303,402	5,809,297
Effect of exchange rates on cash and cash equivalents		3,165	19,612
Cash and cash equivalents at the end of the year	6	1,949,729	4,303,402

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

This section sets out the material accounting policies adopted in the preparation of these consolidated financial statements of Evion Group NL and its subsidiaries and joint arrangements (collectively, the “Group”). Where an accounting policy and critical accounting estimates, assumptions, and judgements are specific to a note, they are described within the note to which they relate.

Evion Group NL is a no liability company, incorporated and domiciled in Australia. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements for the year ended 30 June 2024 were approved and authorised for issue by the Board of Directors on 4 September 2024.

1. BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001*.

(a) Compliance with IFRS

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention. History cost is generally based on the fair values of the consideration given in exchange for goods and services.

(c) Functional and presentation currency

All amounts are presented in Australian dollars, which is the Group’s reporting currency and functional currency of the Company.

(d) Adoption of new and revised accounting standards

The Group has adopted all new and revised standards and interpretations issued by AASB that are relevant to its operations of the Group and effective for the current reporting period.

(e) Standards and interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(f) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the period of \$3,212,073 (2023: loss of \$3,573,273) and net cash outflows from operating activities of \$2,148,318 (2023: \$2,226,616). As at 30 June 2024, the Group had a cash balance of \$1,949,729 (2023: \$4,303,402).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with the available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. BASIS OF PREPARATION (continued)

(f) Going concern (continued)

The Directors are satisfied that the going concern basis of preparation of the consolidated financial report is appropriate due to:

- The Company has a history of successful capital raising to date and the Directors are confident of the Company's ability to raise additional funds as and when they are required; and
- The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for a period of 12 months from the date of this report.

Based on the reasons above, the Directors believe it is appropriate that the consolidated financial report be prepared on a going concern basis.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(g) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised profits on transactions between members of the Group are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(h) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit or loss.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. BASIS OF PREPARATION (continued)

(i) Critical accounting estimates, assumptions, and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Actual results may differ from those reported in these statements.

The areas involving significant estimates, judgements or assumptions are found in the following notes:

- Recognition of deferred tax assets for carried forward tax losses – Note 5
- Carry forward value of exploration and evaluation expenditure – Note 9
- Classification of joint arrangements – Note 20 (b)

Environmental matters

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors' understanding thereof. At the current stage of the Group's development and its current environmental impact, the Directors believe such treatment is reasonable and appropriate.

(j) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impaired assets are reviewed for possible reversal of the impairment at each reporting date. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board has identified that the Group has three reportable segments which are exploration activities relating to minerals within Australia and the Republic of Madagascar, a joint venture operation in India and activities relating to pre-feasibility study of battery anode materials plant.

(i) Segment revenue and results

For the year ended 30 June 2024

	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Revenue	-	105,471	-	105,471
Exploration and evaluation expenditure	(309,924)	(169,549)	-	(479,473)
Personnel and consulting costs	(1,129,060)	(193,094)	-	(1,322,154)
Share-based payment expense	(973,038)	-	-	(973,038)
Occupancy costs	(50,600)	(24,859)	-	(75,459)
Administration costs	(570,316)	(119,670)	-	(689,986)
Depreciation of non-current assets	(11,528)	(6,572)	-	(18,100)
Other expenses from ordinary activities	-	(55,424)	-	(55,424)
Finance costs	(6,108)	(19)	-	(6,127)
Share of loss of equity accounted joint venture	-	-	(170,059)	(170,059)
Segment result	(3,050,574)	(463,716)	(170,059)	(3,684,349)
Other income				492,667
Other expenses				(20,391)
Loss from continuing operations				(3,212,073)

	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Revenue	-	90,890	-	90,890
Exploration and evaluation expenditure	(382,115)	(129,645)	-	(511,760)
Personnel and consulting costs	(1,301,629)	(171,915)	-	(1,473,544)
Share-based payment expense	(1,056,837)	-	-	(1,056,837)
Occupancy costs	(53,200)	(23,328)	-	(76,528)
Administration costs	(937,387)	(104,579)	-	(1,041,966)
Depreciation of non-current assets	(10,307)	(6,618)	-	(16,925)
Other expenses from ordinary activities	-	(73,243)	-	(73,243)
Finance costs	(3,131)	(38)	-	(3,169)
Share of loss of equity accounted joint venture	-	-	(77,734)	(77,734)
Segment result	(3,744,606)	(418,476)	(77,734)	(4,240,816)
Other income				694,163
Other expenses				(26,620)
Loss from continuing operations				(3,573,273)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

2. SEGMENT INFORMATION (continued)

(ii) Segment Assets

30 June 2024	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Assets	439,846	6,462,900	430,174	7,332,920
Unallocated:				
Cash and cash equivalents				1,949,729
Other assets				495,843
Total Group Assets				9,778,492
30 June 2023	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Assets	440,923	6,256,506	607,533	7,304,962
Unallocated:				
Cash and cash equivalents				4,303,402
Other assets				295,296
Total Group Assets				11,903,660

(iii) Segment Liabilities

30 June 2024	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Liabilities	-	-	-	-
Unallocated:				
Trade and other payables				417,646
Other current liabilities				237,892
Other liabilities				55,336
Total Group Liabilities				710,874
30 June 2023	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Segment Liabilities	-	-	-	-
Unallocated:				
Trade and other payables				438,769
Other current liabilities				182,020
Total Group Liabilities				620,789

(iv) Other segment information

30 June 2024	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Investment in a joint venture	-	-	-	-
Capital expenditure ⁽¹⁾	104,116	89,882	-	193,998

(1) Capital expenditure consists of additions to exploration and evaluation assets and property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. SEGMENT INFORMATION (continued)

(iv) Other segment information (continued)

30 June 2023	Australia	Madagascar	India	Total
	\$	\$	\$	\$
Investment in a joint venture	-	-	607,533	607,533
Capital expenditure ⁽¹⁾	937,139	137,884	-	1,075,023

(1) Capital expenditure consists of additions to exploration and evaluation assets and property, plant and equipment.

3. OTHER INCOME

	2024	2023
	\$	\$
Research and development ("R&D") rebate	284,972	625,267
Royalties	105,471	90,890
Interest income	145,427	20,086
Recovery of expenses	59,855	48,809
Other income	2,413	-
	598,138	785,052

4. OTHER EXPENSES

	2024	2023
	\$	\$
Fines, penalties and donations	7,481	39,793
Provision for non-recoverability of value-added tax	(12,143)	(842)
Allowance for expected credit losses	57,269	36,750
Others	3,555	807
	56,162	76,508

5. INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax and is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised in the consolidated statement of other comprehensive income.

	2024	2023
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Reconciliation of income tax expense to prima facie tax payable

	2024	2023
	\$	\$
Loss before income tax	(3,212,073)	(3,573,273)
Deduct: Loss from equity-accounted investments	(170,059)	(77,734)
Loss subject to tax	(3,042,014)	(3,495,539)
Prima facie tax benefit at 30% (2023:25%)	(912,604)	(873,885)
Non-deductible expenses	543,339	323,749
Movement in unrecognised temporary differences	(133,606)	(204,457)
Movement in deferred tax assets not brought into account	502,872	754,593
Income tax benefit	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. INCOME TAX EXPENSE (continued)

Current income tax benefit/(expense) is calculated on the basis of the taxation laws enacted or substantially enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Current tax is the expected tax payable on the taxable income for the year and any adjustments to tax payable in respect to prior years.

Result from equity accounted investments has been taxed in the company whose result is disclosed as equity accounted investments in the consolidated financial statements.

(b) Deferred tax

Deferred tax is provided using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. No deferred income tax is recognised if temporary differences arise from the initial recognition of an asset or a liability (other than in a business combination) affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not recognised for temporary differences between carrying amounts and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Unrecognised deferred tax assets

Unused tax losses for which no deferred tax asset has been recognised are \$16,144,053 (2023: \$13,415,015). Potential tax benefit is \$4,843,216 (2023: \$3,353,754).

Critical accounting estimates and judgements

Deferred tax

Judgement is required in determining whether deferred tax assets are recognised in the consolidated statement of financial position. Deferred tax assets are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable income. Assumptions about the generation of future taxable income depend on management's estimates of future cash flows from operations.

The current income tax position represents the Directors' best estimate, pending on assessment by the Australian Taxation Office. With regards to R&D incentive, AusIndustry reserves the right to review claims made under the R&D legislation.

6. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash at bank and in hand	593,786	1,303,402
Short-term deposits	1,355,943	3,000,000
	<u>1,949,729</u>	<u>4,303,402</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

6. CASH AND CASH EQUIVALENTS (continued)

Reconciliation of loss for the year to net cash flows from operating activities

	2024	2023
	\$	\$
Loss after income tax	(3,212,073)	(3,573,273)
Share-based payments to key management personnel	973,038	1,056,837
Depreciation of non-current assets	18,100	16,925
Net foreign currency differences	(3,165)	(27,156)
Allowance for expected credit losses	57,269	36,750
Share of (profit)/loss of equity accounted investments	170,059	77,734
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(160,803)	58,285
(Decrease)/increase in trade and other payables	(26,782)	34,925
(Decrease)/increase in employee entitlement provision	(123,906)	92,357
(Decrease)/increase in other liabilities	159,945	-
Net cash used in operating activities	(2,148,318)	(2,226,616)

Cash and cash equivalents include cash at bank and on hand as well as short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
GST receivable	19,815	32,036
Other receivables ⁽¹⁾	224,647	105,680
	244,462	137,716

(1) Net of allowances for expected credit losses of \$92,412 (2023: \$36,750).

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any expected credit losses.

At each reporting date, the Group applies the AASB 9 simplified approach to measuring expected credit losses. If there is objective evidence of impairment, the amount of expected credit losses is the difference between the receivable's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cashflows relating to short-term receivables are not discounted if the effect is immaterial. The expected credit losses are recognised in the statement of profit or loss.

Goods and services tax (GST) and value added tax (VAT)

Revenue, expense and assets are recognised net of the amount of GST/VAT, except:

- (i) where the GST/VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of the expense;
- (ii) for receivables and payables which are recognised inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented in the cash flow statement on a gross basis, except for the GST/VAT component of investing and financing activities which is disclosed as an operating cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

8. OTHER FINANCIAL ASSETS

These represent investments in unlisted equity securities of Urbix Inc., which are designated as fair value through other comprehensive income ("FVOCI").

Investments in equity instruments designated as FVOCI are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit or loss unless the dividends clearly represent recovery of investment costs. Other fair value gains or losses are recognised in other comprehensive income and are not reclassified to the consolidated statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

On disposal of the equity instruments, any related balance within the financial assets reserve is reclassified to retained earnings.

9. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	2024	2023
	\$	\$
Balance at the beginning of the year	6,339,257	5,606,642
Additions	177,455	944,321
Foreign currency translation	28,939	(211,706)
Balance at the end of the year	6,545,651	6,339,257

During the year, the Group received initial deposit of \$159,945 from unrelated vendors to secure an acquisition of a permit in Madagascar.

Exploration and evaluation costs for each area of interest in the early stages of the project life are expensed as they are incurred.

Exploration and evaluation costs for each area of interest that has progressed to the definitive feasibility stage are capitalised as exploration and evaluation assets. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, otherwise costs are expensed.

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable, the asset is written down to its recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets in respect of that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to development expenditure.

Critical accounting estimates and judgements

Impairment of exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make estimates as to future events and circumstances. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the capitalised expenditure is unlikely, the relevant amount will be written off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

10. PROPERTY, PLANT AND EQUIPMENT

	Australia	Madagascar	Total
IT and other equipment	\$	\$	\$
Balance at 30 June 2022	33,821	31,808	65,629
Additions	2,268	728	2,996
Depreciation	(10,307)	(6,618)	(16,925)
Disposals	(119)	-	(119)
Foreign currency translation	-	3,539	3,539
Balance at 30 June 2023	25,663	29,457	55,120
Additions	15,349	1,194	16,543
Depreciation	(11,528)	(6,572)	(18,100)
Disposals	-	-	-
Foreign currency translation	-	627	627
Balance at 30 June 2024	29,484	24,706	54,190
Capitalised works in progress			
Balance at 30 June 2022	-	-	-
Additions	127,706	-	127,706
Balance at 30 June 2023	127,706	-	127,706
Additions	-	-	-
Balance at 30 June 2024	127,706	-	127,706
Net book value at 30 June 2023	153,369	29,457	182,826
Net book value at 30 June 2024	157,190	24,706	181,896

Each class of plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these subsequent costs will flow to the Group and the costs can be measured reliably. All repairs and maintenance costs are recognised in profit or loss during the reporting period in which they are incurred.

Gains and losses arising on a disposal of plant and equipment are recognised in the statement of profit or loss and determined by comparing proceeds from the sale of the assets to their carrying amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets are depreciated on a diminishing value basis to write down the cost, net of their residual values over their estimated useful lives as follows:

- IT equipment 2 – 5 years
- Furniture and fittings 3 – 12 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. RIGHT-OF-USE ASSETS

The Group has lease contracts for its corporate office and office equipment with lease terms between three and four years. Set out below are the carrying amounts of right-of-use assets and the lease liabilities recognised.

	2024	2023
	\$	\$
(a) Right-of-use assets		
Rental property	68,409	-
Office equipment	6,760	-
	<u>75,169</u>	<u>-</u>
(b) Lease liabilities		
Current	19,833	-
Non-current	55,336	-
	<u>75,169</u>	<u>-</u>

Lease liabilities

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability will be recognised by the Group where the Group is a lessee. Exceptions include contracts that are classified as short-term leases (i.e. leases with a lease term or remaining lease term of 12 months or less) and leases of low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease. Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate or an index or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the Consolidated Income Statement if the carrying amount of the right-of-use asset has been reduced to nil.

Right-of-use assets

The right-of-use assets comprises the initial measurement of the corresponding lease liability, any lease payment made at or before the commencement date and any initial direct costs incurred less any lease incentives received. The subsequent measurement of the right-of-use asset is at cost less accumulated depreciation, impairment losses and any adjustments for remeasurement of the lease liability. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the costs of the right-of-use assets reflects that the Group anticipates the exercise of a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

12. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade payables	133,487	176,576
Accruals	142,871	148,791
Other liabilities	141,288	113,402
	<u>417,646</u>	<u>438,769</u>

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

13. PROVISIONS

	2024	2023
	\$	\$
Leave obligations – current	58,114	182,020

Employee benefits

Liabilities for unpaid wages and salaries are recognised in other liabilities. The leave obligations cover the Group's liabilities for annual leave and long service leave which are classified as either short-term benefits or long-term benefits.

The current liability includes all of accrued annual leave and the unconditional entitlements to long service leave where employees are entitled to pro rata payments in accordance with their employment contracts. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2024	2023
	\$	\$
Current leave obligations expected to be settled after 12 months	-	61,740

14. ISSUED CAPITAL

(a) Share capital

	2024		2023	
	Number of Securities	\$	Number of securities	\$
Fully paid ordinary shares (i)	345,963,187	28,128,884	342,359,187	27,628,394
Partly paid ordinary shares at 2.01 cents (ii)	4,392,186	88,283	4,396,186	88,363
	350,355,373	28,217,167	346,755,373	27,716,757

(i) Movement in fully paid ordinary shares

	2024		2023	
	Number of securities	\$	Number of securities	\$
Balance at the beginning of the year	342,359,187	27,628,394	273,346,222	24,198,431
Exercise of performance rights	3,600,000	500,250	5,400,000	543,384
Partly paid ordinary shares fully paid up	4,000	240	400,000	24,000
Issued for cash at 5.4 cents per share	-	-	62,962,965	3,400,000
Employee securities incentive scheme issues	-	-	250,000	17,000
Share issue transaction costs	-	-	-	(554,421)
Balance at the end of the year	345,963,187	28,128,884	342,359,187	27,628,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. ISSUED CAPITAL (continued)

(ii) Movement in partly paid ordinary shares

	2024		2023	
	Number of securities	\$	Number of securities	\$
Balance at the beginning of the year	4,396,186	88,363	4,796,186	96,403
Partly paid ordinary shares fully paid up and become fully paid ordinary shares	(4,000)	(80)	(400,000)	(8,040)
Balance at the end of the year	4,392,186	88,283	4,396,186	88,363

Issued and paid-up capital is recognised at fair value of the consideration received. Transaction costs arising on the issue of ordinary shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

Partly paid ordinary shares carry one vote per share and carry a right to dividends in proportion to the amount already paid.

Upon the exercise of the options, each option is convertible into one ordinary share of the Company.

15. RESERVES

	2024	2023
	\$	\$
Options (a)	888,070	888,070
Performance rights (a)	1,718,093	1,245,305
Financial assets reserve	(8,856)	(7,779)
Foreign currency translation reserve	(216,206)	(240,905)
	<u>2,381,101</u>	<u>1,884,691</u>

(a) Refer to Note 16 for details.

16. SHARE-BASED PAYMENTS

The Company provides benefits to employees and others (that is, consultants of the Company) in the form of share-based payment transactions, whereby the employees and others render services in exchange for rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted.

The fair value of the equity-settled securities is measured to reflect expected market vesting conditions but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of equity-settled securities that are expected to become exercisable. The fair value of the equity-settled securities is recognised as an employee benefits expense over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied, with a corresponding increase in equity. At the end of each period, the Company revises its estimates of the number of equity-settled securities that are expected to become exercisable. The impact of the revision to original estimates, if any, is recognised in the profit or loss with a corresponding adjustment to equity.

(a) Performance rights issued to the Directors during the year

During the year ended 30 June 2024, 6,000,000 performance rights with a nil exercise price and expiry of three years were granted. The fair value of the performance rights granted was \$0.036.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

16. SHARE-BASED PAYMENTS (continued)

The following table identifies the hurdles to which conversion of the newly issued performance rights are linked during the term of the performance rights:

Hurdles	Number of rights
Vesting on the Company finalising a binding offtake and/or supply agreement for a minimum of 20,000 tonnes of graphite concentrate from the commencement of production at Maniry graphite operations in Southern Madagascar	6,000,000

(b) Movement in performance rights on issue (to the Directors)

	2024 Number of rights	2023 Number of rights
Balance at the beginning of the year	24,175,000	29,575,000
Granted during the year	6,000,000	-
Exercised during the year	(3,600,000)	(5,400,000)
Expired during the year	(4,000,000)	-
Balance at the end of the year	22,575,000	24,175,000

Weighted average remaining contractual life of rights outstanding at end of the year

2.28 years 2.11 years

(c) Movement in options on issue (to service providers)

	2024 Number of options	2023 Number of options
Balance at the beginning of the year	21,500,000	8,500,000
Granted during the year	-	17,000,000
Expired during the year	-	(4,000,000)
Balance at the end of the year	21,500,000	21,500,000

(d) Movement in free attaching options on issue (to the Directors)

	2024 Number of options	2023 Number of options
Balance at the beginning of the year	462,962	-
Granted free attaching during the year	-	462,962
Expired during the year	(462,962)	-
Balance at the end of the year	-	462,962

Options outstanding at the end of the financial year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price (cents)	2024 Number of options	2023 Number of options
16 February 2021	9 February 2025	15	4,500,000	4,500,000
26 May 2023	8 June 2026	12.5	17,000,000	17,000,000
Total			21,500,000	21,500,000

Weighted average remaining contractual life of options outstanding at end of the year

1.16 years 0.34 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

17. EARNINGS PER SHARE (EPS)

Basic earnings per share is calculated by dividing profit for the year after income tax attributable to the ordinary shareholders by the weighted average number of ordinary shares on issue during the financial year.

Diluted earnings per share is calculated by dividing profit for the year after income tax attributable to the ordinary shareholders by the weighted average number of ordinary shares on issue during the financial year, after adjusting for the effects of all potential dilutive ordinary shares that were outstanding during the financial year.

	2024	2023
Loss attributable to ordinary equity holders of Evion Group NL (\$)	(3,212,073)	(3,573,273)
Weighted average number of ordinary shares used in calculating basic and diluted EPS	350,099,635	295,665,747

The Group's options potentially dilute basic earnings per share in the future. However, they have been excluded from the calculation of diluted earnings per share because they are anti-dilutive.

18. KEY MANAGEMENT PERSONNEL COMPENSATION

Total remuneration paid to key management personnel of the Group during the year is as follows:

	2024	2023
	\$	\$
Short-term benefits ⁽¹⁾	753,197	884,325
Termination payments	216,667	-
Share-based payments	1,159,281	1,056,837
Long-term employee benefits	27,083	61,740
	2,156,228	2,002,902

(1) Short-term benefits include post-employment benefits of \$71,822 (2023: \$71,353).

Detailed remuneration disclosures are provided in the Remuneration Report on page 16.

Refer to Note 19 (c) for transactions with key management personnel related entities.

19. RELATED PARTY TRANSACTIONS

(a) Parent entities

The ultimate parent entity within the Group is Evion Group NL. Madagascar Graphite Ltd is the parent entity of BlackEarth Minerals Madagascar SARL.

(b) Subsidiaries and joint ventures

Interests in subsidiaries and joint ventures are set out in Note 20.

(c) Key management personnel related entities

	2024	2023
	\$	\$
Purchase of rental and administration services from related parties	52,020	70,240
Payable to related parties	5,060	-

PVW Resources Ltd provides rental space and administration to Evion Group NL. George Bauk, a director of PVW Resources Ltd, resigned as the Company's former Non-Executive Chairman on 23 November 2023. The disclosed amounts were billed based on normal market rates for such services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

20. INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name of subsidiary	Country of incorporation	Ownership interest (%) ⁽¹⁾	
		2024	2023
BlackEarth Australia Pty Ltd	Australia	100	100
Madagascar Graphite Ltd	Mauritius	100	100
BlackEarth Minerals Madagascar SARL	Madagascar	100	100

(1) All shares held are ordinary shares. The proportion of ownership interest is equal to the proportion of voting power held.

(b) Equity accounted investments

The Group's interest in equity accounted investments as at the end of the period is as follows:

Name of joint venture	Country of incorporation	Acquisition date	Principal activity	Ownership interest (%)	
				2024	2023
Panthera Graphite Technologies Pvt Limited	India	7 July 2022	Manufactures and sells expandable graphite-based flame/fire retardants	50	50

The Group's carrying amount and share of profit/(loss) of the equity accounted investments is as follows:

	2024	2023
	\$	\$
Balance at the beginning of the year	607,533	-
Share of profit/(loss)	(170,059)	(77,734)
Dividends received from equity accounted investments	-	-
Acquisition of an equity accounted investment	-	698,579
Foreign currency translation	(7,300)	(13,312)
Balance at the end of the year	430,174	607,533

The summarised financial information for the joint venture is set out below. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not Evion's share of those amounts.

Summarised statement of profit or loss and other comprehensive income

	2024	2023
	\$	\$
Revenue	226,276	-
Interest income	1,504	-
Depreciation of non-current assets	(49,184)	(426)
Interest expense	(136,011)	(20,192)
Other expenses	(355,600)	(134,850)
Profit/(loss) before income tax	(313,015)	(155,468)
Income tax expense	(27,102)	-
Profit/(loss) for the year	(340,117)	(155,468)
Other comprehensive income	-	-
Total comprehensive income	(340,117)	(155,468)
Dividend received	-	-
Group's share of profit/(loss) for the year	(170,059)	(77,734)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

20. INTERESTS IN OTHER ENTITIES (continued)

(b) Equity accounted investments (continued)

Summarised statement of financial position

	2024	2023
	\$	\$
Current assets, including cash and cash equivalents of \$265,726 (2023:\$604,833)	1,242,198	686,484
Non-current assets	5,036,409	1,295,237
Total assets	6,278,607	1,981,721
Current financial liabilities (excluding trade and other payables and provisions)	471,026	-
Other current liabilities	313,747	4,748
Non-current financial liabilities (excluding trade and other payables and provisions)	4,554,207	768,473
Other non-current liabilities	85,727	-
Total liabilities	5,424,707	773,221
Net assets	853,900	1,208,500

Reconciliation to carrying amount

Evion's 50% interest in the net assets of joint venture	426,950	604,250
Consolidation adjustments	3,224	3,283
Carrying amount of Evion's interest in joint venture	430,174	607,533

Commitments and contingent liabilities of the joint venture

Commitment to provide funding for the joint venture's Capital commitments, if called	-	200,000
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As at 30 June 2024, the joint venture had no contingent liabilities.

Joint ventures are joint arrangements in which two or more parties with joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A separate vehicle, not the parties, will have the rights to the assets and obligations for the liabilities relating to the arrangement. If more than an insignificant share of output from a joint venture is sold to third parties, this indicates that the joint venture is not dependent on the parties to the arrangement for funding and that the parties to the arrangement have no obligation for the liabilities of the arrangement. Joint ventures are accounted for using the equity method.

Equity accounted investments are initially recorded at cost, including the value of any goodwill on acquisition. Subsequently, the carrying amount of the investment is adjusted to reflect the share of post-acquisition profit or loss and other comprehensive income. After application of the equity method, including recognising the Group's share of the joint ventures' results, the value of the investment will be assessed for impairment if there is objective evidence that an impairment of the investment may have occurred. Where the carrying value of an equity accounted investment is reduced to nil after having applied equity accounting principles (and the Group has no legal or constructive obligation to make further payments, nor has made payments on behalf of the joint venture), dividends received from the joint venture will be recognised in share of profit/(loss) of equity accounted investments in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. REMUNERATION OF AUDITOR

	2024	2023
	\$	\$
Amount paid or payable for audit or review of the financial statements	<u>35,691</u>	<u>33,932</u>

The auditor of Evion Group NL is Hall Chadwick WA Audit Pty Ltd.

22. CONTINGENCIES

Madagascar Graphite Ltd - vendor fee

Upon completion of listing on the Australian Securities Exchange, the Group acquired the share capital of Madagascar Graphite Ltd. As a result of the acquisition, the vendor and/or its nominee(s) is entitled to receive a final cash payment of \$1,000,000 should the Company decide to mine within eight years after completion of the acquisition agreement.

Other than the above, the Group has no contingent assets or liabilities outstanding at end of the financial year. The Directors are not aware of any significant breaches of environmental legislation and requirements during the financial year.

23. COMMITMENTS

(a) Exploration

The Group has certain obligations with respect to tenements and minimum expenditure requirements in Australia.

	2024	2023
	\$	\$
Within 12 months	161,952	122,916
Between 12 months and 5 years	161,952	122,916
Total	<u>323,904</u>	<u>245,832</u>

There is no minimum exploration expenditure for tenements in Madagascar. The Group is obliged to pay permit fees of \$94,511 per annum (2023: \$99,915 per annum).

(b) Capital commitments

The Group has no capital expenditure contracted at year end (2023: \$nil).

24. FINANCIAL INSTRUMENTS

(a) Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Capital management activities require the maintenance of a strong cash balance to support ongoing business growth and exploration. Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. The Group's approach to capital management remains unchanged from 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (continued)

At the end of the financial year, the financial instruments of the Group are as follows:

	2024	2023
	\$	\$
Financial assets at amortised cost		
Cash and cash equivalents	1,949,729	4,303,402
Trade and other receivables	244,462	137,716
Financial assets at fair value through other comprehensive income		
Other financial assets	229,389	230,466
	<u>2,423,580</u>	<u>4,671,584</u>
Financial liabilities at amortised cost		
Trade and other payables	417,646	438,769
	<u>417,646</u>	<u>438,769</u>
Net financial instruments	<u>2,005,934</u>	<u>4,232,815</u>

(b) Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. Whilst the Board is responsible for risk management, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of objectives and policies. The Group's overall risk management focuses and seeks to minimise potential adverse impacts on the financial performance of the Group.

(c) Market risk

Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through cash and cash equivalents. Trade and other receivables and payables are non-interest bearing financial assets and liabilities. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

A 30 June 2024, if the interest rates had weakened/strengthened by 100 basis points from year-end rates with all other variables held constant, the loss for the year would have been \$19,494 higher/lower (2023: \$13,034).

Foreign exchange risk

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the US dollars and Malagasy Ariary. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The functional currency of the operations in Australia is the Australian dollar and that of its operations in Madagascar is the Malagasy Ariary. Transactions are primarily incurred by these operations in their functional currency. In addition, Evion Group NL (the ultimate parent entity) advances funds to its Malagasy subsidiary in the US dollars. The gains or losses on re-measurement of these intercompany fundings are not eliminated on consolidation as they do not form part of the net investment in foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (continued)

The Group's exposure to foreign exchange risk at the end of the year, expressed in Australian dollars, was as follows:

	USD	MGA	EUR
	\$	\$	\$
2024			
Financial assets			
Cash and cash equivalents	19,282	17,080	-
Trade and other receivables	-	213,346	-
Other financial assets	229,389	-	-
	248,671	230,426	-
Financial liabilities			
Trade and other payables	-	172,351	11,328
	-	172,351	11,328
Net financial instruments	248,671	58,075	(11,328)
	USD	MGA	EUR
	\$	\$	\$
2023			
Financial assets			
Cash and cash equivalents	146,959	55,829	-
Trade and other receivables	-	105,680	-
Other financial assets	230,466	-	-
	377,425	161,509	-
Financial liabilities			
Trade and other payables	-	172,378	13,098
	-	172,378	13,098
Net financial instruments	377,425	(10,869)	(13,098)

The exposure to foreign exchange risk is mitigated by having comparable assets and liabilities in the US dollars. Hence, a sensitivity analysis has not been performed.

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk arises from cash and cash equivalents and receivables. Cash and cash equivalents are held with recognisable banks. Other receivables are due from third parties considered credit worthy.

The carrying amounts of financial assets represent the maximum credit exposure. Impairment adjustment of \$92,412 (2023: \$36,750) has been made to trade receivables balance for amounts determined to be unrecoverable at reporting date.

(e) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The maturity profiles of financial liabilities, based on contractual undiscounted amounts are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (continued)

	2024	2023
	On demand or less than one year	On demand or less than one year
	\$	\$
Trade and other payables	417,646	438,769

(f) Fair value

The carrying values of the Group's financial assets and liabilities measured at amortised cost are equal to or approximate their respective fair values due to their short-term nature.

The fair value of the Group's investment in unlisted equity securities is classified as Level 3 on the fair value hierarchy with reference to the nature of valuation inputs used:

- Level 1 – Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3 – Valuation inputs are unobservable market data.

The following table shows the movements in the Group's Level 3 financial assets:

	2024	2023
	\$	\$
At the beginning of the year	230,466	-
Addition of financial assets	-	238,245
Unrealised losses recognised in the consolidated statement of comprehensive income (in the financial assets reserve)	(1,077)	(7,779)
At the end of the year	229,389	230,466

25. PARENT ENTITY INFORMATION

	2024	2023
	\$	\$
Financial position of parent entity at year end		
Current assets	2,044,167	4,379,098
Total assets	8,679,202	11,372,776
Current liabilities	309,368	434,114
Total liabilities	364,703	434,114
Net assets	8,314,499	10,938,662
<i>Equity</i>		
Issued capital	28,217,167	27,716,757
Reserves	2,597,307	2,125,595
Accumulated losses	(22,499,975)	(18,903,690)
	8,314,499	10,938,662
Result of parent entity		
Loss for the year	(3,596,285)	(3,670,833)
Other comprehensive loss:		
Investments designated as fair value through other comprehensive income	(1,077)	(7,779)
Total comprehensive loss for the year	(3,597,362)	(3,678,612)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

25. PARENT ENTITY INFORMATION (continued)

The financial information presented has been prepared using accounting policies consistent with those applied in the consolidated financial statements, except for the investment in subsidiaries which are accounted for at cost in the financial statements of Evion Group NL. As at 30 June 2024, the Company has no capital and contractual expenditure commitments in place (2023: \$Nil). Contingent liabilities are consistent with Note 22.

26. EVENTS OCCURRING AFTER THE REPORTING DATE

- On 1 July 2024, the Company's registered office and principal administrative office changed to Suite 3, Ground Floor, 28 Ord Street, West Perth WA 6005.
- On 16 July 2024, the Company announced the appointment of Ms. Lydia Boarlaza as the General Manager-Development for the Maniry Graphite project. Lydia will be responsible for all permitting and license approvals in relation to the project.
- On 25 July 2024, the Company announced its Joint Venture in India (Panthera Graphite Technologies) has secured a supply of concentrate for the remainder of the year, guaranteeing the supply for operations.
- On 14 August 2024, the Company announced that the Madagascar Government has confirmed a new Mining Code and adopted an Indicative Programme for action on the issue, transfer and validation of mining permits, with the programme to formally begin on 1 August 2024.

27. CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of Entity	Type of Entity	Trustee or participant in Joint Venture	% of share capital held	Country of incorporation	Australian Resident or Foreign resident (for tax purposes)	Foreign tax jurisdiction of foreign residents
Evion Group NL	Body Corporate	Not applicable	Not applicable	Australia	Australian	Not applicable
BlackEarth Australia Pty Ltd	Body Corporate	Not applicable	100	Australia	Australian	Not applicable
Madagascar Graphite Ltd	Body Corporate	Not applicable	100	Mauritius	Foreign	Mauritius
BlackEarth Minerals Madagascar SARL	Body Corporate	Not applicable	100	Madagascar	Foreign	Madagascar
Panthera Graphite Technologies Pvt Limited	Body Corporate	Participant in Joint Venture, partner	50	India	Foreign	India

DIRECTORS' DECLARATION

The directors of Evion Group NL declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (c) complying with International Financial Reporting Standards, as stated in Note 1 to the financial statements.
2. At the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.
4. In the Directors' opinion, the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.



David Round
Managing Director

Perth, 4 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVION GROUP NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Evion Group NL (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director’s declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(f) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$3,212,073 during the year ended 30 June 2024. As stated in Note 1(f), these events or conditions, along with other matters as set forth in Note 1(f), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Capitalised Exploration and Evaluation Expenditure</p> <p>At balance date, the Consolidated Entity's capitalised exploration expenditure were carried at \$6,545,651.</p> <p>The recognition and recoverability of the capitalised exploration expenditure was considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance to the Consolidated Entity's consolidated financial position. • The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. 	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements. • For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to supporting documentation and evaluating agreements in place with other parties as applicable; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest. • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> ○ the licenses for the right to explore expiring in the near future, or are not expected to be renewed; ○ substantive expenditure for further exploration in the specific area is

Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>neither budgeted or planned;</p> <ul style="list-style-type: none"> ○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. <ul style="list-style-type: none"> ● We assessed the appropriateness of the related disclosures in notes to the financial statements.
<p>Share Based Payments</p> <p>During the year ended 30 June 2024 the Consolidated Entity incurred share based payments of \$973,038.</p> <p>Share based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> ● the value of the transactions; ● the complexities involved in the recognition and measurement of these instruments; and ● the judgement involved in determining the inputs used in the valuations. 	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> ● Analysing agreements to identify the key terms and conditions of share based payments used and relevant vesting conditions used in accordance with AASB 2 Share Based Payments; ● Evaluating valuation models and assessing the assumptions and inputs used; ● Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; ● Assessing the achievement of relevant milestones; and ● Assessing the adequacy of the disclosures included in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 1(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Evion Group NL, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.


HALL CHADWICK WA AUDIT PTY LTD


D M BELL CA
Director

Dated this 4th day of September 2024
Perth, Western Australia

ADDITIONAL ASX INFORMATION

The information set out below is as at 20 August 2024, pursuant to the requirements of ASX Listing Rule 4.10.

1. CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement can be found at <https://eviongroup.com/corporate-governance>.

2. SUBSTANTIAL SHAREHOLDERS

There are no shareholders with holdings greater than 5%.

3. EQUITY SECURITIES

The number of holders of each class of securities is as follows:

<u>Quoted/Unquoted</u>	<u>Class</u>	<u>Number of units</u>	<u>Number of holders</u>
Quoted	Fully paid ordinary shares	345,963,187	2,338
Unquoted	Partly paid ordinary shares	4,392,186	23
Unquoted	\$0.125 Options	17,000,000	3
Unquoted	\$0.15 Options	4,500,000	2
Unquoted	Performance rights	6,125,000	4
Unquoted	Performance rights	4,725,000	4
Unquoted	Performance rights	4,725,000	4
Unquoted	Performance rights	6,000,000	3

4. VOTING RIGHTS

Ordinary shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Partly paid ordinary shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has a pro rata vote for every equivalent fully paid ordinary share held.

Options

Options have no voting rights.

Performance Rights

Performance rights have no voting rights.

5. HOLDERS HOLDING LESS THAN A MARKETABLE PARCEL

There were 1,153 shareholders of ordinary shares who held less than a marketable parcel of shares.

6. DISTRIBUTION OF SHAREHOLDERS

<u>Distribution of equity securities</u>	<u>Number of holders of fully paid ordinary shares</u>	<u>Number of holders of partly paid ordinary shares</u>	<u>Number of holders of unlisted options</u>	<u>Number of holders of performance rights</u>
0-1,000	64	-	-	-
1,001 - 5,000	290	1	-	-
5,001 – 10,000	364	-	-	-
10,001 - 100,000	1,140	16	-	-
100,001 and over	480	6	5	4
TOTAL	2,338	23	5	4

7. 20 LARGEST SHAREHOLDERS

Position	Name	Number of fully paid ordinary shares held	% Held
1	LITHIUM AUSTRALIA LIMITED	12,625,943	3.64%
2	MR GREGORY ALLAN HEAD	12,050,262	3.47%
3	MRS IFRAH NISHAT	10,275,000	2.96%
4	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	10,000,000	2.88%
5	THOMAS GEORGE REVY	9,292,426	2.68%
6	DR JOSEPH RABAR	6,992,500	2.02%
7	CITICORP NOMINEES PTY LIMITED	6,921,550	1.99%
8	TOTODE PTY LTD <HINDMARSH INVESTMENT A/C>	4,880,341	1.41%
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,639,720	1.34%
10	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	4,629,630	1.33%
11	MR GEOFFREY ROSS PULHAM	4,125,000	1.19%
12	MR DAVID ROUND <DAVID ROUND FAMILY A/C>	4,100,000	1.18%
13	TEGAR PTY LTD <HEALY SUPER FUND A/C>	3,600,000	1.04%
14	MR AJIT NAGPAL	3,000,000	0.86%
15	THOMAS GEORGE REVY VALERIA MARIA REVY <REVCORP SUPER FUND A/C>	2,518,353	0.73%
16	MR GARETH RICHARD HARVEY BOWERING	2,500,784	0.72%
17	AVERIO INVESTMENTS PTY LTD <DEJA ROUND SUPER FUND A/C>	2,471,662	0.71%
18	JETOSEA PTY LTD	2,300,000	0.66%
18	CAPRICORN METALS LTD	2,171,583	0.63%
19	MR ADRIAN CHRISTOPHER GRIFFIN MS JOSEPHINE NORMAN <GLOBAL SUPER FUND A/C>	2,171,583	0.63%
20	MR KARTIKAY SHARMA	2,169,000	0.63%
	Total	113,435,337	32.69%

8. UNQUOTED SECURITIES

The followings are holders who held 20% or more of the unquoted securities:

Class	Name of holder	Number of units held	% Held
Partly paid ordinary shares	Thomas George Revy & Valeria Maria Revy <Revcorp Super Fund A/C>	2,000,000	45.54%
\$0.15 Unquoted Options	Luxcarbon Rohstoff	2,250,000	50%
\$0.15 Unquoted Options	Dominik George Luh Technograft GMBH	2,250,000	50%
\$0.125 Unquoted Options	Zenix Nominees Pty Ltd	14,500,000	85.29%
Performance rights expire 20/1/2026	Thomas George Revy	6,500,000	41.73%
Performance rights expire 20/1/2026	David Round	4,875,000	31.30%
Performance rights expire 22/11/2026	Thomas George Revy	3,000,000	50%
Performance rights expire 22/11/2026	David Round	2,000,000	33.33%

9. REQUIREMENT ASX LISTING RULE 4.10.18

In accordance with ASX Listing Rule 4.10.18, the Company confirms that it is not currently subject to an on-market buyback.

10. SCHEDULE OF MINERAL TENEMENTS

Australia			
Tenement ID	Location	State	Interest
E70/4824	Yanmah, Donnelly	WA	100%
E70/4825	Manjimup, Donnelly	WA	100%
International			
Tenement ID	Location	Country	Interest
PR25605	Maniry	Madagascar	100%
PR25606	Maniry	Madagascar	100%
PR3432	Maniry	Madagascar	100%
PR39750	Maniry	Madagascar	100%
PR39751	Maniry	Madagascar	100%
PE5394	Maniry	Madagascar	100%
PE19932	Maniry	Madagascar	100%
PE5391	Ianapera	Madagascar	100%
PE5392	Ianapera	Madagascar	100%
PE5393	Ianapera	Madagascar	100%
PE25093	Ianapera	Madagascar	100%
PE25094	Ianapera	Madagascar	100%