

EVION GROUP NL ACN 610 168 191

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of 1 New Share for every 3 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.023 (2.3 cents) per New Share to raise approximately \$2.693 million (before costs) (**Offer**).

The Offer opens on Tuesday 17 December 2024 and closes at 5:00pm (WST) on Friday 17 January 2025 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholder's Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 10 December 2024, has been prepared by Evion Group NL (ACN 610 168 191) and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document, including each of the documents attached to it and which form part of this Offer Document, is important and should be read in its entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in Section 5. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**ASIC Instrument 2016/84**). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

United States Shareholders

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

Further detail in relation to foreign jurisdictions is set out in this Offer Document.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.5 Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do

not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Heather Zampatti (NonExecutive
Chairperson)
David Round (Managing Director)
Craig Lennon (Non-Executive Director)
Warrick Hazeldine (Non-Executive Director)

Share Registry*

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Joint Company Secretaries

Kah Yan Lim
Kellie Davis

Legal Advisers

Steinepreis Paganin
Level 14, 250 St Georges Terrace
PERTH WA 6000

Registered Office

Suite 3, Ground Floor
28 Ord Street
West Perth WA 6005

Telephone: +61 8 6158 9916

Email: info@eviongroup.com

Website: www.eviongroup.com

Lead Manager

Euroz Hartleys Limited
Level 37, 250 St Georges Terrace
Perth WA 6000

Auditor*

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
SUBIACO WA 6008

ASX Code

EVG

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of 1 New Share for every 3 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.023 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.7, a maximum of approximately 117,118,458 Shares will be issued pursuant to this Offer to raise up to approximately \$2.693 million.

As at the date of this Offer Document, the Company has 47,500,000 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.7 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$2.693 million (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

ITEM	PROCEEDS OF THE OFFER	\$	%
1	Expansion of its plant to at least double capacity at its 50/50 joint venture operation in India with Metachem Manufacturing Company Pvt Ltd	\$800,000	29.7%
2	Costs for consultants and staff to confirm mining development licenses for the Maniry Project in Madagascar	\$400,000	14.85%
3	Update to complete Definitive Feasibility Study for the Maniry Project in Madagascar	\$400,000	14.85%
4	Conclude environmental plan for permits for the Maniry Project in Madagascar	\$200,000	7.42%
5	Finalise community development plan (including relocation action plan) for the Maniry Project in Madagascar	\$200,000	7.42%
6	Update the Battery Anode Material Project scoping study with development partners	\$200,000	7.42%
7	General working capital ¹	\$332,102	12.33%
8	Expenses of the Offer	\$161,623	6.01%
TOTAL		\$2,693,725	100%

Note:

1. Funds allocated to working capital will be used for administration expenses of the Company over the next 15 months, including administration fees (\$100,000), Director's remuneration (\$100,000) and other administration and obligatory overheads (\$132,102). A portion of the Company's existing cash reserves shall also be used for the above costs.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments,

market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriately scale back funds available for items 6 to 1 in that order.

3.3 Indicative Timetable

Company Announces Rights Issue and lodgement of Appendix 3B	Pre-market opening, Tuesday, 10 December 2024
Lodgement of Offer Document and s708AA Cleansing Notice with ASX	Pre-market opening Tuesday, 10 December 2024
Ex date	Thursday 12 December 2024
Record Date for determining Entitlements	Friday 13 December 2024
Offer Opening Date, Offer Document sent out to Eligible Shareholders and Company announces this has been completed	Tuesday 17 December 2024
Last day to extend Closing Date (before noon AEDT)	Tuesday 14 January 2025
Closing Date*	Friday 17 January 2025
New Shares quoted on a deferred settlement basis	Monday 20 January 2025
Announcement of results of the Offer	Friday 24 January 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares	Friday 24 January 2025
Quotation of New Shares issued under the Offer	Tuesday 28 January 2025

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

3.4 Lead Manager

Euroz Hartleys Limited (AFSL 230 052) has been appointed as lead manager and book runner to the Offer (**Lead Manager**). Under the mandate agreement, the Lead Manager will receive:

- (a) a transaction fee equivalent to 6% of the gross amount raised under the Offer;
- (b) an ongoing advisory fee of \$5,000 per month for the 12 month term of the mandate; and
- (c) 16,000,000 unlisted options (approved by Shareholders at the Company's Annual General Meeting held on 22 November 2024) of which 8,000,000 are exercisable at \$0.04 per option and 8,000,000 are exercisable at \$0.05 per share collectively on or before 22 November 2027.

The above fee payable to the Lead Manager is also payable on any Shares issued to non-Eligible Shareholders under a separate placement of Shares on completion of the Rights Issue and Shortfall Offer.

3.5 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4. The Shortfall Offer is described in Section 4.4 below.

3.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.7 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Fully Paid Shares currently on issue	346,963,187
Partly Paid Shares on issue ¹	4,392,186
Fully Paid Shares proposed to be issued to an employee of the Company	1,000,000
New Shares offered pursuant to the Offer ²	117,118,458
Total Shares on issue after completion of the Offer²	469,473,831

Notes:

1. Currently paid to 2.01 cents each with 3.99 cents each remaining.
2. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Options

Options	Number
Options currently on issue:	
Unquoted exercisable at \$0.15 on or before 9 February 2025	4,500,000
Unquoted exercisable at \$0.125 on or before 8 June 2026	17,000,000
Unquoted exercisable at \$0.05 on or before 22 November 2027	18,000,000
Unquoted exercisable at \$0.04 on or before 22 November 2027	8,000,000
Options proposed to be issued under the Offer	Nil
Total	47,500,000

Performance Rights

Performance Rights	Number
Performance Rights currently on issue	32,075,000
Performance Rights proposed to be issued under the Offer	Nil
Total	32,075,000

The capital structure on a fully diluted basis as at the date of this Offer Document would be 430,930,373 Shares and on completion of the Offer (assuming all Entitlements are subscribed for and no Options or Performance Rights are exercised prior to the Record Date) would be 465,081,645 Fully Paid Shares and 4,392,186 Partly Paid Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.8 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	14.23%	16,666,667	50,000,000	10.67%
Shareholder 2	25,000,000	7.12%	8,333,333	25,000,000	5.34%
Shareholder 3	10,000,000	2.85%	3,333,333	10,000,000	2.13%
Shareholder 4	1,000,000	0.28%	333,333	1,000,000	0.21%
Shareholder 5	100,000	0.03%	33,333	100,000	0.02%

Notes:

1. This is based on a share capital of 351,355,373 Shares at the date of this Offer Document.

3.9 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Heather Zampatti ¹	885,185	0.26	295,062	6,786
David Round ²	6,571,662	1.89	2,190,554	50,383
Craig Lennon ³	-	-	-	-
Warrick Hazeldine ⁴	-	-	-	-

Notes:

1. Heather Zampatti also holds 2,000,000 options exercisable at \$0.05 on or before 22 November 2027 which will provide an additional Entitlement should they be exercised prior to the Record Date.
2. David Round also holds 4,000,000 options exercisable at \$0.05 on or before 22 November 2027 which will provide an additional Entitlement should they be exercised prior to the Record Date.
3. Craig Lennon also holds 2,000,000 options exercisable at \$0.05 on or before 22 November 2027 which will provide an additional Entitlement should they be exercised prior to the Record Date.
4. Warrick Hazeldine also holds 2,000,000 options exercisable at \$0.05 on or before 22 November 2027 which will provide an additional Entitlement should they be exercised prior to the Record Date.

Each of the Directors that hold shares have agreed to take up their Entitlements in full or part.

3.10 Effect of the Offer on control and voting power in the Company

The Company does not have any substantial holders prior to the Offer.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible Shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full Entitlement and ineligible Shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 3.8;

- (c) in respect of any shortfall, eligible shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool (**Shortfall Offer**). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%. Having regard to the number of Shares to be issued under the Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company; and
- (d) in the event that the amount raised under the Rights Issue and the Shortfall Offer is less than the maximum amount sought (being approximately \$2.693 million), the Company may also seek to raise the balance with non-Eligible Shareholders under a separate placement of Shares. Having regard to the number of Shares to be issued under the Rights Issue and the Shortfall Offer, even if a substantial amount of Shares was placed with non-Eligible Shareholders under a separate placement of Shares, a participant in this raising would not be in a position to exercise any substantive control in the Company.

3.11 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.037	7 November 2024
Lowest	0.022	17 September and 20 September 2024
Last	0.029	6 December 2024

3.12 Opening and Closing Dates

The Offer opens on the Opening Date, being Tuesday 17 December 2024, and closes on the Closing Date, being 5:00pm (WST) on Friday 17 January 2025 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.13 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3. Shares issued pursuant to the Shortfall Offer will be issued at the same time as Share issued under the Rights Issue.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all application monies will be held by the Company in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.14 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.15 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.16 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 for further details.

3.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.18 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website <https://eviongroup.com/investor-centre/> or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.19 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 8 6245 9438.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) follow instructions on the Entitlement and Acceptance Form; and
 - (ii) arrange payment by Electronic Funds Transfer (EFT) for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you only wish to accept part of your Entitlement:**
 - (i) follow instructions on the Entitlement and Acceptance Form; and
 - (ii) arrange payment EFT for the appropriate Application monies (at \$0.023 per New Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Company no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an acceptance

Paying any Application monies by EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, the Application may not be varied or withdrawn except as required by law.

4.3 Electronic Funds Transfer

For payment by EFT, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT you must return a completed copy to the Company in accordance with the instructions set out in the Entitlement and Acceptance Form and:

- (a) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies;
 - (b) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess; and
 - (c) multiple acceptances must be paid separately. Please use your unique reference for payment on your personalised Entitlement and Acceptance Form, failure to so may result in your funds not being allocated to your application and Shares subsequently not issued.
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4.4 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made to Eligible Shareholders pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.023 being the price at which Shares have been offered under the Offer.

No Applicant under the Shortfall Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shortfall Shares by Directors, in consultation with the Lead Manager, will be influenced by the following factors:

- (a) number of shares subscribed for by particular Applicants;
- (b) the timeliness of the bid by particular Applicants;
- (c) the Company's desire to expand its spread of institutional shareholders.

Allocations under the Shortfall Offer will also be managed to ensure that no Shareholder goes above the 20% threshold imposed by section 606 of the Corporations Act.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

If the amount raised under the Rights Issue and the Shortfall Offer is less than the maximum amount sought (being approximately \$2.693 million), the Company reserves the right to seek to raise the balance with non-Eligible Shareholders under a separate placement of Shares.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

5.2 Company specific risks

Category of Risk	Risk
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Category of Risk	Risk
Exploration Costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may differ materially from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's operating and financial performance and the value of the Securities. The Exploration costs may also be changed or impacted by legislative change in the countries the Company operates in and any changes that impact us may be beyond our control.
Additional Requirements for Capital	The Company's capital requirements depend on numerous factors. Subject to the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. If the Company is unable to obtain additional financing as needed, or unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Securities.
Sovereign and Political Risk	The Company's Projects and Operations are located in the Republic of Madagascar and India. Mineral exploration tenure in the Republic of Madagascar is governed by Madagascan legislation. Our Joint Venture operations are in India and also aspects of our operations are subject to the laws, rules and regulations that are unique to operating an expandable graphite development plant. The laws and regulations in India are extensive and whilst the Company currently complies with all requirements to conduct its activities, environmental and other legislative change may occur without notice which may impact our operations. As such, the Company is exposed to the risks associated with operating in foreign countries. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability, and changes of law affecting foreign ownership, exchange control, exploration and mining permit licensing, export duties, investment into a foreign country and repatriation of income or return of capital, environmental protection, land access and environmental regulation, mine safety and labour relations, as well as government control over mineral properties or government regulations which require the employment of local staff or contractors or that other benefits be provided to local residents. The Company may also be hindered or prevented from enforcing its rights with respect to government instrumentalities because of the doctrine of sovereign immunity.

Category of Risk	Risk
	Any future material adverse changes in government policies or legislation in the Republic of Madagascar that affect ownership, mineral exploration, development or mining activities may affect the viability and profitability of the Company. The legal system operating in the Republic of Madagascar is different to that in Australia and this may result in risks such as: (a) different forms of legal redress in the courts, whether in respect of a breach of law or regulation, or an ownership dispute; (b) a higher degree of discretion on the part of governmental agencies; (c) differences in political and administrative guidance on implementing applicable rules and regulations, including, in particular, as regards local taxation and property rights; (d) different attitudes of the judiciary and court; and (e) difficulty in enforcing judgments. The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence approvals, authorisations, applications or other legal arrangements will not be adversely affected by the actions of government authorities or others, and the effectiveness and enforcement of such arrangements cannot be assured. The Company cannot guarantee that the tenements in which it may acquire an interest if it completes the acquisition pursuant to the Madagascan Acquisition Agreement, or any other tenements in which it has or may acquire an interest in the future, will be renewed beyond their current expiry date and there is a material risk that, in the event the holder of those tenements is unable to renew any of them beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished. Further, there is no guarantee that any applications for mining or environmental tenements or other approvals or authorisations will be granted, or granted on conditions satisfactory to the Company. The Company's future operations in the Republic of Madagascar may be affected by changing political conditions and changes to laws and mining policies. The effects of these factors cannot be accurately predicted and developments may impede the operation or development of a project or even render it uneconomic. The Company's joint venture operations in India may also be affected by changing political conditions and changes to laws and mining policies. The effects of these factors cannot be accurately predicted and developments may impede the operation or development of a project or even render it uneconomic. Further details about our joint venture risk are outlined below.

Category of Risk	Risk
Development Risks	You should be aware that mineral exploration and development are high-risk undertakings, due to the high level of inherent uncertainty. There can be no assurance that exploration of the Tenements, or of any other tenements that may be acquired by the Company in the future, will result in the discovery of economic mineralisation. Even if economic mineralisation is discovered, there is no guarantee that it can be commercially exploited. The future development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend on the Company having access to sufficient development capital, being able to maintain title to the Projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of the Projects.
Joint Venture Risk	The Company is subject to the risk that changes in the status of any of the Company's joint ventures, which currently includes the Company's 50% joint venture interest in Panthera Graphite Technologies Pvt Limited, a company currently operating in India, may adversely affect the operations and performance of the Company. There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.
Title Risk	The Company's interests in tenements in Madagascar are governed by government legislation and are evidenced by the granting of permits, licences or leases. Each permit, licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. Consequently, the Company could lose its title to or its interest in one or more of the Tenements if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments. The Tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a Tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop the Tenement.

Category of Risk	Risk
	The Company cannot guarantee that any of those Tenements, or any of the other Tenements in which the Company has an interest, will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew any of the Tenements beyond their current expiry date, the Company's interests in the relevant Tenements may be relinquished. Environmental approval for exploration or exploitation by the grant of an environmental tenement by the relevant Madagascan government authority is yet to be acquired in respect of Exploration Permit PR/39751. Furthermore, a number of environmental tenements exist over the Ampanihy Project. Applications need to be made to the BCMM to include graphite as an authorised substance to which those environmental tenements apply. There can be no guarantee that environmental approval (including adding graphite as an authorised substance for the environmental tenements) will be granted in respect of that area, which may prevent the Company from carrying out exploration or other activities on it. Mada-Aust, has entered into a number of contracts with third parties affecting certain areas of the tenements that comprise the Madagascan Projects, known as amodiation contracts. Under those amodiation contracts, the third parties have been granted exclusive rights to prospect, explore, extract and/ or exploit certain mineral resources. The tenements affected by amodiation contracts are PE/5394, PE/25093, PE/25094, PR/25605 and PR/25606. Mada-Aust does not have the rights to prospect, explore, extract and exploit certain mineral resources on those tenements to the extent that exclusive rights have been granted under an amodiation contract. Mada-Aust is in the process of negotiating to discharge certain of the amodiation contracts or to remove certain tenements from the amodiation contracts. Under Madagascan law, the holder of a mining tenement does not have an automatic right in the land the subject of that tenement and must therefore enter into a lease agreement with the owners of the land. If land is held in the name of the Madagascan state, there is no objection by the state to entry into a lease agreement on ordinary terms and conditions. If, however, the land the subject of any of the tenements it owns in Madagascar is not held in the name of the Madagascan state, Mada-Aust will need to negotiate a lease with the private landholders.
New Projects and Acquisitions	The Company will identify and evaluate additional projects and assets in the resources sector in Australia and/or overseas. If any are considered by the Board to have the potential to add Shareholder value, the Company will seek to acquire them by way of direct project acquisition, farm in, joint venture or direct equity in the project owners. There can be no guarantee that any proposed acquisition will be secured, completed or successful. If the proposed acquisition is not completed, monies advanced or due diligence costs may not be recoverable, which may have a material adverse effect on the Company. This could affect the growth of the Company. If the Company is able to acquire such projects, there is a risk that if those projects do not perform to expectations, such adverse performance will be detrimental to the performance of the Company and therefore the value of Securities and returns delivered to Shareholders

Category of Risk	Risk
	If the Company identifies and proceeds with the acquisition of an additional resource project or asset, the Company may be required to re-comply with Chapters 1 and 2 of the Listing Rules. This will cause the Shares to be suspended from Quotation, in which event the Shares cannot trade on the ASX during this period. The length of any suspension will be subject to the requirements of the ASX and the time needed by the Company to comply with those requirements.
Risk of Forfeiture of Partly Paid Shares	As the Company is a 'no liability' company, a holder of a Partly Paid Share is not under any contractual obligation to pay a call in respect of the unpaid amount of a Partly Paid Share. However, if a call on a Partly Paid Share is not paid within the period specified in the call (subject to the Constitution), the Partly Paid Share will be liable to forfeiture and may be sold by the Company via public auction in accordance with the Constitution. As set out in the Constitution, the proceeds of the sale of such forfeited Partly Paid Shares will be applied first to the expenses of the auction, then to any expenses incurred in respect of the forfeiture and finally to calls on the Partly Paid Shares that are due and unpaid. The balance of the proceeds (if any) will be paid to the registered holder whose Partly Paid Shares were forfeited and sold. In the event only a portion of a call is paid in respect of Partly Paid Shares, the amount of the call paid will be applied to the Partly Paid Shares held by that Partly Paid Shareholder sequentially, and only those Partly Paid Shares in respect of which the call is not satisfied in full after the amount paid is so applied will be liable for forfeiture.

5.3 Industry specific risks

Category of Risk	Risk
Operating Risk	The current and future operations of the Company in Madagascar, including exploration, project appraisal and possible production activities, may be affected by various factors that can limit or prevent such activities. These factors may include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in surveying, drilling, other exploration activities and/or production activities, difficulties in commissioning and operating plant and equipment, electrical or mechanical failure or plant breakdown, unanticipated metallurgical problems that may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of skilled labour, consumables, spare parts, plant and equipment. The current and future operations of the joint venture operations in India may be materially impacted by the operational effectiveness, efficiency and conduct of its joint venture partner. Under the terms of the Company's JV agreement, its JV partner retains the rights as JV operational manager and the performance of the JV may be impacted by the ability of the JV partner to deliver on the company production and financial projections.
Commercial Risk	The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on the Projects or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals.

Category of Risk	Risk
	There can be no assurance that the quality of any such minerals will be such that they can be mined economically. In relation to the Company's JV operations, the JV is exposed to significant risk from current and potential new market competitors and this is a significant risk for the JV to manage and could have a material financial impact on the Company.
Environmental Risk	The operations in India and proposed activities of the Company are currently subject to Indian and Madagascan laws and regulations concerning the environment. As with most industrial operations and exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect, which could have a material adverse effect on the Company's business, financial condition and results of operations.
Access Infrastructure	to If the Company progresses to production in Madagascar there is no guarantee that appropriate and affordable road, rail and/or port capacity will be available, which could have an adverse effect on the Company. In the event of production, the Company will also require the use of both power and water infrastructure. In the event of high demand for, and limited access to, power and water, there is a risk that the Company may not be able to procure such access, which could have an adverse effect on the Company.

5.4 General Risks

Category of Risk	Risk
Reliance of Key Personnel	The Company's management and key personnel are responsible for overseeing the day-to-day operations of the Company. The Company is aware of the need for sufficient management to properly supervise exploration and, if exploration is successful, the development of the Projects. As the Projects and the Company's prospects progress and develop, the Board will continually monitor the management requirements in the Company and look to employ or engage additional personnel when and where appropriate, to ensure proper management of the Company projects. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time, which may impact on the Company's ability to complete all of its planned exploration programmes within the expected timetable. Furthermore, you should be aware that no assurance can be given that there will be no adverse effect on the Company if one or more of its existing Directors or management personnel cease their employment or engagement with the Company. The Company's JV operations in India are managed by a separate management and key personnel team and they are responsible largely for the day-to day operations of the JV. There is risk that the JV could be materially impacted by any of the management or key personnel in India ceasing their employment and the JV does have strategies in place to manage this risk.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Subject to the Company's ability to generate income from its Joint Venture operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. If the Company is unable to obtain additional financing as needed, or unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Securities.
Commodity Price Volatility and Exchange Rate Risks	If the Company achieves success leading to mineral production in Madagascar, the revenue it will derive through the sale of graphite or any other minerals it may discover exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward-selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the

Category of Risk	Risk
	United States dollar, the Australian dollar and the Madagascar Ariary, as determined in international markets. If the price of commodities declines this could have an adverse effect on the Company's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable. The same commodity price risks apply to the Company's JV operations in India and the viability of the JV could be materially impacted by changes in commodity prices and exchange fluctuations.
Insurance Risks	Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities that are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk. The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and, where it is, the costs can be prohibitive or not adequate to cover all claims.
General Economic Conditions	General economic conditions, the introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's Joint Venture operations in India and its exploration, development and possible production activities in Madagascar, as well as on its ability to fund those activities both in Australia and overseas.
Share Market Conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors, such as: (a) general economic outlook; (b) the introduction of tax reform or other new legislation (such as royalties); (c) interest rates and inflation rates; (d) currency fluctuations; (e) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or graphite sector within that industry); (f) the demand for, and supply of, capital, and (g) terrorism or other hostilities. The market price of the Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Such influences are beyond the Company's control and unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of

Category of Risk	Risk
	the Company or the Securities and subsequently any return on an investment in the Company. Shareholders who decide to sell their Securities after the Company is admitted to the Official List may not receive the entire amount of their original investment.
Volatility in Global Credit and Investment Markets	Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors that led to this situation have been outside the control of the Company and may continue for some time, resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Shares trade, regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.
Government and Legal Risk	The introduction of new legislation or amendments to existing legislation by governments (including the introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions that govern the Company's operations or contractual obligations could impact adversely on the assets, operations and ultimately the financial performance of the Company and its Securities. The same adverse impact could result from the introduction of new government policy or amendments to existing government policy.
Unforeseen Expenditure Risk	Expenditure that has not been considered in this document may need to be incurred. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Securities.
Competition	The industry in which the Company is currently involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
Force Majeure	The Company's existing Joint Venture operations, Projects or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Dilution	In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Shareholder interests may be diluted as a result of such issues of Shares or other securities.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual

Category of Risk	Risk
	financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.
Litigation	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities (including current evolving conflict between Ukraine and Russia and Israel and Palestine). The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

5.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means Evion Group NL (ACN 610 168 191).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for 1 New Share for every 3 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Fully Paid Share means a fully paid ordinary share in the capital of the Company.

Lead Manager means Euroz Hartleys Limited (AFSL 230 052).

New Share means a new Fully Paid Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$0.023 each on the basis of 1 New Share for every 3 Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.3.

Partly Paid Share means partly paid shares to 2.01 cents each with 3.99 cents each remaining.

Record Date means the record date set out in Section 3.3.

Section means a section of this Offer Document.

Share means a Fully Paid Share and a Partly Paid Share.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 4.4.

US Person means a person who receives the Offer when they are located in either the United States of America.

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