

MARVEL TO SPIN OUT AND IPO CHILALO GRAPHITE PROJECT

Marvel Gold Limited (ASX: MVL) (**Marvel** or the **Company**) is pleased to announce that the Board has resolved to spin out its advanced Chilalo Graphite Project (**Chilalo Project** or **Chilalo**), into a wholly owned subsidiary named Evolution Energy Minerals Limited (**Evolution**). Evolution intends to undertake an initial public offering (**IPO**) and seek a listing on the Australian Securities Exchange (**ASX**) (**Proposed Transaction**).

HIGHLIGHTS

- Marvel to spin out the Chilalo Graphite Project into a newly incorporated, wholly owned subsidiary Evolution Energy Minerals Limited (intended **ASX code: EV1**), which proposes to undertake an IPO to facilitate listing on the ASX.
 - Proposed Transaction seeks to unlock the value of Marvel's 100%-owned Chilalo Graphite Project – a fully permitted, world-class graphite asset in Tanzania, with expenditure to date exceeding A\$21 million (see Appendix A for further information on the Chilalo Project).
 - Proposed initial public offering of Evolution (**IPO**) to raise a minimum of \$13 million, with the potential to accept over-subscriptions.
 - Castlelake, who are owed approximately \$9.5 million secured against Chilalo, (**Lender**) will be paid \$6.5 million from IPO proceeds, with the remaining \$3 million being paid in cash out of IPO proceeds or in Evolution shares at the time of the IPO. All Lender security over the Project will be removed subject to the minimum IPO raising being achieved.
 - In addition to the repayment of the existing debt, **Marvel will receive between 28% and 43% of shares issued under the IPO**, dependent on valuation and final amount raised.
 - **Marvel shareholders will receive a priority entitlement** to subscribe for Evolution shares in the IPO.
 - The Proposed Transaction is subject to shareholder and regulatory approvals – a notice of meeting has been released to ASX today, with a general meeting to be held on 11 June 2021.
 - Marvel to remain focused on gold exploration in Mali.
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Managing Director, Phil Hoskins, commented: *"There is no doubting the quality of the fully permitted and construction-ready Chilalo Graphite Project. Since the re-brand to Marvel and the focus on our Mali gold projects, there has been no value attributed to Chilalo despite Chilalo's peer comparisons trading at many multiples of Marvel's entire market capitalisation.*

"The IPO of Evolution is the opportunity for Marvel to remove the historical debt encumbrance and unlock Chilalo's value potential. Evolution has attracted three directors with significant graphite development, construction and marketing expertise, and will be well placed to add value for its shareholders through Chilalo's development.

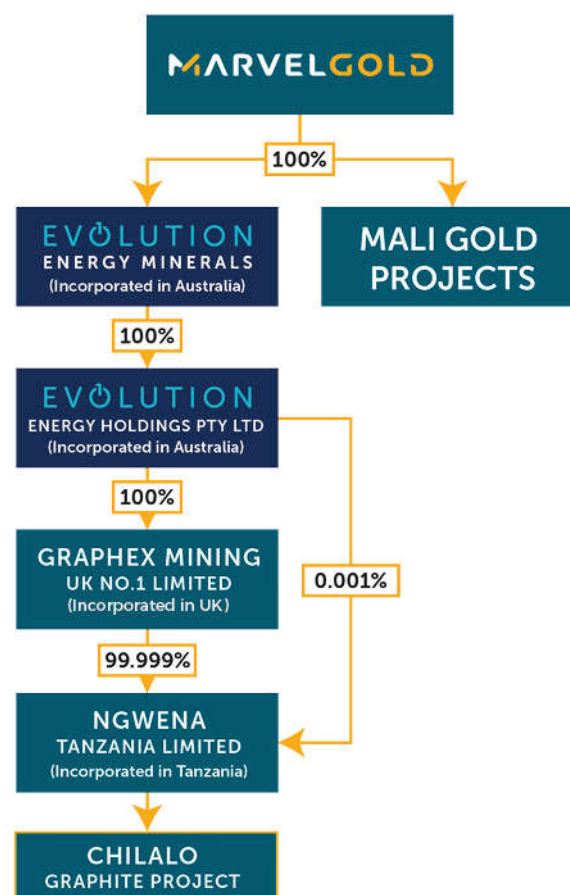
“Completion of the Proposed Transaction will allow Marvel to focus on its exciting Mali gold exploration. In the nine months since acquisition, we have increased Tabakorole’s resource by 54%¹, increased the grade of the resource by 20%¹, de-risked the metallurgy and grown the landholding by 300%. Resource expansion drilling is continuing as Tabakorole continues to emerge as a significant west African gold deposit.”

Proposed Transaction

Internal restructure

Marvel has incorporated Evolution Energy Minerals Limited (**Evolution**) and Evolution Energy Holdings Pty Ltd (**Evolution HoldCo**) as Australian companies for the purpose of undertaking an internal restructure, following which Evolution will hold all of Marvel’s interests in the Chilalo Project as shown in Figure 1 below.

Figure 1: Internal restructure



To give effect to the internal restructure and to facilitate the Proposed Transaction, Marvel and Evolution intend to enter into a share exchange agreement, as a result of which:

- Ngwena Tanzania Limited (the holder of the Chilalo Project) will become an indirect wholly-owned subsidiary of Evolution, as illustrated in Figure 1 above; and
- Evolution will issue to Marvel a to-be-determined number of Evolution Shares (the number of Evolution Shares will be determined by reference to the valuation attributed to the Chilalo Project in the lead-up to the IPO but, in any event, is expected to be a number that results in Marvel holding

¹ See ASX announcement 30 September 2020 and Table 2

between 28% and 43% of Evolution's issued capital at the time of IPO). On the IPO of Evolution, the Evolution shares held by Marvel will be subject to ASX escrow. The Proposed Transaction will have no impact on Marvel's capital structure.

An in-specie distribution of the Company's shares in Evolution is not currently being proposed in connection with the Proposed Transaction. However, the Board is considering this possibility, amongst the other options available to it, and may in the future seek shareholder approval to pursue an in-specie distribution of some or all of the Evolution shares that Marvel ultimately holds following the IPO.

Under the share exchange agreement, Marvel will have the right to appoint one director to the board of Evolution (for so long as Marvel holds 10% or more of all Evolution Shares or for one year post ASX listing of Evolution, whichever is the longer period).

IPO and repayment of loan notes

Evolution intends to raise a minimum of \$13 million (**Minimum Subscription**) via an IPO, with the ability to accept over-subscriptions. **Under a priority offer, Marvel shareholders will be collectively entitled to subscribe for up to \$2 million of Evolution shares.**

A prospectus setting out the details of the IPO is expected to be available in June 2021, with a view to Evolution listing on the ASX not later than July 2021, subject to receipt of all necessary regulatory approvals.

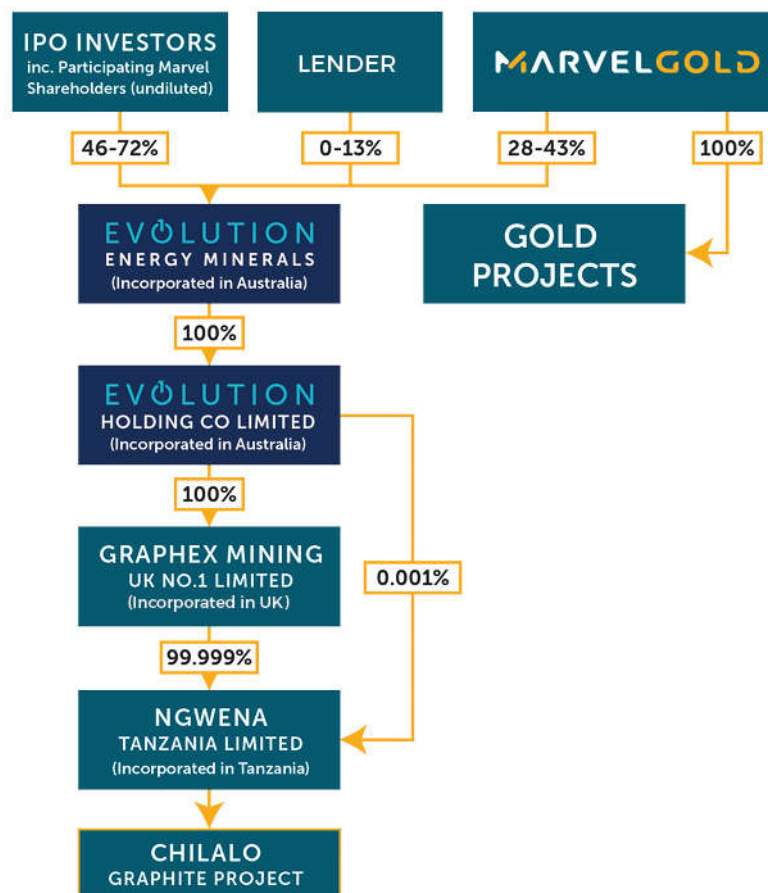
In 2020, Marvel restructured its loan note financing arrangements with the Lender, which were entered into in connection with the advancement of Chilalo. Under those financing arrangements, the Lender is currently owed approximately \$9.5 million (**Loan Note Debt**) secured against Chilalo and repayable on 29 October 2022.

On the minimum \$13 million IPO raising (before costs) by Evolution:

- \$6.5 million will be applied towards repayment of the Loan Note Debt, resulting in the balance of the Loan Note Debt being reduced to \$3.0 million, which balance is to be converted to Evolution Shares; and
- \$6.5 million (less costs) will be available to Evolution for the advancement of the Chilalo Project and for working capital purposes.

Should the Minimum Subscription be achieved, it is anticipated that any proceeds from over-subscriptions from the IPO will be applied, as a priority, to further pay down the Loan Note Debt in cash. The structure following the IPO is shown below in Figure 2.

Figure 2: Structure after the IPO



Proposed Transaction conditions

The Proposed Transaction is subject to a number of standard conditions, including:

- Marvel obtaining shareholder approval of the spin-out of Chilalo – the subject of the Notice of Meeting released to ASX today;
- Evolution receiving applications for at least the Minimum Subscription under the IPO; and
- Successful completion of the IPO, including receipt of approval from ASX for the listing of Evolution on ASX.

Indicative timetable

The Proposed Transaction is currently expected to proceed in accordance with the following indicative timetable:

Table 1. Proposed Transaction – Indicative Timetable

Event	Date
Despatch Notice of Meeting	11 May 2021
Evolution lodges prospectus with ASIC and ASX	June 2021
General Meeting to approve the Spin-Out of the Chilalo Graphite Project	11 June 2021
IPO closing date	July 2021
Issue of Evolution Shares pursuant to IPO, commencement of trading on ASX	July 2021

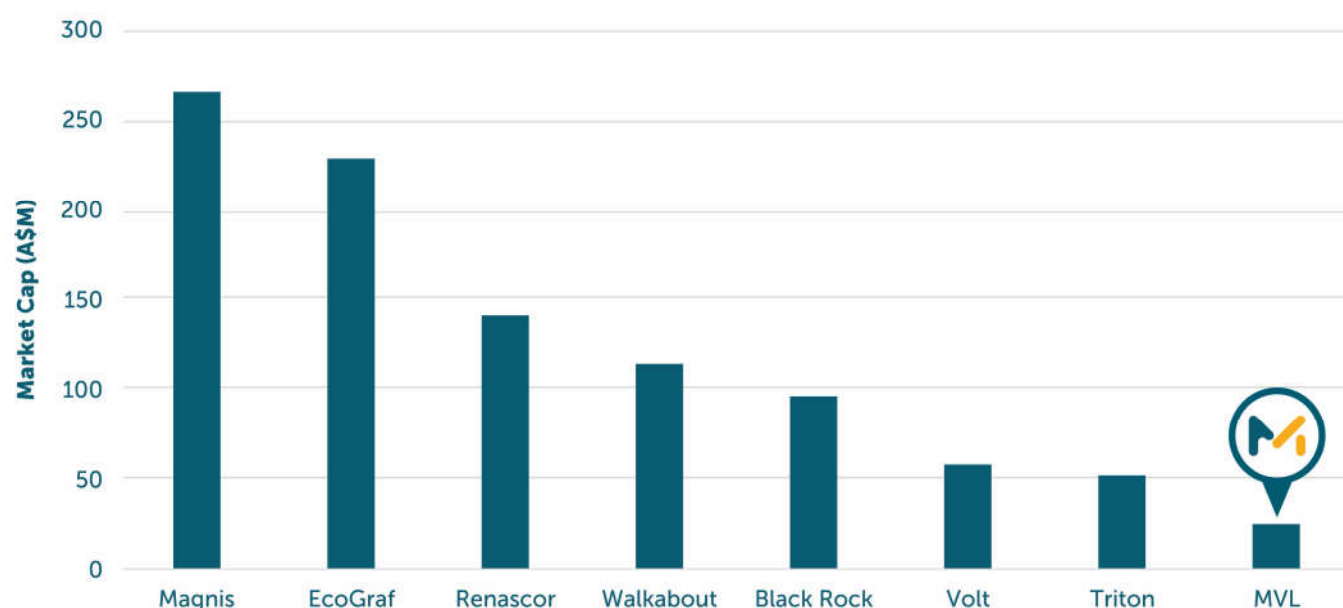
Note: these dates are indicative only and are subject to change.

Rationale for the Proposed Transaction

In July 2020, Marvel repositioned itself with a focus on gold exploration in Mali. Since then, Marvel has established a maiden Mineral Resource of **910,000oz Au, grading 1.2 g/t Au** in accordance with JORC 2012 (see ASX announcement 30 September 2020 and Table 2 below) at its Tabakorole Gold Project and through strategic acquisitions, has increased its landholding in Mali, in particular, around the Tabakorole Mineral Resource.

Completion of the Proposed Transaction will not only provide for repayment of the Loan Note Debt but also presents the best possible opportunity for the development of the Chilalo Project and for Marvel shareholders to realise the value of Chilalo, while allowing the Company to dedicate its efforts to advancing the Mali gold strategy.

Figure 3 below shows Marvel's market capitalisation (including the Mali gold projects and Chilalo) relative to the peer group of dedicated graphite companies.

Figure 3: Market capitalisation of Chilalo's peer group (A\$M)²

Proposed Evolution Board

In order to maximise the prospects for success, Evolution proposes to assemble a board with extensive capability and experience in the graphite industry and the development of graphite projects. Evolution has reached agreement with the following individuals, whose appointment as director is subject to completion of the Proposed Transaction.

Trevor Benson, Executive Chairman: Trevor has over 30 years' experience within investment banking and stockbroking, specialising in the resources sector. He has also worked for large Australian and international corporations and held a number of directorships with ASX listed companies. Most recently he held the position of Executive Chairman for Tanzanian graphite developer, Walkabout Resources Limited. Trevor has cross border experience including Africa, UK, Hong Kong, and China and has advised and listed numerous ASX listed companies.

Michael Bourguignon, Executive Director: Michael is a project management professional with extensive experience providing strategic direction and leadership in the successful delivery of projects, within the mining industry both in Australia and internationally. Michael was the Project Manager for the construction of Syrah Resources' Balama graphite project in Mozambique, for Glencore's 3.6Mtpa copper concentrate facility at the Mopani Copper Mine in Zambia, and General Manager of the Tiger Resources development team delivering a world-class SX/EW Plant at Kipoi, in the DRC.

Phil Hoskins, Non-Executive Director: Phil commenced his career at a large international accounting firm and has since gained corporate experience with both Australian and international listed companies. He is a senior executive with over 15 years of broad finance and commercial experience across resources exploration, project development and production as well as large-scale property developments requiring debt and equity financing. Phil is currently the Managing Director of Marvel and has been the executive overseeing the development of Chilalo since its first drill hole in 2014.

Marvel and Evolution are in discussions with institutional investors regarding the potential for cornerstone participation in the IPO. If these discussions are successfully concluded, it may result in one or more investors

² Based on ASX share prices as at 7 May 2021 - see Appendix B for supporting information

securing a substantial shareholding in Evolution, and it is likely that any such cornerstone investor may have the right to appoint a director.

Lead manager and Underwriter

The Company has not yet appointed a lead manager and underwriter to the IPO, however expects to do so in the coming weeks.

This announcement has been approved for release by the Board.



PHIL HOSKINS

Managing Director

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REFERENCE TO PREVIOUS ASX ANNOUNCEMENTS

In relation to the announcement of the Tabakorole Mineral Resource estimate on 30 September 2020, the Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource in that announcement continue to apply and have not materially changed.

In relation to the announcement of the Chilalo Project Ore Reserve estimate on 29 January 2020, the Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Ore Reserve in that announcement continue to apply and have not materially changed.

About Marvel Gold

Marvel Gold Limited is an Australian resources company listed on the Australian Securities Exchange under stock code MVL. Marvel Gold is a Mali-focused gold explorer with advanced gold exploration projects and extensive landholdings in South and West Mali.

The Tabakorole Gold Project has an existing Mineral Resource (**910,000oz grading 1.2 g/t gold** – see Table 2 and ASX announcement dated 30 September 2020), with opportunities to expand along strike and via regional exploration. The Lakanfla Gold Project is a prospective license with artisanal gold workings and existing gold mineralisation located 15km from the Sadiola gold mine.

Marvel also owns 100% of the Chilalo Project, a world-class fully permitted graphite project in south-east Tanzania. With expenditure to date exceeding \$21M, a completed DFS and a management team with substantial graphite market knowledge and IP, Chilalo has the potential for near-term development.

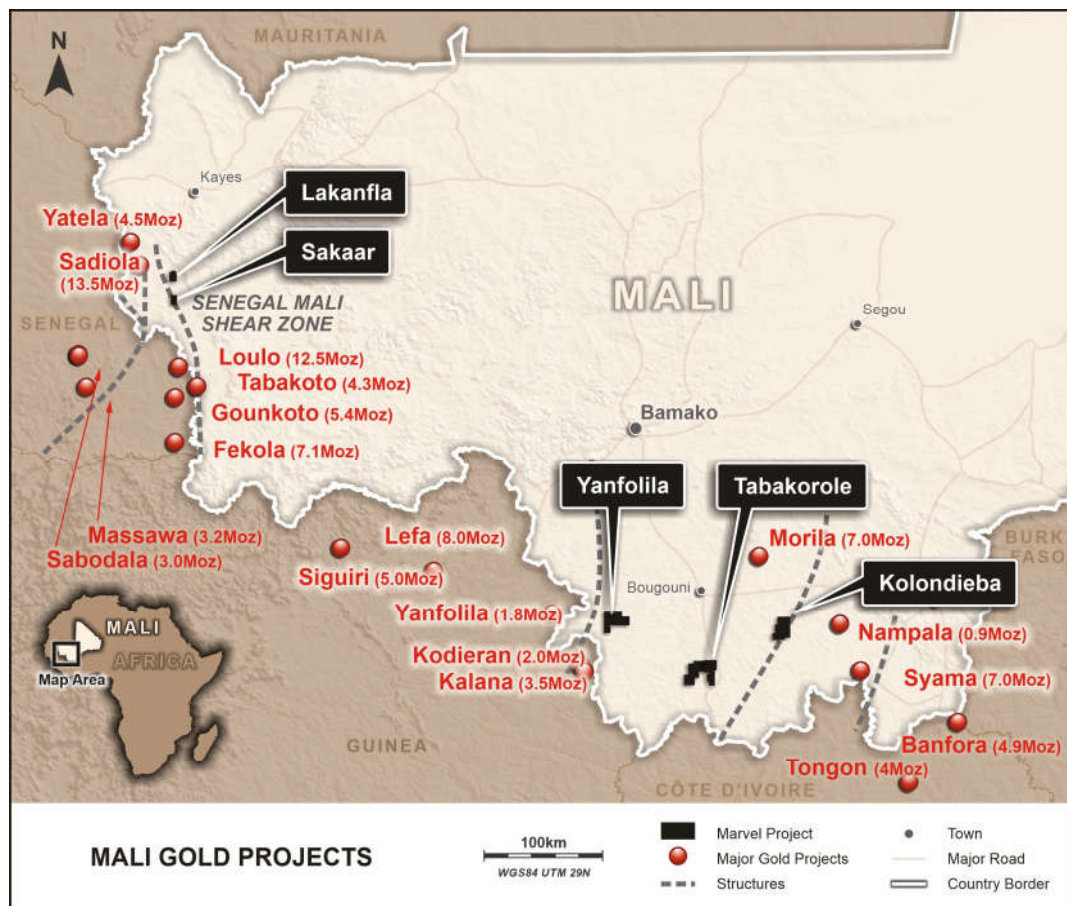
Marvel Gold has an experienced board and management team with specific skills, and extensive experience, in African based exploration, project development and mining.

Table 2: Tabakorole Mineral Resource Estimate (JORC 2012)

	Indicated			Inferred			Total		
	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)
Oxide	1.0	1.3	40	1.5	1.3	60	2.4	1.3	100
Fresh	6.3	1.2	250	15.1	1.2	560	21.5	1.2	810
Total	7.3	1.2	290	16.6	1.2	620	23.9	1.2	910

Note: Reported at a cut-off grade of 0.6 g/t Au, differences may occur due to rounding.

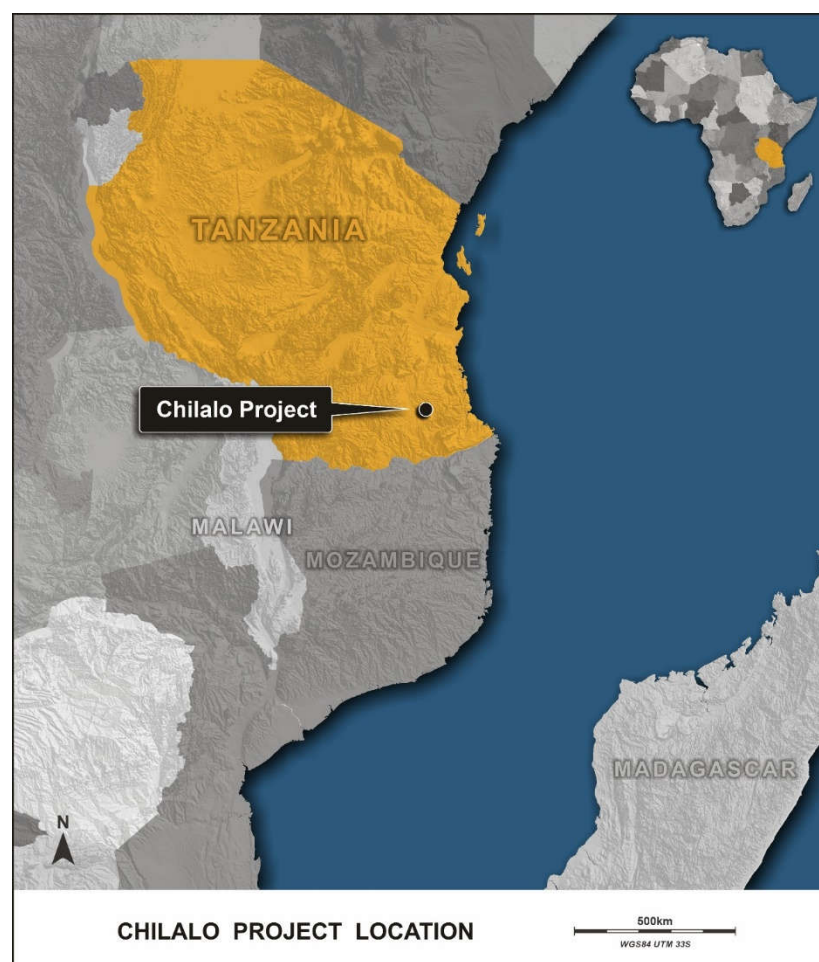
Figure 4. Mali Gold Projects Location Map



APPENDIX A. THE CHILALO PROJECT

The Chilalo Project is located in south-eastern Tanzania, East Africa, 100 km north of the border with Mozambique, approximately 180 km west of the coastal port city of Mtwara on the Indian Ocean and 400 km south of Tanzania's largest city, Dar es Salaam as shown in Figure 3 below. The property is situated in the Ruangwa District of the Lindi Region.

Figure 5. Location of the Chilalo Graphite Project



The Chilalo Project hosts a high-grade mineral resource of 20.1Mt at 9.9% total graphitic carbon (TGC) for 1,991 Kt of contained graphite, as shown in Table 3. For further information on the mineral resource estimate for the Chilalo Project, see ASX announcement dated 29 January 2020.

Table 3. Chilalo Project Mineral Resource Estimate *

Domain	JORC Code Classification	Zone	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High Grade	Indicated	Main	9.2	10.6	982
		North East	1.0	9.5	100
		All	10.3	10.5	1,082
	Inferred	Main	7.4	9.5	704
		North East	2.3	8.8	205
		All	9.8	9.3	908
	Indicated + Inferred	All	20.1	9.9	1,991
Low Grade	Inferred	Main	37.8	3.4	1,282
		North East	9.5	4.1	394
		All	47.3	3.5	1,677
High Grade + Low Grade	Indicated + Inferred	All	67.3	5.4	3,667

* The Mineral Resource was estimated within constraining wireframe solids using a core high-grade domain defined above a nominal 5% TGC cut-off within a surrounding low-grade zone defined above a nominal 2% TGC cut-off. The resource is quoted from all classified blocks above a lower cut-off of 2% TGC within these wireframe solids. Differences may occur due to rounding.

The Ore Reserve estimate for the Chilalo Project is summarised in Table 4 below. For further information on the Chilalo Project Ore Reserve estimate, see ASX announcement dated 29 January 2020.

Table 4. Chilalo Project Ore Reserve Estimate

Deposit	JORC Code classification	Tonnes (Mt)	Grade TGC (%)	Contained Graphite (Kt)
Chilalo	Proved	-	-	-
	Probable	9.2	9.9	878
Total		9.2	9.9	878

A definitive feasibility study was completed by Marvel in January 2020 (DFS) and announced to the ASX on 29 January 2020.

Extensive testwork has confirmed that Chilalo product:

- produces a very high proportion of coarse flake graphite at target purity levels;
- is capable of achieving a purity level of >99% Loss on Ignition (LOI) through standard flotation with no chemical intervention (not commercially available in current global graphite market); and
- is suitable for a multitude of high-value applications.

The DFS positioned the Chilalo Project as the basis for a vertically integrated manufacturer of high-value graphite products, as opposed to a graphite mining company.

APPENDIX B. PEER GROUP INFORMATION

Name	Marvel Gold	Magnis	EcoGraf	Renascor	Walkabout	Black Rock	Volt	Triton
Ticker	MVL	MNS	EGR	RNU	WKT	BKT	VRC	TON
Market Cap (A\$M)	25	268	229	141	114	96	60	52
Resource (Mt contained graphite)	2.0	9.4	3.0	6.6	4.5	16.5	22.6	3.0
Resource (Mt)	20	174	31	87	42	212	461	46
Resource (% Measured)	-	36%	26%	18%	16%	12%	4%	-
Resource (% Indicated)	51%	35%	42%	46%	20%	42%	34%	67%
Resource (% Inferred)	49%	29%	32%	36%	64%	46%	62%	33%
Resource Grade (TGC%)	9.9%	5.4%	9.9%	7.5%	10.8%	7.8%	4.9%	6.6%
Reserve (Mt contained graphite)	0.9	3.6	1.0	3.6	1.0	6.0	5.6	1.5
Reserve Grade (TGC%)	9.9%	4.8%	8.3%	7.9%	17.9%	8.5%	4.4%	6.2%
Stage of graphite development	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted
Downstream graphite business	Expandable and micronised graphite DFS	JV ownership of 2 planned battery plants	Battery Anode Materials DFS	Battery Anode Material Studies progressing	N/A	N/A	N/A	N/A
Non-graphite assets	Mali gold (910koz)	N/A	N/A	N/A	Tanzania / Scotland gold (early stage)	N/A	Guinea gold (early stage)	N/A
Source	Internal	Website	ASX announcement - 31 July 2017	ASX announcement 4/3/21 and 11/11/19	Website	Website	Website	Presentation - 22 June 2020