

ASX ANNOUNCEMENT

Social programs enhance relationships with communities

HIGHLIGHTS

- Updated Relocation Action Plan (“RAP”) progressing well – first round of stakeholder engagement completed with strong community support.
- Office established in Nangurugai village to support closer relationships with local communities.

Evolution Energy Minerals (“Evolution” or the “Company”) is pleased to report that the first round of stakeholder engagement with the local communities in connection with preparation of an updated Relocation Action Plan (“RAP”) has been completed (see Figure 1). Preparation of the RAP is one element of a range of social activities being undertaken by Evolution that are central to the successful development of the Chilalo Graphite Project.

Evolution Managing Director, Phil Hoskins, commented: *“After eight years of exploration and development, we are focused on getting to a production decision, and maintaining and enhancing our social licence to operate in the Chilalo Project area is an essential part of that. An updated RAP, completed in line with leading international standards and endorsed by the local communities and the Tanzanian Government, is a critical component of our ESG program and in positioning Chilalo for financing. As we progress towards a construction decision in the second half of the year, we recognise that further strengthening our relationships with the local communities will be a fundamental factor in our success in Tanzania.”*

Figure 1. Stakeholder engagement in Nangurugai village



The Company previously completed a RAP in 2019 and is currently in the process of updating it ahead of the expected final investment decision by H2 2022. The RAP is a well understood process worldwide, including in Africa, and is used to assess land and property values, and to support relocation of affected people and properties. Evolution has engaged a multi-disciplinary team including surveyors, valuers, sociologists and data entry officers, led by a specialist Tanzanian consultancy, supported by South African and Australian experts.

The RAP is being undertaken in accordance with IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement) which goes beyond the requirements of applicable Tanzanian legislation. The first round of stakeholder engagement has been completed and has the support of the leaders of all affected areas. In accordance with specific IFC guidelines, the Company has offered to make a payment of approximately \$120,000 (separate to any future compensation payments made on completion of the RAP) to over 200 affected households (“**Interim Payment**”). While the Interim Payment is not required under Tanzanian legislation, it is consistent with IFC guidelines and is an acknowledgement by Evolution of the disruption caused by the RAP process.

The Company is working with the Tanzanian National Identification Authority as well as Tanzanian banks, NMB Bank plc (National Microfinance Bank of Tanzania) and CRDB Bank plc, in order for all affected individuals to be able to open bank accounts for receipt of the Interim Payment and future compensation payments made under the RAP.

To support engagement with the local communities, the Company has opened an office at the Nangurugai village (Figure 2), which is located approximately one kilometre from the area of the Chilalo Mining Licence. The office is manned five days a week and provides local community members with an opportunity to air any grievances, to inquire about employment prospects and to obtain information about the Chilalo Project more generally.

Figure 2. Evolution’s project office in Nangurugai village



As a result of feedback received at the Nangurugai office, a series of women-only focus groups to discuss women’s issues exclusively is planned in the coming weeks. These focus groups will be facilitated by Ms Vickey

Puncheon, Evolution's General Manager Corporate Services, who is leading the Company's in-country environmental, social and governance ("ESG") initiatives and overseeing the updated RAP. Vickey has significant experience in these fields, having previously been General Manager with Syrah Resources, where she played a key role in the development and operation of the Balama Graphite Project.

Vickey is supported by Site Manager, Marc Smith, who is based in Nangurugai and has 'on the ground' responsibility for health and safety (including the current trenching exploration work and RAP program), security and logistics. The Company is in regular communications and consultation with the Ruangwa District Government and Lindi Regional Government, both of which are major advocates of the Chilalo Project and have been instrumental in achieving mine development milestones.

This announcement has been approved for release by the Evolution board of directors.

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ABOUT EVOLUTION

Evolution is committed to supplying sustainable graphite solutions for the global green economy and in doing so, create the first net zero carbon graphite mine. A DFS confirmed the opportunity to produce high-quality flake graphite at Chilalo and the Company intends to apply Chilalo flake graphite to downstream processing to produce battery anode material, expandable graphite, micronised graphite and graphite foil.

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 the table below.



Chilalo Mineral Resource Estimate¹

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 mineral 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.

¹ The Chilalo Mineral Resource estimate was reported by Evolution in the prospectus dated 28 September 2021, as supplemented by a supplementary prospectus dated 6 October 2021 (collectively, the Prospectus). Evolution confirms that it is not aware of any new information or data that materially affects the Chilalo Mineral Resource estimate included in the Prospectus and that all material assumptions and technical parameters underpinning the Chilalo Mineral Resource estimate in the Prospectus continue to apply and have not materially changed.