

ASX ANNOUNCEMENT

Appointment of CPC to commence the Chilalo Project FEED

HIGHLIGHTS

- CPC Engineering (“CPC”) awarded Front End Engineering Design (“FEED”) contract for the processing plant at the Chilalo Graphite Project.
- CPC has extensive experience in graphite processing and plant commissioning.
- DFS optimisation and FEED expected to be completed by September 2022 delivering an updated capital cost estimate which is critical to finalising project financing.
- Appointment follows announcement of principal offtake agreement and positive discussions with potential financiers, as Chilalo progresses to a final investment decision.
- Appointment of John Clement strengthens the project execution team under Executive Director, Michael Bourguignon.

Evolution Energy Minerals (“Evolution” or the “Company”) (ASX: EV1, FSE: P77) is pleased to announce that it has awarded CPC the FEED contract for the processing plant and associated non-processing infrastructure for the Chilalo Graphite Project. The scope of the FEED includes the evaluation of opportunities to improve plant design and, optimise and update estimated capital expenditure. CPC was selected from a panel of engineering firms on the basis of their expertise and experience in graphite processing and successful commissioning of projects, most notably, Syrah Resources Limited’s Balama Graphite Project in Mozambique.

CPC has an extensive in-house database on previous projects, scopes of work, equipment, schedules, costs and specifications, that ensures the efficient use of personnel and relevant data. CPC has completed a large number of bankable feasibility studies and achieved a successful and proven industry track record in executing project design and construction developments that have been delivered on time and within budget.

Evolution Executive Director, Michael Bourguignon, commented: *“The commencement of the FEED study is a significant milestone towards the realisation of the Chilalo Graphite Project. We are pleased to be partnering with CPC, a firm I have previously executed projects with. I worked closely with CPC in the development of Syrah’s Balama Graphite Project and believe that, combined with my own experiences, their considerable insight and learnings will be invaluable to the development of our Chilalo Project.”*

“We remain firmly focused on bringing Chilalo into production. With a binding offtake agreement for our high-value coarse flake graphite in place and continued engagement with potential financiers, we continue to target a final investment decision towards the end of this year. The appointment of CPC and commencement of the FEED is central to delivering on that objective.”

The FEED is expected to commence immediately and is targeted for completion by September 2022.

DFS optimisations – dry stacking of tailings

The scope of the DFS remains unchanged from the DFS released in Q1 2020. The FEED will incorporate a series of DFS optimisations to enhance the project economics and also reduce the carbon footprint of the project.

The Company recently completed testwork which supports the removal of the tailings storage facility (TSF) and the dry stacking of tailings within the waste rock dump. This outcome necessitates the inclusion of a water storage dam which would be significantly smaller and therefore expected to require a reduced capital expenditure than the original TSF. Tailings dams represent an environmental risk that have taken on greater significance in the wake of high-profile tailings dam failures in Brazil.

The financial impact of removing the TSF is a reduction in upfront capital expenditure to build and line the TSF and a reduction in ongoing sustaining capital in constructing lifts to the TSF wall. These positive financial impacts are partially offset by the capital costs required for a small water storage dam and thickening, filtration and centrifuging equipment.

Project execution capability

The Company has appointed Mr John Clement as its owner's representative in connection with the FEED. John brings over 30 years of practical experience in the mining and construction industry where he has held leadership roles in engineering, procurement and construction management in significant projects, including minerals projects in Africa.

The appointment of Mr Clement enhances the Company's project execution capability, which is led by Executive Director Michael Bourguignon. Mr Bourguignon was the project manager for the construction of Syrah Resources' Balama graphite project in Mozambique and has successfully delivered several projects in Africa, including for Perseus and Glencore.

Michael is also supported by Vicky Puncheon, the Company's Tanzanian based General Manager Corporate Services, who played a key role working alongside Mr Bourguignon in the construction of the Balama graphite project, and Mr Marc Smith who is the Company's site based manager.

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

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ABOUT EVOLUTION (ASX:EV1)



Development ready

Chilalo Graphite Project in Tanzania



58% > 80 Mesh

World leading flake size = highest margins



Extensive product qualifications

Will result in quality offtakes and technology partnerships



Framework agreement

To provide Tanzanian government certainty



FID by H2 2022

Strategic ESG fund cornerstone support



Sustainable battery anodes

Non-HF, thermal purification program completed Q3



Carbon neutrality

Pursuing net zero carbon from day one

Evolution's vision is to become a vertically integrated company that will only supply sustainably sourced graphite products and battery materials.

This will be achieved by combining our unique graphite source with industry-leading technology partners, working closely with customers and producing diversified downstream products in both Tanzania and strategically located manufacturing hubs around the world. Evolution is committed to being global leaders in ESG and ensuring its operations support the push for decarbonisation and the global green economy.

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