

ASX ANNOUNCEMENT

December Quarterly Activities Report

HIGHLIGHTS

- Chilalo siteworks commence following transfer of land to Evolution under agreed Resettlement Action Plan
- Mr George Donne appointed as Chief Executive Officer
- Identification of Chikundo copper-lead-zinc (Cu-Pb-Zn) VHMS Prospect
- Resource development programme for Chilalo East graphite prospects
- Cost review identified no material changes to Updated Definitive Feasibility Study estimates

Evolution Energy Minerals (“Evolution” or the “Company”) (ASX: EV1, FSE: P77) is pleased to report the Company’s activities for the quarter ended 31 December 2024.

With the Company’s current plan to progress the Chilalo Natural Flake Graphite Project (Chilalo or the Project) towards a Final Investment Decision (FID) in 2025, Evolution is working towards ensuring that all designs, reports and supporting infrastructure are completed ahead of time.

During the quarter, as part of the agreed Resettlement Action Plan (RAP), land for the mine and plant site was formally transferred to the Company and siteworks commenced with the establishment of access roads and clearing of the proposed plant site¹.

On the exploration front, a new copper-lead-zinc prospect called Chikundo² was identified and preliminary exploration is planned. Chikundo is 4km from Chilalo and offers a new form of mineralisation for investigation. In addition, Evolution is also progressing plans to develop further graphite mineralisation at Chilalo East³ with the aim of defining mineral resources and including it in the future mine plan for Chilalo.

To complete the planned changes to the management team, Mr George Donne was appointed as Chief Executive Officer⁴ of the Company during the quarter.

Evolution’s Chief Executive Officer, George Donne, commented:

“Our current strategy is to make all preparations to enable a Final Investment Decision for Chilalo in 2025 and do everything to facilitate construction to commence shortly after. This strategy is complemented by a cost rationalisation programme, implemented throughout the organisation.

“The transfer of land and the commencement of siteworks marks a key milestone for the Project and has been met with genuine enthusiasm within the local communities as stakeholders can see the Project starting to take shape.

“The exciting new discovery of Chikundo and the programme for potential integration of Chilalo East into the Project development plan also serves as a timely reminder that there is still much value yet to be unlocked across our tenements.”

¹ ASX Announcement 22 November 2024 – Commencement of Chilalo siteworks

² ASX Announcement 29 October 2024 – Chikundo Cu-Pb-Zn VHMS Prospect

³ ASX Announcement 21 October 2024 – Chilalo Project Update

⁴ ASX Announcement 18 November 2024 – Appointment of Chief Executive Officer

CHILALO GRAPHITE PROJECT

Commencement of Chilalo Siteworks¹

During the quarter, the Company commenced early works at the Chilalo project site in Tanzania. This significant milestone included the construction of an all weather access road and the pre-clearing of the plant site boundary and the power line corridor, marking the beginning of preparations for development of the Project.

The commencement of early works for the Project was facilitated by the transfer of land to Evolution after the payment of all compensation under the RAP.

The access road will facilitate efficient transportation of materials and personnel to and from the site, ensuring smooth progress as the Company moves forward with the Project. The pre-clearing of the plant site is a crucial step in preparing the area for subsequent construction phases, laying the groundwork for future development.



Photos 1 & 2: Initial access road clearing at Chilalo¹

Exploration at Chikundo Prospect²

During the quarter, the Company announced the identification of a new copper-lead-zinc VHMS (Volcanic Hosted Massive Sulphide) mineralisation prospect within the Project tenements, named the Chikundo Prospect. Located approximately 4km southwest of the planned Chilalo plant site, initial fieldwork has identified artisanal workings with visible malachite staining and potential chalcopyrite mineralisation.

A targeted exploration program is being developed which will include:

- **Geological Mapping and Soil Sampling:** A comprehensive mapping and sampling campaign was completed to infill existing data and potentially extend the current Cu-Pb-Zn anomalies. Historical soil samples with promising geochemical data are being re-assayed using advanced techniques to obtain multi-element analysis.
- **Drilling Program:** Reverse Circulation (RC) drilling is planned to define the extent, depth and continuity of the mineralisation. These efforts are expected to refine the mineral resource potential of Chikundo, which could complement Chilalo's graphite production by adding a diversified metal profile to Evolution's portfolio.



Photo 3: Copper and cobalt staining in the walls of the artisanal workings²

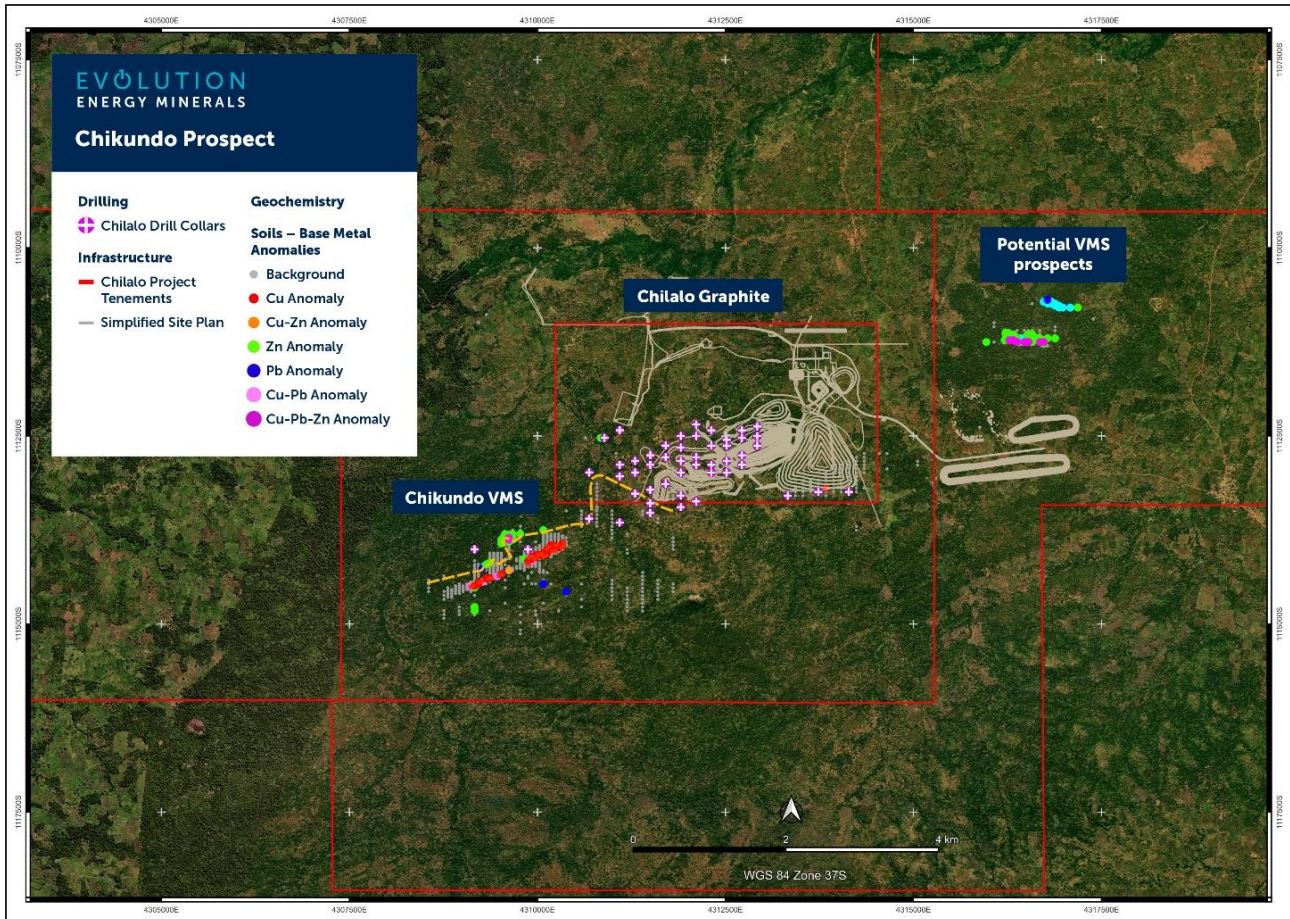


Figure 1: Location of the Chikundo Prospect in relation to the Chilalo Project planned infrastructure²

Chilalo East Resource Development³

A 5,000m drilling program in 2022 identified a new zone of mineralisation to the east of the Central pits at Chilalo, named Chilalo East. Two parallel zones of mineralisation, E1 and E2, were identified with thick, high-grade mineralisation.

The Company believes that conversion of the mineralised zones into mineral resources has the potential to enhance the mine plan for Chilalo. The thickness and dip of mineralisation at Chilalo East indicates the potential for a lower strip ratio in this area, which could result in lower operating and capital costs.

The Company plans to commence a resource development programme, the results of which have the potential to optimise the later years of the mining, but will not impact the timing of the Final Investment Decision.

Community and Infrastructure Development³

Evolution remains committed to its community and infrastructure initiatives, which are essential for Chilalo's future development. Key developments include:

- **Public Road Upgrades by TARURA:** In partnership with the Tanzanian rural roads agency TARURA, the upgrade and bituminisation of the public road between Ruangwa town and the Chilalo site are progressing. This major infrastructure project will facilitate equipment delivery and product export from the Chilalo site, with completion expected in mid-2025.
- **Grid Power Connection by TANESCO:** The Tanzanian electricity agency TANESCO is working to connect Chilalo to the grid, which will provide power for administrative infrastructure during construction. The primary plant power supply will utilize an integrated gas and solar solution, which is not only cost-effective but also aligns with Evolution's ESG objectives.

Continued Offtake and Investor Support³

Evolution has continued to engage actively with shareholders and offtake partners to reaffirm support for Chilalo amid recent management and board changes. Regular discussions are held with all major shareholders including ARCH Sustainable Resources Fund and Evolution's primary offtake partner and significant shareholder, BTR New Material Group Co. Ltd, the world's leading graphite anode producer.

Confirmation of Updated DFS Cost Assumptions³

A review of costs and inputs for the Updated DFS showed that there were no material changes to the assumptions and that pricing remains valid.

Potential to Convert Dry Tailings into Building Material³

The Company has commenced formal discussions with Melbourne-based Pure New World Pty Ltd (**PNW**) to investigate an alternative approach to traditional tailings dam management for Chilalo. PNW's novel and patented process encapsulates waste tailings material with their proprietary polymer and significant quantities of waste plastic to produce an end product that can be used as an alternative to concrete⁵.

Evolution is enthusiastic about the environmental benefits and carbon credit potential the PNW approach offers. The PNW process could reduce the need for wet tailing dams, effectively recycle mine waste into building products or safe non-leaching storage, and minimise the migration of waste toxins into the environment.

⁵ <https://www.smh.com.au/national/concrete-replacement-the-melbourne-invention-turning-toxic-soil-into-bricks-20240117-p5exvm.html>



Photo 4: Photo of the polymer material produced by the process developed by Pure New World³

CORPORATE

Appointment of Chief Executive Officer

In November⁴, the Company announced the appointment of George Donne as Chief Executive Officer. Mr. Donne brings over 20 years of expertise in the mining sector, with a distinguished career spanning corporate finance advisory, private equity and executive roles in both public and private mining companies. His background includes extensive work in developing markets across multiple commodities, particularly base metals and lithium-ion battery raw materials. With hands-on experience in mergers and acquisitions, corporate financing, investor relations and governance, Mr. Donne is well-positioned to lead Evolution's strategic growth.

Throughout his career, Mr. Donne has held significant roles, including Director of Corporate Development at Eurasian Resources Group S.a.r.l, where he managed the international investment pipeline for one of the world's largest producers of cobalt. Prior to this, he served as VP Business Development at Giyani Metals Corp., a Canadian-listed battery raw materials company, where he was instrumental in securing over USD \$30 million in equity and project financing and advancing off-take negotiations with international OEMs. His experience also includes serving as a Senior Investment Professional with Greenstone Resources LP, a specialist mining private equity fund, and part of JP Morgan's Metals and Mining investment banking team in London.

Mr. Donne is also committed to integrating sustainability within the minerals industry. He holds a CFA Certificate in ESG (Environmental, Social and Governance) Investing, further strengthening Evolution's alignment with sustainable mining practices. His strong network within the financial sector and proven track record of securing and managing international investments will be invaluable as Evolution continues to advance its portfolio.

Cash

At 31 December 2024, the Company had cash of \$1.16 million.

INFORMATION REQUIRED UNDER ASX LISTING RULES

Information required under Listing Rules 5.3.1 and 5.3.2

Evaluation and exploration expenditure during the Quarter amounted to \$638,000. During the quarter, there were no mining production and development activities.

Information required under Listing Rule 5.3.3 – tenement information

The Company's tenement interests as at 31 December 2024 are shown below.

Licence	Project	Location	Beneficial Interest at start of quarter ¹	Beneficial Interest at end of quarter ¹
ML/00951/2023 – Chilalo	Chilalo	Tanzania	84%	84%
PL/25161/2023	Chilalo	Tanzania	84%	84%

1. The remaining 16% is held by the Government of Tanzania as an undiluted, free-carried interest in Kudu.

Information required under Listing Rule 5.3.5

During the Quarter, the Company made payments to related parties of \$171,000, all of which comprised payments to Evolution directors in accordance with the applicable terms of engagement.

Reference to Previous ASX Announcements

In relation to other previously announced information included in this December Quarterly Activities Report, the dates of which are referenced, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

This announcement has been approved for release by Evolution's Board of Directors.

For further information please contact:

George Donne

Chief Executive Officer

gdonne@ev1minerals.com.au

T: +61 8 9200 4960

Andrew Rowell

White Noise Communications

andrew@whitenoisecomms.com

T: +61 400 466 226

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Evolution Energy Minerals Limited

ABN

53 648 703 548

Quarter ended ("current quarter")

December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(638)	(1,176)
	(b) development		
	(c) production		
	(d) staff costs	(742)	(1,713)
	(e) administration and corporate costs	(436)	(783)
1.3	Dividends received (see note 3)		
1.4	Interest received	12	19
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		(363)
1.9	Net cash from / (used in) operating activities	(1,804)	(4,016)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		(49)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	(49)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,173
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	2,173

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,946	3,066
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,804)	(4,016)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(49)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,173

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	19	(13)
4.6	Cash and cash equivalents at end of period	1,161	1,161

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,161	2,946
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,161	2,946

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	171
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,804)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,804)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,161
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,161
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.64
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
The Company does not anticipate maintaining its current expenditure levels as it is actively engaged in a cost reduction initiative, aiming to optimise operating cash flows.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
In addition to ongoing cost reduction efforts, the Company is exploring alternative funding options to support its operations. Management remains confident in the viability of these efforts, based on existing relationships and previous funding successes.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, the Company expects to continue its operations and meet its objectives by closely managing expenditure and actively seeking capital-raising opportunities, aligning resources to support ongoing business goals.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 January 2025

Date:

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.