

## ASX ANNOUNCEMENT

### Evolution enters into Binding Term Sheet to farm-out Chikundo Cu-Pb-Zn VHMS Prospect

#### HIGHLIGHTS

Evolution has entered into a binding Term Sheet with Oscillate Plc (Oscillate) to farm out up to 100% of Evolution's interest in the Chikundo volcanic hosted massive sulphide (VHMS) Copper (Cu)-Lead (Pb)-Zinc (Zn) prospect located within the Chilalo Graphite Project tenements (Transaction):

- Oscillate to fund a minimum of A\$4.5 million in exploration expenditure over two phases within 42 months of signing of binding agreements
- Option to acquire Evolution's entire holding in Chikundo for A\$3 million in cash at any time before the end of the first exploration phase
- Immediate payment of A\$300,000 in cash payable on signing of the Term Sheet with additional A\$100,000 payable on signing of binding agreements
- Additional consideration payable to Evolution of either A\$0.03/lb contained copper as reported in Measured and Indicated Mineral Resources or 1.0% net smelter royalty on all copper sold
- Chikundo and other VHMS prospects to split out of existing tenements held by Evolution's Tanzanian subsidiary, Kudu Graphite Limited (KGL), and transferred into a new joint venture company (JVCo) with the Government of Tanzania

Evolution Energy Minerals Limited (Evolution or the Company) (ASX: EV1, FSE: P77) is pleased to announce that it has entered into a binding term sheet (**Term Sheet**) with Oscillate to allow Oscillate to farm into Evolution's interest in the Chikundo VHMS prospect and any other similar prospects identified on its tenements.

Under the Term Sheet, it is envisaged that the VHMS prospects on the Company's existing prospecting licence (**PL**) held by its Tanzanian subsidiary, Kudu Graphite Limited (**KGL**), will be transferred to a new joint venture company with the Government of Tanzania (**JVCo**).

Oscillate may earn up to 100% of Evolution's interest in JVCo by completing the following exploration programmes:

- **Phase 1:** Minimum of A\$1.5 million in exploration expenditure to be made within 18 months signing of transaction documents. On completion of Phase 1, Evolution will transfer 51% of its holding in JVCo to Oscillate.
- **Accelerated Buy-out:** At any time on or before completion of Phase 1, Oscillate has the right to acquire Evolution's outstanding interest in the JVCo for a cash payment of A\$3.0 million.
- **Phase 2:** Minimum of A\$3.0 million in exploration expenditure to be made within 24 months of completion of Phase 1. On completion of Phase 2, Evolution will transfer its remaining 49% holding in JVCo to Oscillate.
- **Deferred Consideration:** Assuming it has not trigger the Accelerated Buy-out, on completion of Phase 2, Oscillate will also either make a cash payment to Evolution calculated as the sum of A\$0.03/ lb of contained copper as reported in Measured and Indicated Resources by an independent competent person or grant the Company a 1.0% net smelter royalty in respect any copper sold, purchasable by Oscillate for a consideration of A\$10 million.

Oscillate will have operational control of the Phase 1 and Phase 2 exploration programmes, to be managed by KGL for a fee to be agreed with Evolution.

On signing of the Term Sheet, Oscillate will pay Evolution a non-refundable cash fee of A\$300,000 for a six month exclusivity (**Exclusivity Fee**) to conclude binding transaction documentation (**Transaction**

**Documents)** when an additional non-refundable fee of A\$100,000 will be payable (**Signing Fee**). The Exclusivity and Signing Fees will be secured against Evolution's existing PL until transfer of the prospects to JVCo.

Completion of the transaction will be subject to completion of customary due diligence by Oscillate and signing of the Transaction Documents. These agreements will include a form of exclusive agreement between the KGL and JVCo to allow the development of any identified graphite and base or precious metals on their respective licences and an Assumption Deed and deed of covenant as required under the Net Sales Return Royalty Deed entered into between Evolution, KGL and ARCH Sustainable Resources Fund LP.

**Evolution's CEO, George Donne, commented:**

*"This transaction will allow Chikundo to be explored properly in tandem with the development of our Chilalo coarse flake graphite project. The Chilalo Graphite Project has the potential to be a globally significant operation and demands our primary focus. With Chikundo now open to dedicated investment and exploration, the Chilalo area could become a multi-commodity mining hub for the benefit of all stakeholders."*

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

**For further information, please contact:**

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## ABOUT EVOLUTION (ASX:EV1)



Development-ready coarse flake graphite project in Tanzania (NPV US\$338M, IRR 32%)



Binding offtake covering 90% of production with Tier-1 customers



EPC process started and targeting Final Investment Decision in 2025



Strategic partnership with global #1 battery anode producer for downstream product development



Exciting new Chikundo copper-lead-zinc VHMS discovery on existing Prospecting Licence

**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.

**Forward Statements**

This release includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration programs and other statements that are not historical facts. When used in this release, the words such as "could", "plan", "estimate", "expect", "anticipate", "intend", "may", "potential", "should", "might" and similar expressions are forward looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve known and unknown risks and uncertainties and are subject to factors outside of the Company's control. Accordingly, no assurance can be given that actual results will be consistent with these forward-looking statements.