

ASX ANNOUNCEMENT

2024 Sustainability Report

Evolution Energy Minerals Limited (ASX: EV1) (**Evolution or the Company**) releases its 2024 Sustainability Report (the **Report**), a copy of which is attached to this announcement and can be found on the Company's website at <https://evolutionenergyminerals.com.au/asx-announcements/>

The Report marks the second annual publication that Evolution has reported on robust health and safety, environmental stewardship and the fostering of strong relationships with the communities surrounding the Company's projects.

The Board would like to acknowledge the significant effort contributed by the small in-country team led by the Australian Chief Operating Officer in preparing the Report in a rapidly changing sustainability landscape, particularly for an entity the size and scale of Evolution.

This announcement has been authorised for release to the ASX by the Company's Board of Directors.

For further information, please contact

Craig Moulton
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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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2024 SUSTAINABILITY REPORT

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Evolution's Second Sustainability Report

This Sustainability Report – Evolution Energy Minerals' 2nd Report – is a standalone report that presents a summary of Evolution's approach to environmental, social and governance matters since the maiden report in 2024.

The report covers Evolution's activities in Tanzania and Australia, outlining how we manage our environmental, social, and governance risks and opportunities. As Evolution's second report, it provides an update on previously set targets and a plan for the future.

This report has been prepared for our stakeholders to provide an understanding of the Company's approach to sustainability and serves as a platform from which Evolution can communicate its sustainability activities and achievements to its stakeholders.

To be a successful Company, we recognise the critical importance of transparency and respectful relationships with our key stakeholders. Reporting on sustainability is a key part of maintaining such relationships.



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List of Abbreviations

AAMEG – Australian Africa Mineral and Energy Group
ASX – Australian Securities Exchange
CAGR – Compound Annual Growth Rate
CSR – Corporate Social Responsibility
EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortisation.
ECI – Early Contractor Involvement
EMP – Environmental Mine Plan
EOI – Expression of Interest
EPC – Engineering, Procurement and Construction
EPRP – Emergency Preparedness and Response Plan
ERMP – Emergency Response Management Plan
ESAMPs – Environmental and Social Assessments and Management Plans
ESAP – Environmental and Social Action Plan
ESG – Environmental, Social and Governance
ESIA – Environmental and Social Impact Assessment
ESMP – Environmental and Social Management Plan
EV1 – Evolution Energy Minerals
FID – Final Investment Decision
FLEM's – Fixed Loop Electromagnetic Survey
GIIP – Good International Industrial Practices
GST – Geological Survey of Tanzania
IFC – International Finance Corporation
IPO – Initial Public Offering
KTPA (ktpa) – Kilotonnes Per Annum
LCA – Life Cycle Assessment
LCR – Local Content Reporting
LiDAR – Light Detection and Ranging
LRP – Livelihood Restoration Plan
MWh – Megawatt-hour
NATA – National Association of Testing Authorities
NEMC – National Environmental Management Council
OHSMP – Occupational Health and Safety Management Plan
OHSMP – Occupational Health and Safety Management Plan
OSHA – Occupation, Safety and Health Authority
PAH – Project Affected Households
PAOI – Project Area of Influence
PAPs – Project Affected Persons
PS – Performance Standards
RAP – Resettlement Action Plan
RC Drilling – Reverse Circulation (RC) drilling
ROM Pad – Run of Mine Pad
SCC – Species of Conservation Concern
SEMP – Stakeholder Engagement Plan
SOPs – Standard Operating Procedures
STAMICO – State Mining Corporation,
TGC – Total Graphitic Carbon Content
TSF – Tailings Storage Facility
UDFS – Updated Definitive Feasibility Study
WRD – Waste Rock Dump

A Message From the Executive



Craig Moulton

Executive Director – Evolution Energy Minerals Ltd

I am pleased to present Evolution's 2024 Sustainability Report, our second annual publication, reaffirming our commitment to transparency and responsible growth. This report outlines our approach to sustainability and our journey to create long-term value and enduring benefits for all our stakeholders.

At Evolution, we are committed to sustainably developing our graphite business. We steadfastly focus on health and safety, environmental stewardship, and fostering strong relationships with the communities surrounding our Chilalo project.

Community engagement and social responsibility are fundamental to our operations, shaping the way we work and the impact we seek to make. We believe that Environmental, Social, and Governance (ESG) principles are integral to our success and guide the actions of our directors and executives. We have established clear accountability measures to uphold these values, ensuring that ESG commitments remain prioritised across our organisation.

We recognise that critical minerals, including graphite, play a vital role in enabling a low-carbon future. As the world transitions to clean energy solutions, we take immense pride in developing Chilalo as a key source of high-quality graphite, which is essential for driving sustainable innovation and green technologies.

We welcome feedback on our sustainability initiatives and this 2024 Sustainability Report as we continue on this path. Your insights help shape our future, ensuring we remain committed to responsible and forward-thinking progress.

Craig Moulton,
Executive Director

A Message From the Team



Musa Mhagama
Resettlement Manager, Kudu Graphite Ltd

Evolution has remained steadfast in its focus on integrating ESG considerations into all decisions throughout our Company.

We have worked with our key stakeholders in Tanzania to develop sustainability objectives where we ensure the health and safety of our employees, protect the environment through implementation of Environmental and Social Assessments and Management Plans (ESAMP) while, assisting the communities in which we operate transparently (Social Sustainability and Inclusion Practices) and make a meaningful contribution to Tanzania. All of this is undertaken in parallel with the effort to create value for our shareholders.

Assessment and monitoring of our ESG performance is central to improved outcomes. The setting and reporting of ESG goals provide a yardstick for the Company to be assessed against in terms of progress.

To support this process, we joined with Digbee, an independent group that applies leading international standards to measure ESG performance. In February 2022, we received our first rating of “B” from Digbee for our ESG report/milestone, and 12 months later, we had advanced this rating to “BBB”, reflecting the progress made during that period.

Notable achievements during 2024 included advancement of completion of the cash compensation payment and commencement of the livelihood restoration plan as well as making progress on the Resettlement village plans (for replacement house construction) which is one of the key elements for our social license to operate.

We have continued to engage with our stakeholders as per IFC’s compliance and national legal requirements to foster a closer relationship with the local community and ensure sustainable development of Chilalo Graphite Project as stipulated in the eight UN Sustainable Development Goals.

The removal of a conventional wet tailings storage facility in the updated definitive feasibility study for Chilalo is a testament to our efforts.

We understand that ESG is a journey that will continue throughout the project life and beyond. There is much work to be done, however we are confident that we are trending in the right direction. We look forward to doing that work and keeping you updated on our progress.

Musa Mhagama,
Resettlement Manager

“The global energy system, both stationary and mobile, is in the midst of a major transition to clean energy. Global efforts to reduce greenhouse gas emissions call for significant deployment of a range of clean energy technologies, with many of these relying on critical minerals such as graphite.”

– John Nolan,
Chief Operating Officer





About Evolution Energy Minerals

Evolution's principal asset is the advanced and development-ready Chilalo graphite project located in south-east Tanzania, which Evolution believes will become a premier source of world-class flake graphite products.

Since completing an IPO and listing on the ASX in November 2021, Evolution's activities have focused on advancing the Chilalo Project. The 2022 updated definitive feasibility study (UDFS) confirmed that the Chilalo project is a high-margin project, poised to become a significant producer of high-value graphite products and make a meaningful contribution to Tanzania.

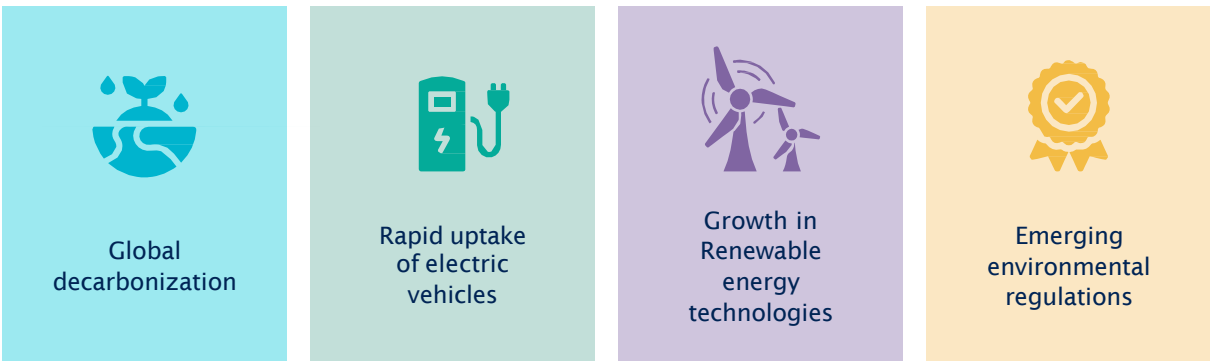
This work has been undertaken as part of laying the platform for leading environmental, social, and governance (ESG) performance, to underpin the Company's development activities.

"We prioritize our people, foster new opportunities, and support local communities. Our commitment extends to minimising our environmental impact and upholding the highest standards of ethical and responsible behaviour in all our actions. We strive to provide our stakeholders with comprehensive and transparent reporting on sustainability issues that are significant to Evolution and its stakeholders."

– John Nolan, Chief Operating Officer

Sustainability at Evolution Energy Minerals

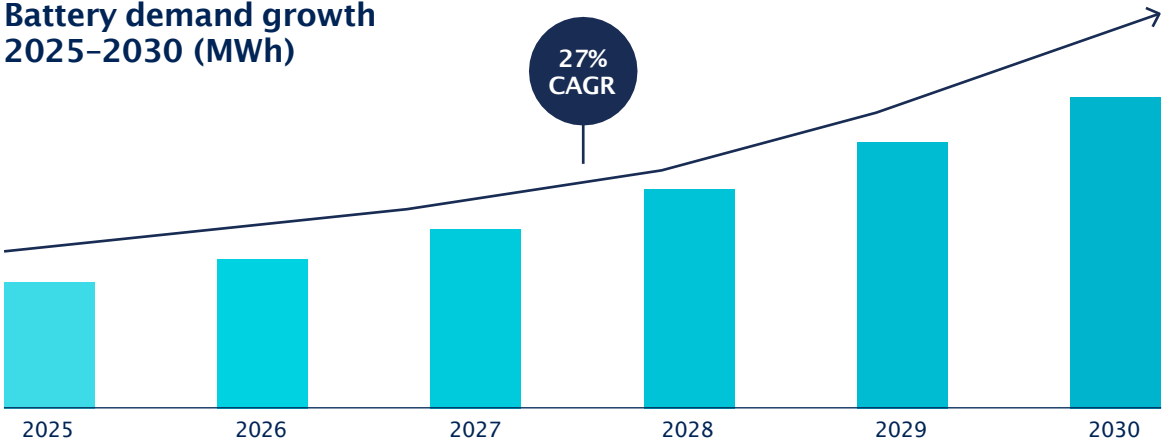
Sustainable graphite – a critical mineral for climate change



The global energy landscape is undergoing a profound transformation toward cleaner, more sustainable sources. As countries intensify efforts to cut greenhouse gas emissions, the deployment of clean energy technologies is accelerating. Many of these technologies—such as electric vehicles and lithium-ion batteries—depend heavily on critical minerals like graphite. As the demand for clean energy solutions continues to grow, the need for graphite is projected to rise sharply in the coming years

International regulatory bodies, such as the European Commission, are introducing more stringent environmental standards for battery production. At the same time, major corporations and their supply chain partners are increasingly prioritising responsible sourcing practices. These evolving trends are driving a growing demand for sustainably produced graphite, a critical material in the global transition to a green economy.

Battery demand growth 2025–2030 (MWh)



Source: Benchmark Mineral Intelligence

Evolution’s Commitment to Become a Sustainable Graphite Supplier

The transition from fossil fuels to low-carbon energy sources will depend on the availability of critical minerals. The Company is well positioned to produce sustainable graphite, which is vital for supporting decarbonisation.

Our vision is to become a vertically integrated Company that will only supply sustainably sourced graphite products and battery materials.

As part of our strategy, we are working with leading battery anode technology companies to develop both strategic supply and technology partnerships.

We conduct carbon assessments to evaluate the feasibility of progression towards a net zero carbon graphite mine.

The table below outlines our strategy for addressing challenges in the battery market.

Challenges faced by traditional battery makers	Evolution’s Strategy
High carbon footprint	Pursuing Net Zero Carbon Graphite Mine Conducted life cycle assessment for flake graphite produced from the Chilalo Project Commitment to utilize renewable power and to progressively replace diesel with gas
Emerging environmental regulatory framework on the traceability of batteries	Maintain a high level of traceability to demonstrate compliance with the increasingly regulated supply chain.
Increasing demand for responsibly produced materials from supply chain partners and customers	Maintain full supply chain custody of graphite from the Chilalo mine site through to the production of coated battery anode material.

Our ESG Milestones

The Company's ESG framework, which guides all the ESG activities, is underpinned by the following seven United Nations Sustainable Development Goals;

1. Good Health and Well Being
2. Quality Education
3. Gender Equality
4. Clean Water and Sanitation
5. Decent Work and Economic Growth
6. Industry, Innovation and Infrastructure
7. Climate Action

To ensure that the company meets these Sustainable Development Goals, it has opted to use the International Finance Corporation's (IFC) Sustainability Framework. The IFC's Sustainability Framework outlines eight Performance Standards that guide the company's business activities to achieve its overall development objectives and ensure that the company is utilising an internationally recognised ESG standard.

Since March 2023, we have achieved several ESG milestones related to environment, social and good governance as per IFC's Performance Standards.

The company has completed its initial Resettlement Action Plan and adhered to and met the requirements as set out in Performance Standard 5 - Land Acquisition and Involuntary Resettlement.

On the environmental side, the Company is adhering to Performance Standard 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources with biodiversity studies. These ESG milestones have laid the foundation for ongoing sustainability performance.

As the Chilalo Project progresses, the Company is expanding its ESG capabilities to drive even further improvements in ESG performance and enhance its social license to operate.

In June 2023, the Company released the inaugural Sustainability Report, which outlined our sustainability activities and commitment to transparency. The Company strives to report comprehensively on the sustainability issues significant to Evolution and its stakeholders.

Mr Musa Mhagama, based in Tanzania, is leading our sustainability initiative, community and local government relations.





Environment
The Environmental and Social Management Plan (ESMP) was successfully updated to accommodate changes to the project mine plan and the Environmental Management Plan (EMP), as approved by the National Environmental Management Council (NEMC), in response to the issues raised in the mine Environmental Impact Assessment (ESIA).
Completed Killifish study as per IFC’s Performance Standards number 6 on biodiversity conservation for the occurrence of any species of importance. The report findings, show that there are no species of conservation concern (SCC) and no accounts of their presence on-site or their availability of suitable habitat in the broader landscape within the Project Area of Influence.
Ongoing environmental monitoring studies for gases, dust, noise, surface water and groundwater. Information collected will be used as baseline data during project implementation.
The Company is interested in Pure New World’s patented tailings encapsulation technology, which converts mining waste products into an alternative to concrete, offering significant environmental benefits. The discovery is one of a kind and will reduce waste produced by operations through waste recycling, creating a market opportunity for the Company and, more importantly, benefiting the local community.
<p>The Company has successfully conducted anode test work and announced the results of this work on the battery anodes made from Chilalo graphite ore as “successful.</p> <p>”The potential upside for the Company is that test work has confirmed the ability for Chilalo graphite to replicate BTR New Material Group Co., Ltd. existing premium quality anode materials, mass produced by BTR.</p>

BTR is a global leader in anode materials, holding a significant market share internationally.

It serves major players in the electric vehicle (EV) and energy storage sectors.

The company has expanded internationally, with production bases in Indonesia and Morocco.

BTR is known for its strong emphasis on R&D and innovation, with over 900 R&D staff and more than 665 granted patents

2024 Sustainability Highlights



Social

The company has completed the RAP land acquisition phase in line with the National Legislation and the International Financing Corporation (IFC) standards (cash compensation payment for PAPs and notice to vacate the land).

The next phase of the RAP process, the Replacement Housing project, has commenced. With the following steps having been completed.

- Completed disclosure of 110 resettlement house designs to PAPs within the mining licensed area.
- A LiDAR survey was conducted to capture the accurate topography of the identified site, ensuring that the "Town Planning" was suited to the site.
- The Land Suitability Study report has been updated to reflect the identified soil suitability for construction and to avoid hazardous land.
- The final architectural plans for the 110 replacement houses have been concluded. The architect sent through the revised tender document. The Company has made final amendments, and the relevant management team is reviewing the document for finalisation. Dates of commencement still to be decided.
- Completed and submitted ESIA report for the resettlement village. Currently incorporating comments from NEMC and updating the report. Once NEMC issues the certificate, Kudu will proceed with other steps for the replacement house construction.

Commencement of Livelihood Restoration Plan (LRP) with seven programs aimed at ensuring and increasing the PAPs ability to create and enhance their standard of living (promotion of sustainable farming, Promotion of cashew farming, sesame, vegetable gardening, tree nursery, construction skills and beekeeping training).

Conducted various training awareness with PAPs and village/ward authority (village and ward development committees) on the Implementation of Livelihood Restoration Plan to PAPs (financial literacy training, conservation farming and beekeeping).

Completed Kudu Corporate Social Responsibility (CSR) - CSR Policy and established CSR Action plan for 2024 where Kudu Graphite Ltd committed to US\$60,000 for community projects activities. As part of the CSR plan, we have supported vulnerable communities with various needs in Ruangwa District.

Updated stakeholder engagement plan. Ongoing community engagement includes focus group discussions and meetings. For 2024, conducted 109 meetings, 13 training, 18 focus group discussions with a total of 1,762 (476 Female, 1,286 Male)

Updated community social risk register and created community engagement tracker.

2024 Sustainability Highlights



Governance

The company has signed the Occupational Health, Safety, Environmental and Social (OHSES) Management System document which is the guiding document for the implementation of the ESG principles. This document combines the Environmental and Social Management System (ESMS) and the Occupational Health and Safety System.

From the OHSES three Management Plans have been created and signed off namely the Environmental Social Management Plan (ESMP), Occupational Health and Safety Management Plan (OHSMP) and the Emergency Response Management Plan (ERMP).

The ERMP will only be completed once operations commence. Part of the ERMP, the evacuation of employees in the event of civil unrest or terrorist attacks has been completed and approved by the ESG committee.

Submitted Local Content Annual Performance Report 2023/2024

Announcement of EOI for Engineering, Procurement and Construction (EPC) and preselection of potential contractors for Early Contractor Involvement (ECI). The ECI involvement will include the design and construction of the process plant.

Created regular monthly project updates as part of key stakeholders' engagement (government authority) and a regular monthly social media update for wider stakeholders.

Attended various Mining EXPOs 2024 within the country (Tanzania Mining EXPO) and outside the country (Mining Indaba Expo 2024, South Africa, Africa Down Under, 2024, Australia).

Completed the 2024 Annual General Meeting for Shareholders and published the Company's progress report.

(Report available [here](#))

Economic Impact

Following the end of the 2023 calendar year, the Company confirmed that Chilalo is a standout, high-margin, development-ready graphite project with a mining licence and environmental approvals secured alongside a framework agreement and shareholders' agreement finalised with the Tanzanian Government. Chilalo is well positioned to deliver significant economic benefits. These benefits extend to the Tanzanian Government, local communities, indigenous Tanzanian businesses, and Evolution shareholders alike.

In 2024, the project saw significant advancements. The Tanzanian Government confirmed plans to upgrade roads servicing Chilalo, further enhancing project economics.

The Tanzanian Government has already supplied grid power to the local village, and the Company now only needs to connect to this infrastructure to support its non-process infrastructure (NPI). This access to grid power is expected to reduce operational costs and further support the project's development.

Evolution remains focused on optimising the project to reduce costs and de-risk development, with continued strong support from the Tanzanian Government.

<div>US\$338m</div> <div>Post Tax NPV₈</div>	<div>32%</div> <div>Internal Rate of Return</div>	<div>52ktpa</div> <div>Ave Graphite Concentrate</div>
<div>17Yr</div> <div>Mine Life</div>	<div>US\$120m</div> <div>Pre-Production Capital</div>	<div>12ktpa</div> <div>Steady State Expandable Graphite Sales</div>
<div>US\$82m</div> <div>Annual EBITDA</div>	<div>52%</div> <div>Operating Margin</div>	<div>8ktpa</div> <div>Steady State Micronised Graphite Sales</div>
<div>3.3 Yr</div> <div>Payback Period (Post tax)</div>	<div>500ktpa @ 10.6% TGC</div> <div>(First 2 years, then 600ktpa)</div> <div>Average Annual Plant Feed</div>	

Environment



The Company is committed to minimising the environmental impact of our operations through seeking continual improvements in energy efficiency, utilising best practice procedures, resource management and complying with legislative requirements.

Our Environmental Policy outlines the general principles and guidelines for developing sustainable exploration and mining operations that benefit our employees, contract partners, suppliers, key stakeholders, and the broader community. To avoid or reduce environmental impacts from operations, we will:

- Commit to environmental protection through visible and effective leadership, application of environmental management strategies and systems, and through the active participation of all employees, contractors, and consultants.
- Assess the potential effects of our projects and integrate protective measures into the planning process to prevent or reduce impacts on the environment and on public health and safety.
- Comply with all applicable environmental laws and regulations.
- Engage with government agencies, local industry groups, and communities to facilitate a timely review of environmental standards.
- Manage our business to prevent environmental incidents and control emissions and waste to levels that are not harmful.
- Respond quickly and effectively to environmental incidents resulting from our operations, in cooperation with industry organisations and authorised government agencies.
- Communicate and engage with communities on environmental and operational matters.
- Undertake appropriate reviews and evaluations of its operations to measure progress and to foster compliance with this policy.
- Ensure Environmental management and monitoring plans are in place, as well as Environmental Audits Mechanisms.

Environmental Studies

Since project inception, the primary goal has been to develop and implement the Environmental and Social Action Plan (ESAP) and advancing the Project towards national and IFC compliance.

During 2024, the Company managed to conduct the following environmental and social baseline studies, including:

- a. Air Quality Monitoring (Dust Fallout and Particulate Matter).
- b. Climate Monitor (Data from the Company's weather station).
- c. Groundwater and Surface water Monitoring (Quarterly Water sampling).
- d. Noise Level Monitoring.
- e. Biodiversity Study of Killifish.
- f. Dry Tailings are potentially reusable as building material.
- g. Substitute diesel for gas in power generation with solar PV.
- h. Connection to the grid for NPI.

Setting Standards:

In 2024, the Company completed a set of key documents guided by the OHSES, which is crucial in managing and monitoring the ESG space and safeguards the Company to proceed with the schedule of activities as planned. It also cements the Company's social license to operate throughout the project development and implementation.



Greenhouse Gas Emissions

The Company is committed to supporting the transition to a low carbon economy. The company will adhere to the Greenhouse Gas (GHG) Protocol standards to measure and account for the company's carbon footprint and the reduction thereof to meet the target of a net zero carbon graphite mine. In pursuing this target the company will first focus on Scope 1 – the emissions that are directly related to the company's activities and we can put direct measures in to control and lessen the carbon footprint such as using solar power.

Thereafter, the company will focus on Scope 2 – indirect emissions from company activities such as electricity that is purchased, and finally, Scope 3 – those emissions from suppliers in the supply chain. The Life Cycle Assessment will guide this strategy, highlighted below.

The Company commissioned a consultant to conduct an independent Life Cycle Assessment (LCA) of the Chilalo Project's environmental footprint.

An LCA is a method that enables the Company to assess the environmental impacts of producing 1 kg of flake graphite concentrate from natural flake graphite ore extracted at the Chilalo Project.

Essentially, an LCA enables the evaluation of indirect impacts that occur during the development of a product or process system throughout its entire life cycle, providing information that might otherwise be overlooked.

The LCA results indicate that the Chilalo Project will have lower emissions compared to comparable production in other parts of the world, including China, particularly in Heilongjiang Province, where more than 50% of the world's graphite is produced. Completion of the initial LCA is one of our first steps to develop Chilalo as a net zero carbon graphite mine.

An updated LCA is expected to be commissioned in the coming months, with improvements expected as a result of incorporating solar power, replacing diesel with gas in certain activities, and adopting waste heat recovery to reduce diesel usage.

Establishing a tree nursery with the purpose of reforestation will increase the company's environmental Net Carbon Gain, which compensates for the harm caused by patches of land cleared for construction.



Potential risks	Mitigation measures
Construction	
Increased run off and erosion resulting in further loss of soil resources and impacts to water resources as a result of land clearance.	<p>Stormwater management design to account for a potential increase in annual rainfall and flood peaks.</p> <p>Consider a more adaptable ecosystem-based design for aspects such as stormwater attenuation and water recycling.</p> <p>Ensure that cleared areas are kept to a minimum and are only cleared immediately before the start of construction or mining.</p>
Operation	
(Direct risks to, or as a result of, the mining operation)	
Failure of dewatering infrastructure (e.g., pumps in pits) to accommodate additional water volumes resulting from predicted changes in increased rainfall or flood events may lead to impacts on mining operations and the receiving environment.	<p>Implement meteorological monitoring under a monitoring plan. Utilise the monitored meteorological trends to inform the extent to which infrastructure is adapted to accommodate climate change.</p> <p>Infrastructure design to accommodate a potential increase in annual rainfall and flood peaks.</p> <p>Implement control measures of water storage facilities before potential flood events.</p> <p>Monitor moisture content and pit wall stability throughout the mining process, and implement additional mitigation or management measures as needed.</p> <p>Concurrent rehabilitation should be adopted to limit the exposed area as far as practically possible.</p> <p>Monitor the efficacy of stormwater management infrastructure on the waste rock dump.</p>
Failure of pollution control facilities to contain increased volumes of stormwater (stormwater control dams) may result in an overflow of contaminated water to the environment.	
Destabilisation of open pit benches (which could result in pit failure) may occur due to increased rainfall or moisture content.	
The destabilisation of the waste rock dump may occur if it is not adequately designed to accommodate increased extreme rainfall events or high moisture content, which would result in loss of containment and potential impacts on water resources.	

Operational disruptions due to flooding or inadequate stormwater management infrastructure may result in damage to process plant, utilities and site camp.	<p>Infrastructure design to accommodate the potential increase in flood peaks.</p> <p>Develop a disaster management plan for flood warning and response.</p>
Uncontrolled release of hazardous materials to surrounding surface water resources should the process plant, hazardous storage facilities or sewage treatment facilities flood.	<p>Clearing for mine operations must ensure that cleared areas are kept to a minimum and are only cleared immediately prior to the start of mining.</p> <p>Concurrent rehabilitation will be adopted to limit the exposed area as far as practically possible.</p> <p>Model the predicted flood zones utilising worst-case climate change predictions and ensure that hazardous waste facilities are located outside of potential risk areas.</p>
Indirect risks which may influence the operation of the mine	
Disruption of energy supply due to offsite or remote flooding and related infrastructure damage.	<p>Implement a disaster management plan that assesses the risk to power infrastructure and ensure that adequate back up measures are in place if power infrastructure is damaged due to increased flood events.</p>
Disruption of transportation routes due to offsite/remote flooding related infrastructure damage.	<p>Whenever possible, source local raw materials.</p> <p>Investigate all alternative routes for transporting raw materials to the mine and for transporting goods from the mine to the transfer/export facility. If one route is compromised by flooding, another option can then be used.</p> <p>Engage with local transportation and roads authorities to support where practicable the improvement of transportation routes to the Chilalo Project.</p>
Increased prevalence of vector borne diseases due to higher temperatures and rainfall in certain months (with specific relevance to malaria) and associated increases in humidity in an already humid climate.	<p>Undertake an entomological study of vector borne diseases and implement mitigation measures identified.</p> <p>Provision of malaria prevention measures and treatment for staff.</p> <p>Community awareness and education.</p>
Community and staff displacement due to flooding.	<p>Develop a disaster management plan that includes measures to support the surrounding community.</p> <p>Build community resilience through education and support programs.</p>
Increased requirement for decarbonisation in line with client, funder and lender requirements.	<p>Undertake a decarbonisation options analysis to explore various alternatives in the proposed process and activities for reducing the carbon footprint.</p> <p>Implementing the alternatives suggested was feasible from the operations analysis to reduce the carbon footprint prior to mine construction to avoid retrofitting.</p>

Closure and post closure	
Decreased structural integrity of the waste rock dump due to higher rainfall than that accounted for in the design.	<p>Designs to consider long-term increase in flood peaks.</p> <p>The results of climate trends to be updated throughout the life of mine and where necessary additional mitigation measures are implemented.</p> <p>Develop and implement a meteorological monitoring plan.</p>

Environmental Studies

The Company recognises the importance of understanding the existing environmental and social conditions, assessing potential impacts, and proposing mitigation measures before developing the Chilalo Project.

The Company has undertaken scoping studies and is currently conducting environmental studies in, in compliance with the IFC Performance Standards for the Chilalo Project's Environmental and Social Impact Assessment.

Studies undertaken during 2024 included:

1. LiDAR aerial Imagery survey

a) LiDAR images were taken, which allowed the Company to closely study the resettlement village land to avoid hazardous land (wetlands, unsuitable topography/soil conditions as well as marshland and low bottom valleys).

2. Kill-fish Study

a) As per the Ecosystem and Biodiversity study there was a concern raised that (Genus Nothobranchius) and Barbs (Genus Enterobius) an endangered type of Killifish was located on the Project Area of Influence (PAOI). Due to these concerns a study was undertaken as per IFC's Performance Standards number 6 on biodiversity conservation and management of natural living resources to study and assess the occurrence of any species of importance across the PAOI (terrestrial and aquatic baseline study). Report findings show that there are no species of conservation concern (SCC) and no accounts of their presence or availability in the wider landscape within the PAOI.

3. Updated Land Suitability Survey

a) The LiDAR image report and the NEMC field verification report helped the project to amend the land suitability study and update the resettlement village land by subdividing and revising the Town Plan Drawing for the resettlement area to avoid wetlands, marshlands, and unsuitable topography due to clay soil conditions.

4. Completed Resettlement ESIA Report and submitted for review and approval.

a. The ESIA for the proposed Resettlement Village area has been completed and submitted to NEMC. NEMC has raised a few comments, which are currently being addressed.

5. Chikundo Cu anomaly assessment

a) Historical data identified the existence of a Copper (Cu)-Lead (Pb)-Zinc (Zn) prospect within the Chilalo Graphite Project tenements. A detailed geochemical analysis of historical soil samples, collected by IMX Resources between 2011 and 2014, has confirmed the area as an encouraging Volcanic Hosted Massive Sulphide (VHMS) style Cu-Pb-Zn prospect, with values up to 5,800ppm Cu at the surface.

6. Other ongoing studies include noise monitoring, air quality monitoring, surface and ground water monitoring.

a) Based on the results of these studies, the Company will propose suitable measures (if deemed necessary) to mitigate potential negative impacts from operations. Key findings on environmental studies will be released once the studies are completed.

Social



Evolution recognises the significant roles played by our employees and local communities. We are committed to attracting and retaining a highly competent workforce, maintaining workplace health and safety standards and supporting local communities.

1. Social Plans

The primary social objective during this reporting period has been to complete the compensation phase of the RAP process and to develop and implement relevant measures to reduce, and responsibly manage, the social risks associated with the Project. Another main task was to engage the stakeholders and PAPs and ensure the social license to operate is maintained throughout.

Furthermore, the Company undertook various social studies to supplement existing information and provide a baseline for managing and monitoring any social risks associated with the project. Below is the progress made regarding the various social studies undertaken to achieve this goal.

a. Updated Stakeholder Engagement Plan: The SEMP tracker has been implemented and has been effective since January 2024. The purpose of the tracker is to track all engagement undertaken as well as all social issues and risk registered to ensure that all issues are registered, examined, addressed, and Stakeholders are provided with feedback and are regularly updated on project progress.

b. The Expression of Interest - EOI for Replacement Houses concluded. Potential bidders await a formal site verification visit before the bidding process commences.

c. Other studies completed included:

i. Road Traffic Impact Assessment

ii. Human Rights Impact Assessment

To address some of the pertinent social risks that were identified by these studies the company has developed the Influx Management Plan and the Community Work Readiness Plan.

Further social plans will be developed to address other risks that have been identified, such as the impact of HIV/Aids and other social diseases on the community due to an influx of people looking for economic opportunities.

2. CSR Plan – Nangurugai Health Centre

The Company had set aside US\$60,000 to be allocated for the implementation of the CSR Project in Ruangwa District, as per the Mining Act (Social Corporate Responsibility) Regulation 2023.

The Company and the CSR committees (Village Development Committee and District Expert CSR Committee) agreed that the total CSR funds will be used to complete the health centre being built at Nangurugai village.

The funds have helped the Village CSR Committee and District Expert Committee purchase required basic furniture and ensure the final construction phase (windows, doors, plumbing/water systems, surface tiles) is completed so that the health centre becomes fully operational. The health centre in Nangurugai serves three other surrounding communities (Chiundu, Chikwale and Machanganja) making it crucial for supporting community health in the area.

The total amount of US\$30,000 was transferred to the contractor as per the agreement of the CSR committee. The Company is monitoring the progress of the construction and the Company and both CSR committees have agreed to review the work progress in the Nangurugai Health Centre and to provide a detailed report before another payment can be issued.

3. Supporting Vulnerable Community in Ruangwa:

The Company recognises the importance of collaborating with Project Affected Households (PAHs) especially Vulnerable Households and help them to restore and enhance their livelihoods. Through its Chilalo Project and Stakeholder Engagement Plan, Kudu Graphite Ltd is dedicated to supporting the community and promoting socio-economic development initiatives in Nangurugai Village and Ruangwa District Council.

As part of our Corporate Social Responsibility (CSR) Policy, the Company proudly assisted the Ruangwa District Council in commemorating World Aids Day, observed globally on the 1st of December. In November 2024, the Company demonstrated its commitment by donating 515 pieces of medicated soaps, 20 boxes of writing pens, 160 Counter books, and 84 Exercise books to the vulnerable communities of the District. The District Commissioner's Office expressed their gratitude for the Company's ongoing

support for community projects and socio-economic development activities, reaffirming its commitment to Corporate Social Responsibility (CSR).

The Company remains committed to supporting our community and stakeholders throughout the project's duration, ensuring that our activities have a positive and lasting impact.

4. Local Content Plan (LCP)

The Company has continued to comply with local content regulation in Tanzania by employing local workforce (skilled, semi-skilled as well as casuals), utilising local services, and procuring goods (local contractors) from Tanzanian suppliers, as mandated by the Mining (Local Content) Regulations 2018, aiming to ensure that the benefits of mining activities are shared more equitably with the local community.

As required by law, the LCP reports have been submitted to the Mining Commission through the LCP portal for each quarter.



Employment Practices

At Evolution, we provide an inclusive workplace that attracts, develops and retains a skilled workforce. Our Human Resources Policy outlines the objectives and commitments of the Company regarding our employees, contractors, and suppliers. This policy involves the following disciplines:



Equal Opportunities

The Company is committed to providing equal opportunity to employees regardless of their race, colour, religion, sex, sexual orientation, gender identity or expression, family status, pregnancy, age, national origin or ancestry, disability status, union affiliation, political beliefs, or other characteristics protected by law.



Diversity & Inclusion

The Company aims to have a workforce that reflects the demographics of the communities in which we operate. Our Diversity Policy is in place to foster diversity and support equal opportunity at all levels across the Company. We recognise that achieving gender parity is a major challenge due to geographic remoteness or shift working rostering. In such cases, Evolution focuses on maximising local employment instead, including any vulnerable communities represented there.



Talent Development

Attracting and developing entry-level talent in the resources industry will be part of the Company's wider set of talent initiatives once operations commence, which will include bursaries, summer vacation placements, internships, and apprenticeship programs.

Topics to be covered in our planned training programs include:

- First aid training
- OSHA health and safety training
- Water resources and environmental engineering
- Waste Management
- Driver training
- External snake handling and snake bite
- Job safety analysis
- Permit to work
- Budget preparation
- Preparation of management accounts
- Obtaining professional accounting qualifications



Local Employment

The Company aims to employ locally wherever possible. To support local markets and promote further economic growth, we will invest significantly in workforce development, as well as provide our host communities with training for employment opportunities.

Breakdown of Permanent Employee Statistics

Description	Number Of Employees	Percentage	Male	Female	Female Gender Percentage
Local Employees	10	80	8	2	20
Expatriate Employees	2	20	2	0	0
Total	12	100	10	2	16

Occupational Health and Safety

At Evolution, safety is our top priority. To protect the health and safety of our workforce, Evolution is committed to eliminating and effectively managing health and safety hazards and risks within our business.

Our Occupational Health and Safety Management Plan (OHSMP) outlines our commitment to eliminating workplace illnesses and injuries. Risk management activities are undertaken to identify, prioritise and manage health and safety risks.

We actively and continuously seek to report and rectify all hazards, non-compliances, near misses, and incidents. Training, toolbox talks, supervision and resources are provided for our employees and contractors to ensure that they perform their duties safely.

In FY24, some of our actions to manage work-related health and safety issues included:

1. Our response to Mpox and Marburg at Chilalo included comprehensive health and safety measures to protect our employees and the local community.
2. We provided extensive training on hygiene practices, such as regular hand washing and the use of alcohol-based hand sanitisers, avoiding overcrowded areas and regular monitoring and checks on the health status of employees and casual workers
3. Additionally, we established isolation procedures for infected individuals and ensured proper disinfection of all potentially contaminated surfaces. Community education sessions were conducted to raise awareness about the symptoms and the importance of seeking prompt medical care. Our proactive approach helped to manage and mitigate the risks associated with these diseases effectively.

Cultural Heritage

The Company respects the cultural heritage, customs and traditions of traditional owners in the regions where we operate. We established a Cultural Heritage Management Plan for our Chilalo Project to identify and manage any impact on items of cultural significance. The key items covered in this plan include:

- Key policies, legislation and standards relating to heritage management.
- Roles and responsibilities of the Company, archaeologists, local councils, office of the district commissioner and custodians.
- Actions and measures necessary for the effective management of risks and impacts to cultural heritage.
- General approach to cultural heritage management procedures and methodologies, including management of both tangible and intangible cultural heritage.
- Implementation of the Chance Finds Procedure, which outlines the necessary steps to be taken if any culturally significant artifacts are found during the construction process.
- Incorporation of requirements of relevant Environmental Impact Assessment findings, Supplemental Environmental Assessment, Supplemental Social Impact Assessment, international standards, requirements and project-specific construction permits.

Key Actions Undertaken in 2024

Early Site Work

1. Commencement of Early Site Work:

The Company has commenced the Early Contractor Involvement (ECI) process for the design and construction of the process plant for its Chilalo Coarse Flake Graphite Project in Tanzania. The identified Site Early Works are prerequisites for the construction of the site. These include:

a. Roads Upgrade: The entrance road has been rerouted and upgraded with an all-weather surface. This road extends for approximately 1500m to where the site office will be built. The road from there to the central pit has been graded.

b. Boundary Demarcation and Site Office: The north boundary has been cleared and serves as a road to the campsite and Clean Water Storage Facility. The site office area has been cleared and compacted material has been placed so that when the building commences, the site will be ready for construction activities.

c. Core Yard Site and Nursery Site: Work commenced on relocating the core yard before the end of 2024. The team cleared 0.33 Ha adjacent to the newly established nursery site. Both core yard with core shed housing the core trays and the new nursery site has been completed. The next steps are the moving of the container from the Ruangwa Core Yard to the Mining License (ML) site.

2. Engineering, Procurement and Construction EOI:

During November 2024, the Company engaged a consulting firm to assist with the Engineering, Procurement and Construction (EPC) EOI and to select potential contractors for Early Contractor Involvement (ECI).

The final delivery of the ECI process will be an Engineering, Procurement and Construction (EPC) tender proposal. The ECI process is a key execution milestone in the Company's primary objective of reaching Final Investment Decision (FID) for Chilalo.

The consulting company provides scoping and feasibility studies, project management, estimating and cost control, schedule planning, and contract and procurement strategy and management.

The EOI was published in the local papers, and there has been a good response from African-based vendors.



GST Team field site visits



ML Internal roads upgrades

Geology

1. Additional Ore Body Trenches:

Two additional ore body trenches have been dug on the West and East sides of the main ore body to allow visitors (investors) to view the ore body easily. Safety bunds were placed around all open excavations.

2. Chikundo Cu Announcement:

In November 2024, the Company announced the recently identified Copper (Cu)-Lead (Pb)-Zinc (Zn) prospect, Chikundo, within the Chilalo Graphite Project tenements.

A detailed geochemical analysis of historical soil samples, collected by IMX Resources between 2011 and 2014, has confirmed the area as an encouraging Volcanic Hosted Massive Sulphide (VHMS) style Cu-Pb-Zn prospect, with values up to 5,800ppm Cu at surface.

The next step will be geological mapping, soil sampling, and trenching programs to infill and potentially extend the current Cu-Pb-Zn anomalies. Geophysical modelling of ground Fixed Loop Electromagnetic (FLEM) or airborne VTEM conductors will be used to identify VHMS targets hidden by graphite conductors.

3. Graphite Mineralisation Extensions

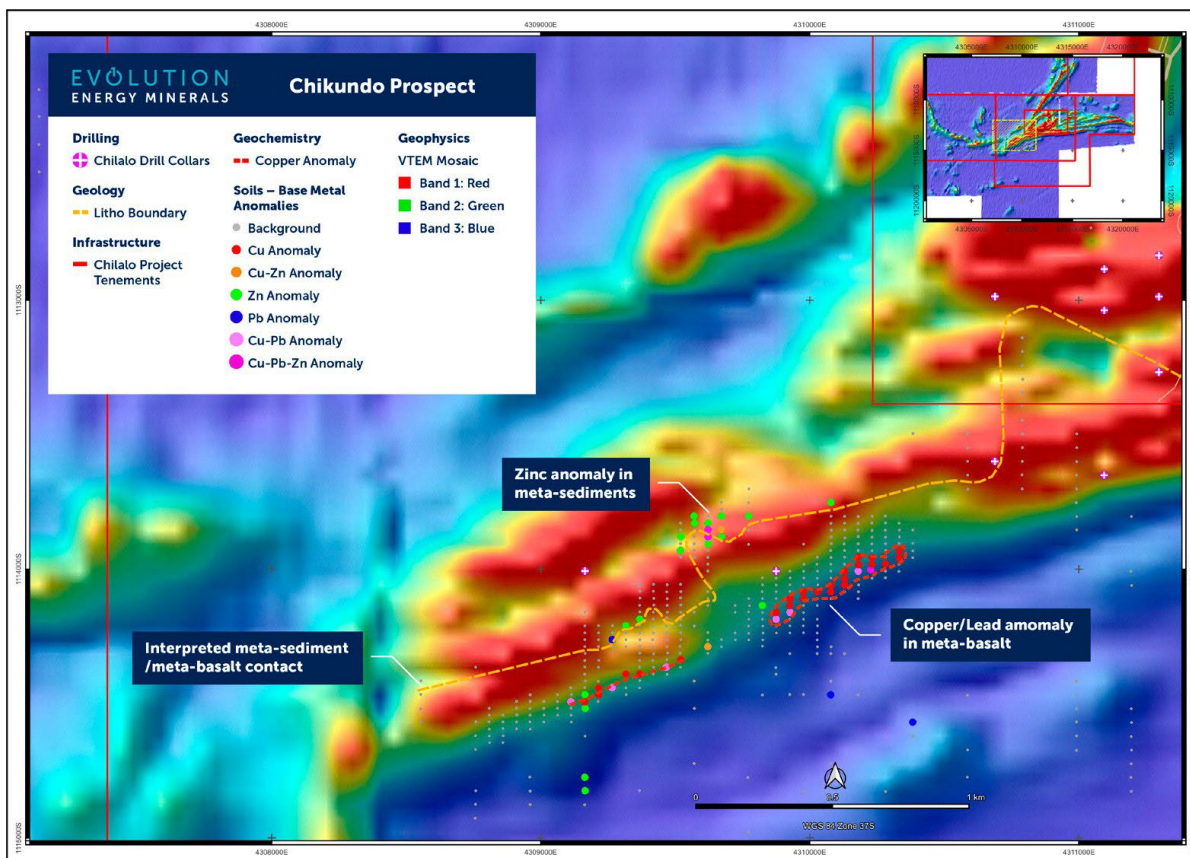
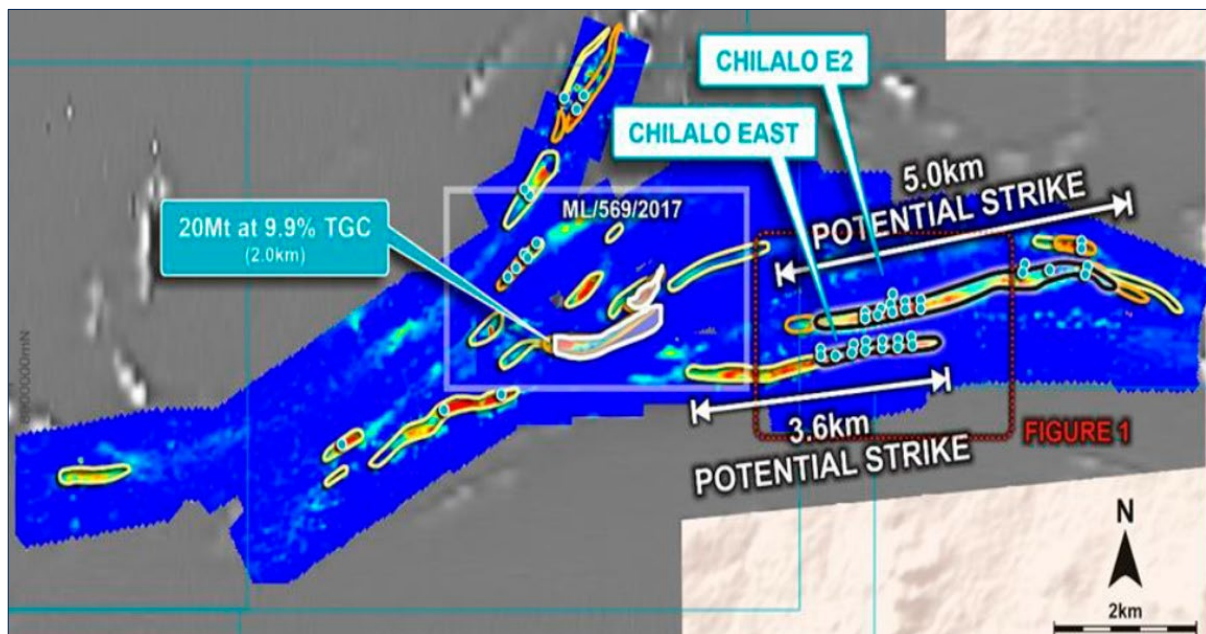
The Company outlined potential additional mineral resources identified on the Prospecting License, including two targets, North (E2) & South (E1) with a strike length at E2 of ~900m and E1 of ~1.3km.

4. Geological Survey of Tanzania field visit:

The Geological Survey of Tanzania (GST), based in Dodoma, requested a site visit for two geologists from the State Mining Corporation (STAMICO), two geologists from the Geological Survey of Tanzania (GST) and two geologists from Deloitte (US) for study and learning reasons and to see the nature of Chilalo deposit mineralization.

Feedback from Fredrick Mangasin, STAMICO geologist: "Our visit to your Chilalo Graphite Project was the greatest experience. Your deposit is so unique in that it consists of high-class/course/ jumbo flakes graphite, the bearing lithologies (graphitic schist & gneiss?) are so enriched that almost entirely the units are graphite. The strike length of > 1km and the average true thickness of ~ 25m are altogether very appealing. Honestly such features amazed everybody in the team."

Feedback from Douglas Oliver, Consulting geologist to Deloitte: "I was impressed with the quality of the graphite I saw during the field visit to your deposit. The flake size was large, and the location was conducive to an open-pit mining operation. The existing support facilities are up to the task, and I was impressed with the staff you have assembled. You are also well-advanced in your interactions with the local stakeholders."



Location of Chilalo II and RC Drillhole locations on FLEM conductors

Community Engagement

The Company conducts respectful engagement and provides clear and accessible communication with community stakeholders regarding our operations and potential impacts on the local community. As stated in our Community Relations Policy as well as in the Corporate Social Responsibility Policy, we conduct community engagement activities in a transparent and culturally appropriate manner, and we support our community through various community led initiatives and community led projects.

Our engagement process ensures community concerns and aspirations are recognised, respected and considered for incorporation into key decision-making processes.

A Stakeholder Engagement Management Plan (SEMP) has been developed to ensure that a consistent, comprehensive, coordinated and culturally appropriate approach is taken to stakeholder engagement. Our SEMP;

- a. Outlines the approach to be adopted for engagement and demonstrates how this will be integrated into the Project processes.
- b. Guides to identifying stakeholders and mechanisms through which these stakeholders can participate and be included.
- c. Provides a plan for the stakeholder engagement process.
- d. Identifies the Project's responsibilities with respect to the Tanzanian legislative requirements, international requirements and Company standards.

For the year 2024, the company managed to conduct 109 meetings, 13 training sessions, 18 Focus Group Discussions with a total of 1,762 participants (476 Female and 1286 Male). Furthermore, the company has managed to resolve all 54 historical grievances when the company was registered as Ngwena. For the 27 grievances logged with the company registered as Kudu Graphite, the project managed to close 24 grievances with 3 grievances remaining open related to grave relocations. Furthermore, during 2024, the project managed to engage and support the community as per below descriptions.

1. Community Engagement at Nangurugai Village:

The Company participated in raising awareness to Nangurugai School Children by planting trees during the World Environmental Day on 5 June 2024.

Furthermore, the Company has also managed to provide awareness training on road safety and traffic rules to Motorbike/Bodaboda drivers and Primary School Pupils at Nangurugai Village. The current plan is to train selected participants at hamlet level within the village to be ambassadors of the community road and health safety program.

2. Supporting Community Initiative (Sports and Games):

As part of its commitment to support community led initiatives, the Company, donated sports equipment (footballs, netballs and bibs, whistles, drink bottles) to youth in Nangurugai and Ruangwa District competing for Secondary School Sports Unions 2024 tournament nationwide.

The support demonstrates the company's commitment to corporate social responsibility (CSR) and enhances its stakeholder engagement plan and social license to operate. The office of District Executive Officer in Ruangwa expressed their gratitude to the Company for its ongoing support of community projects and socio-economic development activities in Nangurugai Village and Ruangwa District Council, re-affirming its dedication to Corporate Social Responsibility.



Project Updates

During 2024, the project made progress and advances in terms of development, exploration, and preparation for a Final Investment Decision (FID).

Evolution's Chief Operating Officer, John Nolan, commented:

"The EOI process received a high level of interest from several respected international engineering firms, reflecting the quality of the Chilalo Project and the work completed to date.

"Our priority is that the development and construction of Chilalo is completed in as cost efficient and timely manner as possible.

The ECI process brings all parties together early with the objective of working with maximum knowledge and input, considering fully all areas of the process plant. Early commencement of this process in 2025 was key for meeting our goals."



1. Occupational Health, Safety, Environmental and Social (OHSES) Management Systems:

During 2024, the Company developed new corporate policies, which the Board adopted in the fourth quarter of 2024. The updated policies included the Occupational Health, Safety, Environmental, and Social (OHSES) Management System, as per IFC Performance Standard 1 - Environmental and Social Management System (ESMS). The OHSES Management System for Kudu Graphite Ltd comprises five (5) supporting documents, including:

- Environmental and Social Management Plan (ESMP),
- Occupational Health and Safety Management Plan (OHSMP),
- Emergency Preparedness and Response Plan (EPRP),
- Standard Operating Procedures (SOPs),
- Permit and Permitting Matrix for Early Site Works.

2. Research and Development:

Tailings samples were sent to Pure New World in Melbourne, Australia, as they are creating a circular economy solution to remediate waste and enable its re-use as a low-carbon building material. Pure New World has developed a first-in-the-world composite polymer. The polymer combines waste materials as aggregate, plastics as a bonding agent, and a polymer that can encapsulate waste and/or form a building material without the need for concrete and water.

Testing at NATA-accredited laboratories has demonstrated the polymer's unique capability to encapsulate both hazardous

and non-hazardous materials, rendering them inert and preventing leaching. Pure New World and its associated entity, Hazprotect, are collaborating with a leading Australian university to explore the polymer's unique characteristics and potential range of applications.

3. Mine, Environmental Management Plan:

The Company has successfully submitted the mining Environmental Management Plan (EMP) linked to the license application to the National Energy Management Corporation (NEMC), which has approved the EMP with a few provisions. The major provision is that the Waste Rock Dump (WRD), Run of Mine (ROM) Pad and Tailings Storage Facility (TSF) are appropriately designed based on site studies conducted on hydrology, hydrogeology, geophysical survey, and geochemical characterisation of the host rocks.

The relevant authorities should approve the designs, and we should ensure that the drainage system is properly designed to manage stormwater.

4. AAMEG 2024 Awards:

The Company was shortlisted for the Emerging ESG Leader Award by the Australian Africa Minerals and Energy Group (AAMEG), in recognition of its strong performance in environmental, social, and governance (ESG) practices.

This annual award is open to Australian-based energy and mineral exploration or development companies with active projects or partnerships in Africa. The nomination highlights Evolution's commitment to responsible and sustainable resource development on the continent



EV1 CEO, George Donne, delivered a detailed presentation at the 121 Mining Investment conference, Cape Town

Resettlement Action Plan

Through IFC's Performance Standard No. 5, the Equator Principles 5 and 6, and International Industrial Good Practices, the Company committed to providing full replacement value to PAPs whose assets have been impacted by the project. The Company is complying with national laws and topping up with IFC's Standards, including offering replacement houses, replacement land (optional) and livelihood restoration program as stipulated in the RAP and LRP. During 2024, all land within the Mining License Area was compensated, and all PAPs were issued a Notice to Vacate in accordance with national laws.

Per IFC's standards, all PAPs were given three (3) months period notice to relocate. As stipulated in the Chilalo RAP, our Company is committed to ensuring that PAPs and affected household members are relocated into better, decent and sustainable houses so as to improve their standard of living and enhance their livelihood by utilising the remaining land in the backyard to conduct home gardening and poultry farming. The Company is continuing to engage all its stakeholders and PAPs to ensure the social license to operate is maintained throughout.

Details of the RAP implementation are as follows:

1. Chilalo RAP

To address the risk associated with resettlement during RAP Implementation, the company has managed to comply with IFC's standards by addressing the following.

a. Completion of Cash Compensation

Payment to PAP: In mid-July 2024, the Company completed the final outstanding cash compensation payment to PAPs, which consisted of the agricultural land, accrued interest, and a 1% additional IFC payment. The Company issued a three month notice to vacate for PAPs and started preparation for commencement of livelihood restoration program to eligible PAPs.

b. Financial Literacy Training: Prior to the execution of final compensation payment, the Company, in collaboration with CRDB Bank, conducted financial literacy training for the PAPs and their spouses.

The financial literacy training focused on household income and expenditure, savings, financial management, community village banking, entrepreneurship skills, and livelihood diversification. The Company ensured that the PAPs and spouses opened joint bank accounts to safeguard family income from compensated assets.

The joint bank account operation and financial literacy training have helped PAPs, and their families manage compensation payments and income from agricultural produce such as sesame, cowpeas, and cashews. This has contributed to improving the livelihoods and enhancing the socio-economic status of the affected families.

c. Grave Relocation: The Ministry of Land, Housing, Human Settlement and Development has issued a Notice to Remove Graves, published at Government Gazette (Gazette Notice No. 830 of 2024) on 4 October 2024. After the issuance of this notice, the RAP team updated the grave relocation strategy, supported the grave owners/custodians to complete all necessary rituals and traditional ceremony as per the national law and IFC's standard (as stipulated in the Company cultural heritage plan). This will be followed by preparation for field grave relocation exercise.





Resettlement Site Layout Plan showing stage one with nature conservation areas

d. Submission of Resettlement ESIA report and NEMC Site visit verification: The Company has completed undertaking ESIA for the resettlement village and submitted the report to NEMC with the help of PAULSAM Geo-Engineering Company. NEMC Zonal Office in Mtwara, conducted site verification visit and had engagement and disclosure meeting with affected parties and all stakeholders. The Company is currently addressing comments raised by NEMC during the Technical Advisory Committee Meeting.

Once the ESIA report is approved and the certificate is issued, the Company will build 110 replacement houses for the physically displaced PAPs in the proposed resettlement village. Other associated infrastructure to be built in the area are internal roads, surface water drainage and water collection points. The Company has also allocated land for other social services such as a school, health center, religious site, market and a bus terminal within the resettlement village.

e. Community Grievance Mechanism:

The Company has a grievance redress mechanism in place for project affected people and project affected communities as part of compliance with national laws and IFC's standards. The Grievance Officer is currently administering the existing community grievance process. During the year 2024, the Company reviewed 80 grievances that were logged since the project's inception as Ngwena Ltd. The Company managed to close out all 53 historical grievances and 25 of the 27 newly logged grievances. The remaining two (2) grievances are related to grave relocation and will be addressed during field grave relocation plan. Of the 27 newly logged grievances, 20 were project related while 7 were family grievances meaning that they do not relate to the Company but relate to family matters, these grievances are referred to the village authority to resolve.

f. Handing over of community farms: The four community farms that were established in 2022 at the four villages (Chikwale, Chiundu, Nangurugai and Machang'anja) surrounding Chilalo Graphite Project were handed over in June 2024 to village authorities and will be managed by the village council. The community farms have been established as part of the demo plots and on-farm training area for PAPs and surrounding communities. These farms will be used for improved cashew nut farming and demonstration of inter row cropping purposes (Cashews, Sesame, Millets, Maize or Pigeon peas) depending on village council available resources.



Addressing project and family related grievances



Community farm with Pigeon peas at Machanganja village



Improved farming training and tree nursery plot with cashew saplings

g. Commencement of Livelihood Restoration

Activities: The company uses LRP as part of its strategy to offset any identified risks associated with resettlement. The biggest risk identified relates to the Project-Affected Person (PAP) losing their livelihood or not being able to sustain themselves once they have moved off the land that they utilized for economic activities, i.e. farming. The LRP uses various strategies to monitor and mitigate any risk associated with resettlement after compensation and relocation. As per the LRP commitment as set out in the Chilalo RAP, the Company will offer the PAPs and their Projected Affected Households (PAHs) seven (7) different programs that they can utilise as part of the LRP. These programs are as follows:

- i. Training in Promotion of Sustainable farming practices
- ii. Tree and seedling nurseries
- iii. Promotion of Sesame farming productivity
- iv. Improved Cashew farming and supply
- v. Vegetable Gardening
- vi. Construction skills training (Masonry works)
- vii. Beekeeping

The Company has conducted on-farm training for Project Affected Households (PAH) and surrounding communities on improved conservation farming practices, focusing on regenerative conservation farming.

The training covered land preparation, seed selection, planting, crop tending/weeding, manure/compost application, harvesting and storage.

A total of 878 farmers received the training (Chiundu village = 266, Chikwale village = 65, Nangurugai village = 226 and Machanganja village 321).

The LRP packages have been implemented, and the team has taken steps, commencing with on-farm training on sustainable conservation farming practices, beekeeping, and vegetable gardening, as well as the provision of improved cashew saplings to PAPs and their spouses.

The LRP team is currently in the process of implementing and monitoring the above-mentioned LRP packages as stipulated in the LRP.

A close-up photograph of a person's hand holding a dark, jagged rock. A rusty pickaxe is positioned to strike the rock. The person is wearing an orange safety vest and a blue shirt. The background is a blurred green forest. A thin blue line is visible in the upper left corner, and a curved blue line is in the lower right corner.

Governance

Evolution believes that adopting high standards of governance creates long-term shareholder value. We are committed to promoting a culture of ethical corporate behaviour through robust governance frameworks.

Strategic Investment by ARCH Sustainable Resources Fund

Sustainability is fast taking centre stage in corporate boardrooms, as the ESG investing trend accelerates. The Company's cornerstone investor, ARCH Sustainable Resources Fund ("ARCH SRF"), is an ESG-focused investor that raises and invests private capital in emerging markets to deliver long-term sustainable value. The Investment Deed between the Company and ARCH SRF specifically caters for co-investor rights for ARCH SRF's investors.

Through its relationship with ARCH SRF, the Company is supported with ESG expertise for strategic advice on ESG risk and opportunity management as well as transaction and portfolio management.

To ensure effective implementation, ARCH SRF has appointed a director to the Company's Board and has imposed the following conditions:

- Management bonuses will not be paid in the event of a material or fundamental breach of ESG policy.
- At least one third of director and management bonuses will be dependent on achieving key performance indicators tied to ESG.
- If there has been a material or fundamental breach of ESG-related policies, directors of the Company may be required to stand down and be subject to a vote by shareholders for re-election to the Board.



ESG Committee

The Company has established an ESG Committee to drive the integration of the ESG framework into the Company's business, to assess ESG performance, and to advise the Board on matters involving ESG considerations or impacting the Company's ESG risks and opportunities. A specific ESG Committee Charter has been developed to support the ESG Committee in overseeing ESG performance.

During 2024, the members of the ESG Committee were ARCH SRF's nominee to the Evolution board of directors,

- Robin Birchall, Non-Executive Chairman,
- Craig Moulton, Non-Executive Director
- Stephen Dennis, Non-Executive Director

with input from the Evolution Management Team that included

- George Donne, Chief Executive Officer,
- John Nolan, Chief Operating Officer,
- Jay Stephenson, Company Secretary,
- Heavenlight Kavishe, Country Manager,
- Stacy Newstead, CEO-Evolution
- Energy Solutions LLC and
- Eileen Hao, Business Development Manager, China.

In the event of a material breach of ESG standards, members of the Evolution Board of Directors may be required to stand for re-election.

Key responsibilities of the ESG Committee include:

- Develop ESG related policies for Board approval.
- Develop, review and monitor the Environment and Social Action Plan and ESG programs.
- Provide recommendations to the Board in relation to ESG policies, programs and credentials.

- Assess compliance with ESG policies and programs and report to the Board.
- Provide quarterly ESG reports to the Board
- Make recommendations to the Board regarding the appropriate ESG performance conditions which must be satisfied before a director or executive of Evolution or of an Evolution Group Member will receive ESG performance-based remuneration and determine whether such performance conditions have been satisfied (or not satisfied) from time to time.
- Provide determinations as to whether directors and executives of Evolution Group Members have breached any of the ESG policies or the ESG program.

Key topics considered by the ESG Committee during the period included:

- Establishing the ESG-related performance conditions that must be satisfied before an executive of Evolution receives any ESG performance-based remuneration, which represents 30% of performance-based remuneration.
- Development of the ESG Framework, in particular the approach taken to the determination of the SDGs that form the basis of the ESG Framework.
- The approach to Digbee reporting and achieving an improved Digbee rating.
- Investigation of options available with respect to carbon offsets to minimise carbon emissions at Chilalo.
- Key matters related to RAP.

ESG Framework

As more investors look to deploy capital into companies with clear pathways towards sustainable development, Evolution's ability to access development finance highly depends on its ESG strategy and performance.

Evolution has committed to an ESG Framework designed to meet the requirements of key stakeholders, including financiers and graphite customers. The ESG Framework will be applied across the Company's activities and includes the development and adoption of key policies and plans as shown below.

Environment	Social	Governance
Biodiversity Action Plan	Cultural Heritage Management Plan	Anti-Bribery and Corruption Policy
Climate Change Physical and Transitional Risk Assessment	Diversity Policy	Code of Conduct
Environmental Policy	Occupational Health and Safety Policy	Corporate Governance Code
Environmental and Social Action Plan	Modern Slavery Policy	Engagement of Digbee ESG™ to monitor ESG performance
Pollution Prevention and Low Carbon Emissions Policy	Relocation Action Plan	Local Content and Procurement Policy
	Human Resources Policy	Whistleblower Policy
	Health, Safety and Wellbeing Policy	ESG Policy
	Stakeholder Engagement Management Plan	

Independent ESG Assessment

To align with key global ESG standards and frameworks, the Company undertook an independent ESG assessment using Digbee ESG™.

Developed in consultation with mining companies, ESG specialists, and capital providers, Digbee is endorsed by leading financial institutions, producing mining companies, and other industry stakeholders. It provides an independent and transparent evaluation of ESG performance.

The Company enrolled in the Digbee platform at the time of the IPO to obtain a credible and objective assessment of its ESG practices. This process enabled the Company's ESG program to be measured, disclosed transparently, and benchmarked over time. It also helped identify areas for improvement and positioned Evolution as an attractive investment opportunity for ESG-focused fund managers and financiers.

In early 2022, the Company received its initial ESG rating from Digbee, achieving a "B" at both the corporate and project levels. Working collaboratively with Digbee, the Company identified key areas for improvement and, by March 2023, had achieved an improved rating of "BBB."

However, due to limited available funding, slower-than-expected progress, and challenging market conditions for graphite, the Company did not proceed with the planned ESG reassessment in February 2024. A reassessment is now scheduled for 2026.

Despite this delay, the Company remains committed to identifying and addressing areas for ESG improvement to enhance its performance and transparency further.

Key areas of progress included:

- The adoption of dry stacking of tailings which removes the requirement for a wet tailings storage facility (TSF), significantly reduces a key environmental risk, especially given the multiple high profile tailings dam failures in recent years.
- Following a period of extensive engagement with local communities, the Company completed implementing the resettlement action plan by completing cash compensation in early July 2024.
- Completion of several ESG-related studies, including a health impact assessment (the first such study carried out in the local area), a water availability study, a cultural heritage study, vulnerable persons assessment, human rights impact assessment, and a local biodiversity and ecosystem impact assessment.
- Establish a company office at the Nangurugai village, which is located just outside the Chilalo mining license area.
- Monitoring of a formal grievance procedure and grievance register.

Code of Conduct

To uphold the highest standards of ethics in our business practices, we have established our Code of Conduct. This Code of Conduct underpins the Company's commitment to integrity and fair dealing in its business affairs, as well as its duty of care to all employees, clients, and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees and consultants.

Breaches of the Code of Conduct may lead to disciplinary action.

Supply Chain Management

To ensure our contractors share the same commitment to sustainability, we have a tender process in connection with the appointment of contractors. As part of the tender process, we require interested parties to submit sustainability related information, including:

Approach to environment and safety management, including provision of relevant policies, manuals and procedures.

Emergency response system to ensure that key contractors are prepared for potential emergencies.

- Evidence of compliance with applicable Tanzanian laws and local regulations as applicable.
- Proposed procurement of local goods and services throughout the engagement as applicable.
- Confirmation that the contractor is willing to sign a contract that includes specific provisions relating to compliance with anti-bribery and corruption laws.

Anti-bribery and Corruption

Bribery and corruption undermine legitimate business activities and harm the broader business environment. The Company is committed to upholding the highest standards of integrity and ethical conduct, as outlined in our Anti-Bribery and Corruption Policy.

This policy outlines clear expectations for employees, suppliers, contractors, consultants, and other business partners to act lawfully, ethically, and in a responsible manner. It also provides practical guidance on identifying and managing potential bribery and corruption risks.

The policy includes specific principles governing payments to governments or political parties, as well as rules around donations, sponsorships, gifts, and entertainment. Any breach of this policy is considered a serious matter and is subject to a thorough investigation and appropriate action.

In FY2024, there were no reported breaches or litigation related to anti-bribery and corruption brought to the Company's attention.

Whistleblower Policy

The Company's Whistleblower Policy provides employees, suppliers, and associates with a precise and confidential mechanism to report any suspected or actual unlawful, unethical, or irresponsible behaviour, including misconduct by the Company.

The policy outlines formal reporting procedures and strictly prohibits any form of retaliation, disciplinary action, or punishment against individuals who raise or assist in addressing concerns related to business conduct.

A designated Whistleblower Protection and Investigation Officer is responsible for managing and investigating all reported complaints and allegations in a fair and impartial manner.

The policy is publicly available on the Company's website, reinforcing our commitment to transparency, accountability, and ethical business practices.

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