

ASX ANNOUNCEMENT

June Quarterly Activities Report

HIGHLIGHTS

- Agreement with the Tanzanian Government on the terms and conditions of the Framework Agreement and Shareholders Agreement, providing the fiscal stability required for financiers
- Project financing process advancing with numerous financiers submitting expressions of interest, site visits and due diligence by financier's Independent Technical Engineer and Independent Environment and Social Consultant undertaken during the quarter
- Discussions with strategics being conducted in parallel with traditional project finance process – availability of Chilalo fines offtake provides leverage in these discussions
- New discovery of high-grade graphite mineralisation located to the east of the Chilalo mining licence – Chilalo East – significant intercepts included:
 - 26m at 9.0% TGC from 8m in NRC22-221
 - 8m at 13.7% TGC from 50m and 6m at 10.3% TGC from 66m in NRC22-200
- Additional discovery of a new zone of mineralisation – Chilalo E2 – located to the east of Chilalo and north of Chilalo East
- Discoveries at Chilalo East and Chilalo E2 demonstrate the potential to materially grow the Chilalo mineral resource, expand production, extend mine life and reduce mining costs
- Following a detailed international site selection process, Evolution has committed to the US as the jurisdiction for Evolution's downstream battery anode strategy
- Incorporation of US subsidiary entity and key appointments to drive US downstream processing strategy
- Release of maiden Sustainability Report
- Post quarter end, the Company's ESG rating was upgraded to 'BBB' by Digbee ESG™

Evolution Energy Minerals ("Evolution" or the "Company") (ASX: EV1, FSE: P77) is pleased to report the Company's activities for the quarter ended 30 June 2023.

KEY AGREEMENTS SIGNED WITH THE TANZANIAN GOVERNMENT

During the Quarter, the Company signed the Framework Agreement and Shareholders Agreement (together, the "Agreements") with the Government of Tanzania. The Agreements set out the arrangements for the ownership, development and management of the Chilalo Project¹.

A public signing ceremony was held before the President of Tanzania, Her Excellency Samia Suluhu Hassan, on 17 April 2023 in Tanzania².

¹ ASX Announcement 8 March 2023 – Landmark agreements settled with the Government of Tanzania.

² ASX Announcement 11 April 2023 – Formal signing of Framework Agreement.

A summary of the key terms of the Agreements is shown in the table below.

Table 1. Framework Agreement and Shareholders Agreement – summary of key terms

Key term of the Framework Agreement	Explanation of key term
Establishment of new joint venture company	A new joint venture company has been established, Kudu, that will hold the Chilalo licences and permits.
Ownership structure	Kudu is owned 84% by Evolution's 100% UK subsidiary company, Evolution Energy Minerals UK Limited ("EEMUK") and 16% by the Tanzanian Government, with a separate class of shares created with respect to the Tanzanian Government's non-dilutable free carried interest.
Voting rights	Each share held by EEMUK and the Tanzanian Government is entitled to one vote.
Shareholder loans	Where shareholder loans are not interest bearing and are registered with the Bank of Tanzania, they are not subject to the Tanzanian Government free carried interest.
Banking arrangements	All proceeds from the sale of Chilalo product to be received in local and foreign currency accounts in Tanzania.
Mineral rights	The Chilalo mining licence and four surrounding prospecting licences to be surrendered and reissued to Kudu with reissued terms of ten and nine years respectively.
Governing law	Tanzanian law.
Dispute resolution	International arbitration in accordance with UNCITRAL rules.
Debt finance	Evolution may pledge its shares in Kudu to support security requirements for third party financing.
Board composition	Initially comprised of five directors, of which three are appointed by Evolution and two are appointed by the Tanzanian Government.

FINANCING UPDATE

Completion of the Agreements outlined above and the updated DFS, provides Evolution with a strong basis from which to progress its financing initiatives.

Engagement to date with major European, African and Tanzanian banks has seen the Company receive non-binding expressions of interest to provide debt finance for the development of Chilalo. During the Quarter, Evolution, on behalf of financiers, appointed Palaris Limited (Palaris) as Independent Technical Engineer and Prime Resources Pty Ltd (Prime) as Independent Environmental and Social Consultant.

Both Palaris and Prime conducted a site visit during the Quarter, with reports expected to be available in the September quarter. The site visit was also attended by prospective financiers, local government officials, community leaders and members of Evolution's Board and management team.

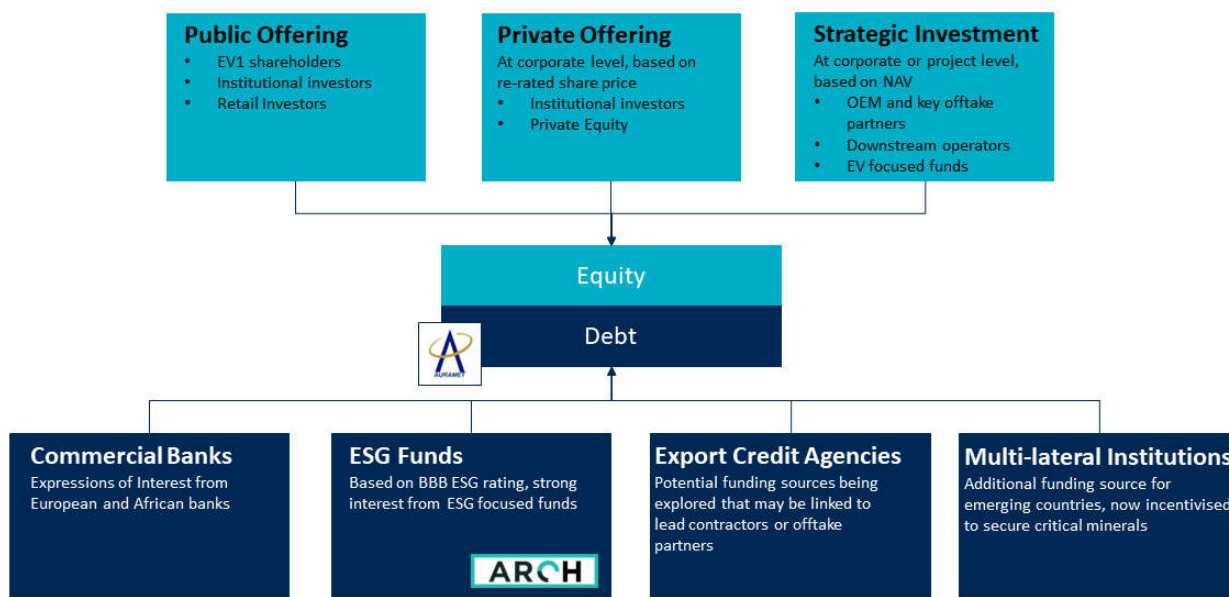
The Company is considering various options for the financing of Chilalo. In addition to traditional debt/equity financing at the corporate level outlined above, discussions are being held with multi-lateral institutions, investment funds (including ESG funds), private equity groups and strategic investors. The Company may also consider a project level sell-down (at a premium to market valuation) for parties that offer a strategic benefit to either the mine or downstream processing opportunities. These varied funding alternatives are shown in Figure 1 below.

The Company currently has offtake arrangements in place for the sale of coarse flake material, which is used in expandable graphite products. Evolution's fine flake graphite concentrate, which testwork has shown to be

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suitable for battery anode applications, is currently uncontracted to offtake agreements, thereby providing the Company with strategic leverage in funding discussions. Discussions with strategic investors has begun as a means of developing the least dilutive financing strategy for Evolution’s shareholders.

Figure 1. Chilalo financing strategy



EXPLORATION RESULTS HIGHLIGHT THE POTENTIAL FOR PRODUCTION EXPANSION AND EXTENSIONS TO MINE LIFE

Discovery of Chilalo East

Recent drilling confirmed the discovery of a new high-grade mineralised zone – Chilalo East (see Figure 2). High-grade graphite mineralisation at Chilalo East has been confirmed over 1.6km out of a potential 3.6km strike length indicated by the high-conductance electromagnetic conductor.

Chilalo East is located to the east of the Chilalo Mining Licence, which is host to a high-grade mineral resource of 20.1Mt at 9.9% TGC for 1,991Kt of contained graphite.³

The recent drill program was designed to test some of the strongest EM conductors to discover additional high-grade graphite mineralisation and confirm the scale potential for the Chilalo mineral resource. The drilling identified a new high-grade mineralised zone – Chilalo East – that so far extends over 1.6km and remains open to the east and west and at depth (see Figure 2). A number of additional strong Fixed Loop Electromagnetic bedrock conductor trends remain untested or under-tested by drilling and represent further priority target areas.

The drilling generally correlates well with the EM conductor images and plate models and has identified multiple mineralised zones. Downhole EM (“**DHEM**”) and follow-up drilling will be required as it is likely that there are additional graphite layers that were not intersected by recent drilling.

³ See ASX announcement dated 20 March 2023.

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Figure 2. Chilalo East discovery – Location of drill holes and significant intercepts over a late-time FLEM decay image⁴

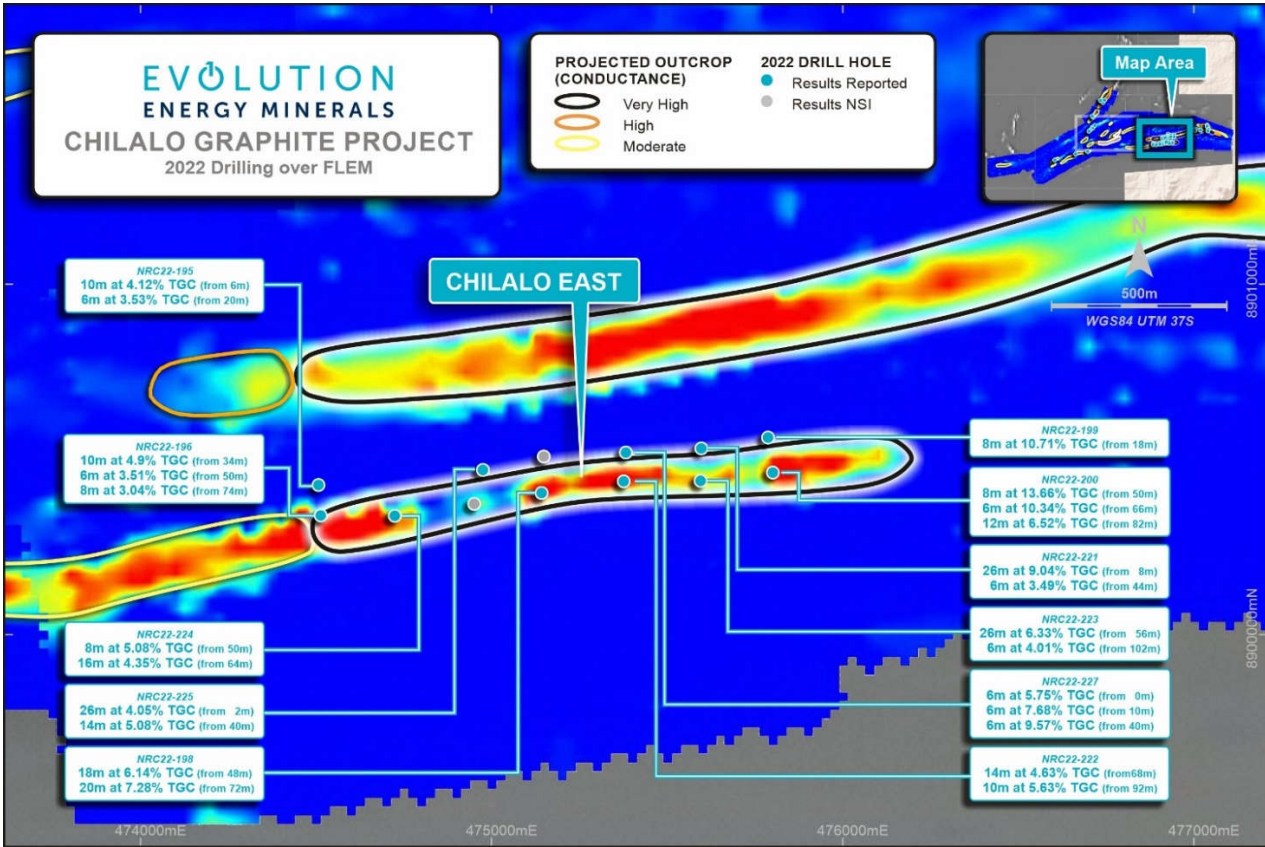
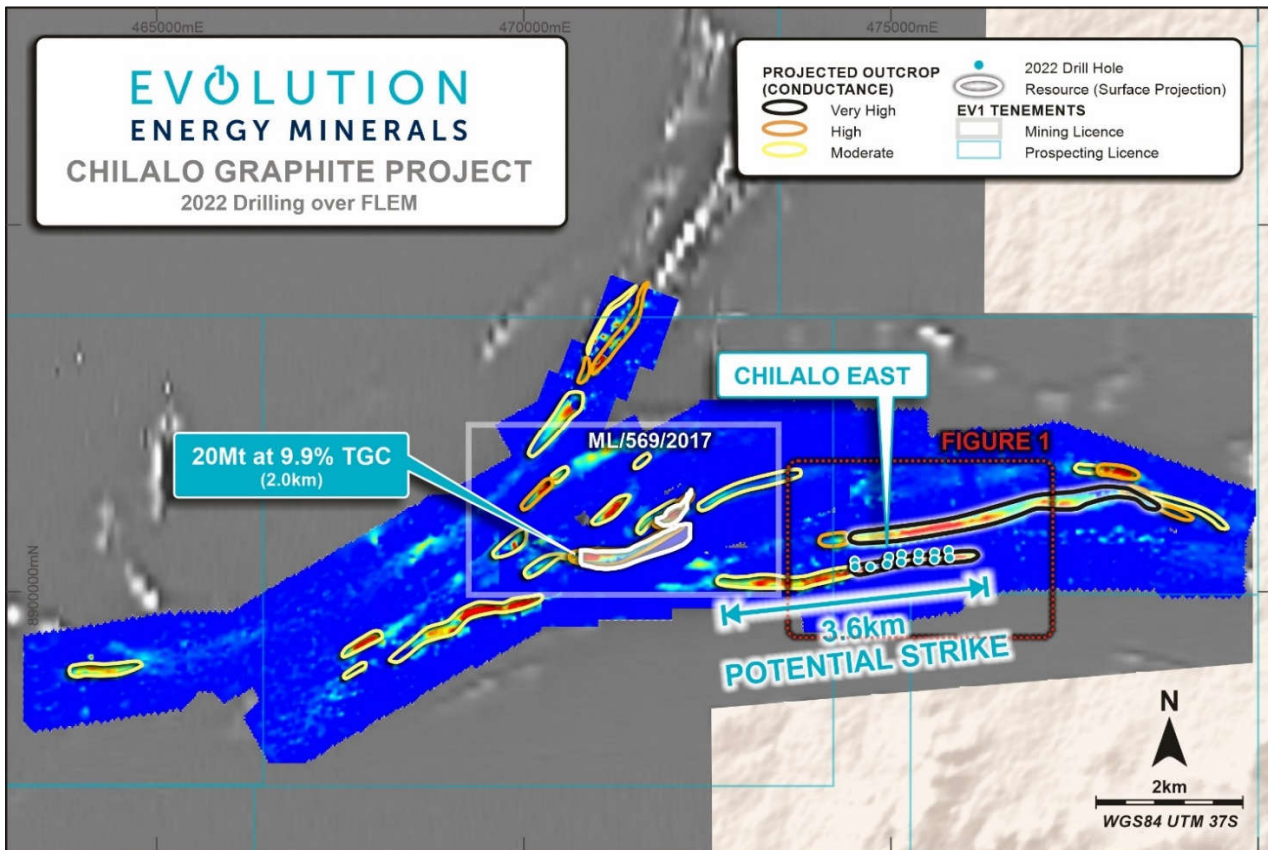


Figure 3. Chilalo East conductor over a late-time FLEM decay image



⁴ See ASX announcement dated 1 May 2023

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Significant intercepts included:⁵

- **Hole NRC22-221**
 - 26m at 9.0% TGC from 8m
- **Hole NRC22-200**
 - 8m at 13.7% TGC from 50m;
 - 6m at 10.3% TGC from 66m; and
 - 12m at 6.6% TGC from 82m
- **Hole NRC22-198**
 - 18m at 6.1% TGC from 48m; and
 - 20m at 7.3% TGC from 72m
- **Hole NRC22-223**
 - 6m at 9.85% TGC from 74m; and
 - 8m at 9.70% TGC from 90m

New area of mineralisation proximate to the existing mineral resource – Chilalo E2⁶

Assay results from further RC drilling at Chilalo identified a second new discovery – Chilalo E2 – located to the east of the Chilalo Mining Licence and north of Chilalo East (see Figure 4).

Mineralisation at Chilalo E2 is near surface, extends over 1.1km out of a potential 5km of strike length indicated by the electromagnetic conductor, and remains open to the east and west (see Figures 4 and 5).

Significant intercepts included:

- **Hole NRC22-203**
 - 22m at 5.68% TGC from 80m
- **Hole NRC22-213**
 - 18m at 5.18% TGC from 16m
- **Hole NRC22-216**
 - 20m @ 5.42% TGC from 80m
- **Hole NRC22-219**
 - 20m at 5.76% TGC from 2m
- **Hole NRC22-220**
 - 22m @ 6.34% TGC from 54m

The shallow depth, width, grade and close proximity to the existing Chilalo mineral resource of Chilalo East and Chilalo E2 make their discoveries highly significant for Evolution. These results clearly demonstrate the scope to materially grow the Chilalo mineral resource and thereby potentially enable a production expansion, extension to mine life and reduction in mining costs.

⁵ See ASX announcement dated 1 May 2023

⁶ See ASX announcement dated 22 May 2023

Figure 4. Chilalo E2 – Location of drill holes and significant intercepts⁷

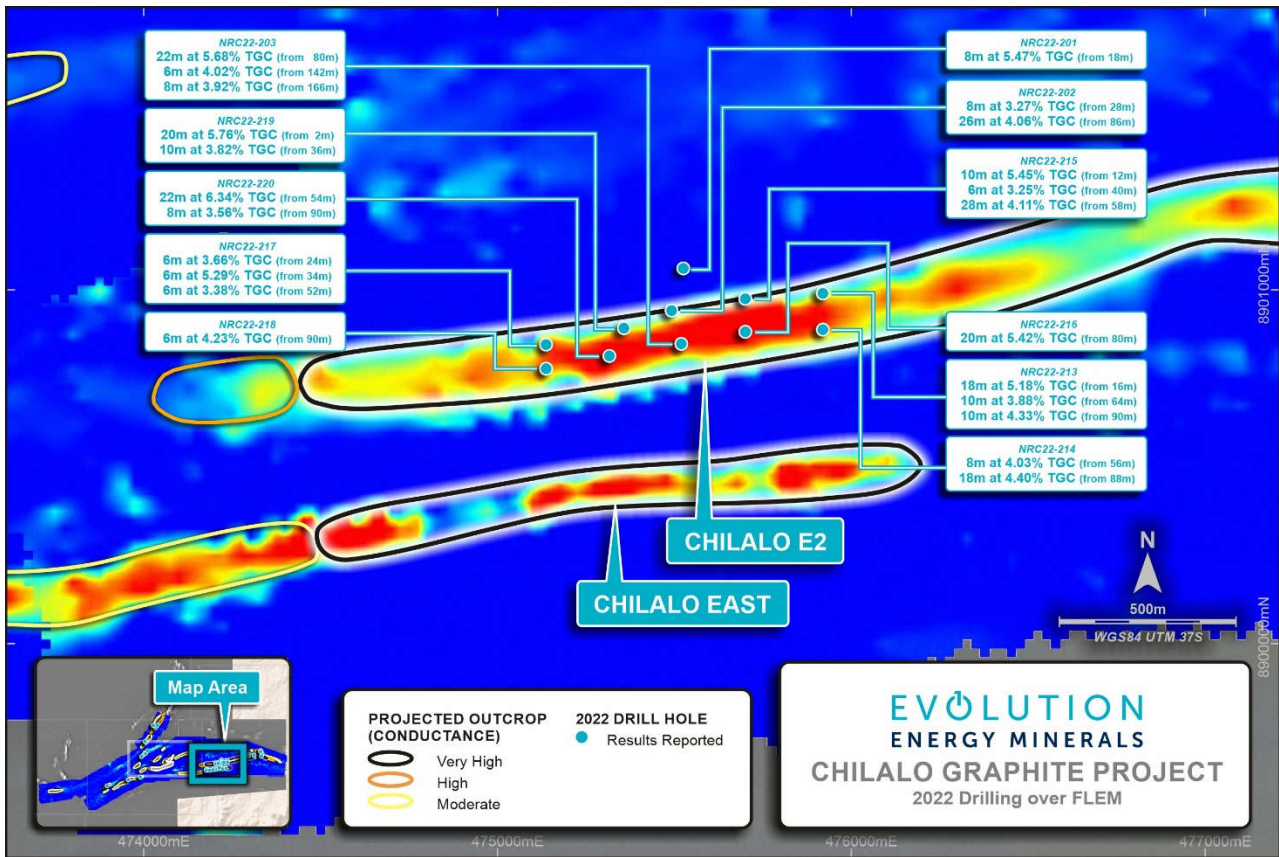
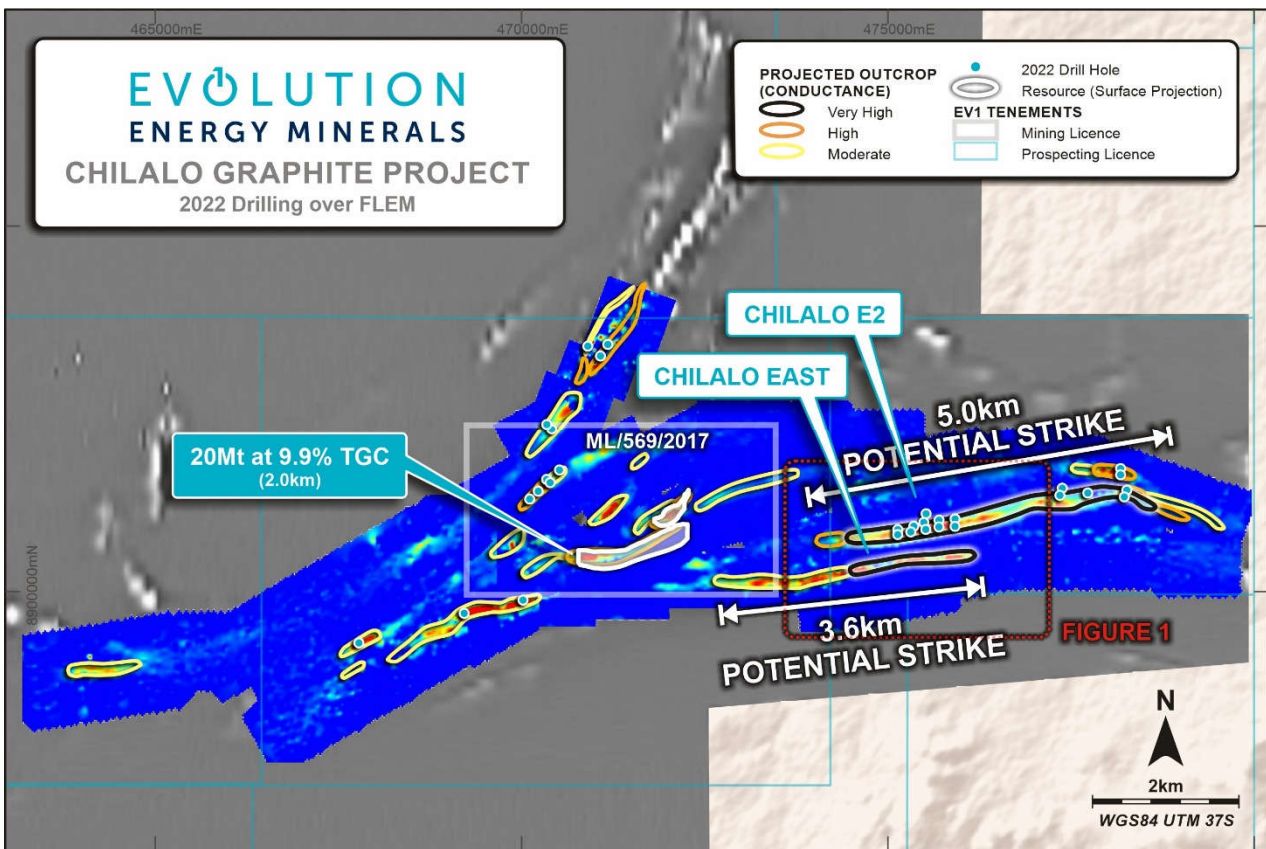


Figure 5. Chilalo E2 conductor



⁷ See ASX announcement dated 22 May 2023

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DOWNSTREAM PROCESSING STRATEGY

During the Quarter, Stacy Newstead was appointed as Chief Executive Officer of Evolution’s wholly owned US subsidiary, Evolution Energy Solutions LLC (“EES”). Stacy, who is based in the US, will lead the implementation of Evolution’s downstream processing strategy, the key objective of which is to produce lithium-ion battery anode materials in the US.

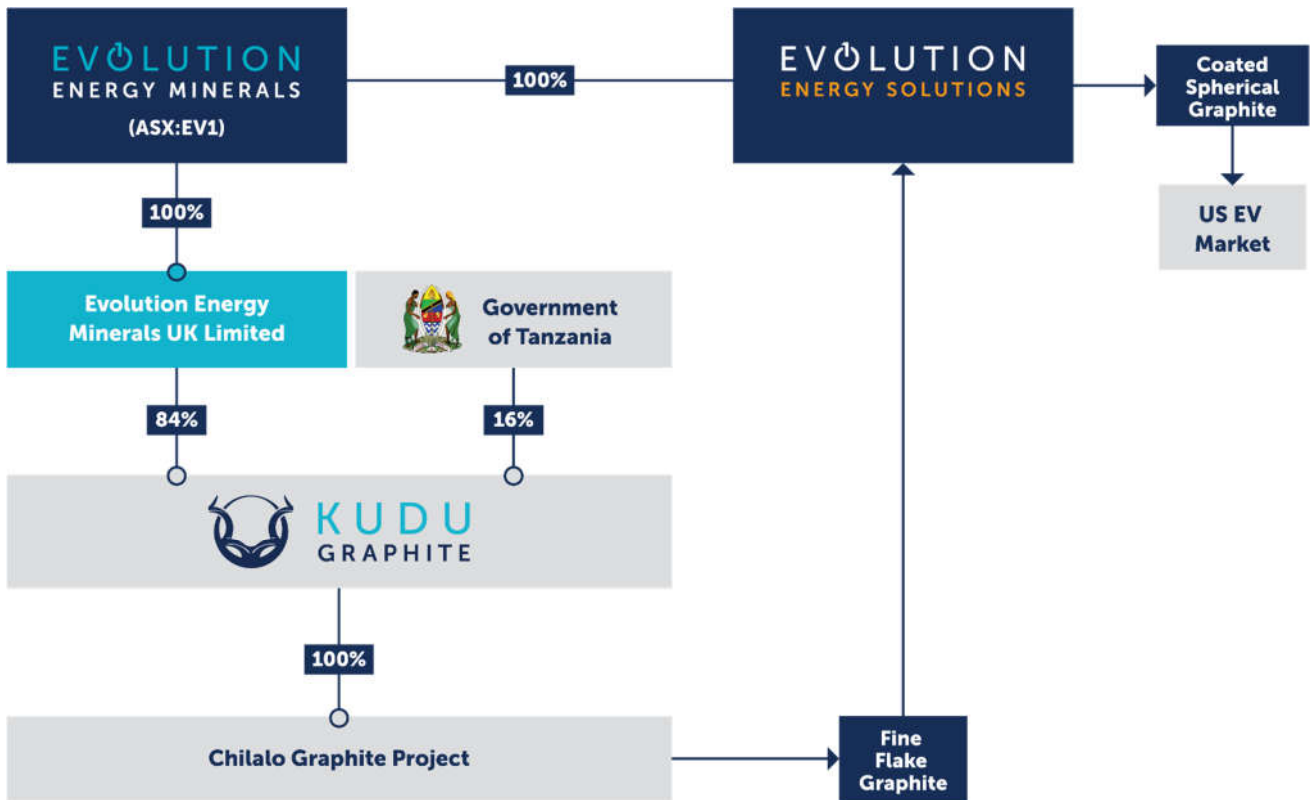
Stacy has played leadership roles in product development, renewable energy and battery/power/energy storage markets and securing supply chains. She has held senior roles with Huntington Ingalls Industries and Textron Systems, where she worked closely with the US military and the US Department of Defence. Stacy has a Bachelor of Science in Materials Science and Engineering from the University of Maryland and an MBA from the University of Baltimore.

Stacy’s appointment aligns with the US Government’s commitment to achieving security of supply of battery anode materials, which is underpinned by key policy initiatives, including the Inflation Reduction Act, Bipartisan Infrastructure Law and the US Mineral Security Partnership. Stacy’s experience in dealing with government will be a key asset as Evolution seeks to take advantage of the funding available under these policy initiatives.

EES has been incorporated as the entity that will carry out all work on the Company’s downstream related activities in the US, including feasibility studies, site selection, obtaining government funding support and developing relationships with end users.

The figure below shows the relationship of EES within the Evolution group.

Figure 6. Chilalo ownership and downstream structure



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ESG – RELEASE OF MAIDEN SUSTAINABILITY REPORT

During the Quarter, the Company released its inaugural Sustainability Report, which provides an overview of the Company's sustainability activities for the period from November 2021 to 31 December 2022.

Since completion of its initial public offering in November 2021, Evolution has committed itself to the principle of sustainability. In accordance with that commitment, the Company recognises the importance of presenting a transparent account of its sustainability objectives and outcomes so that host communities, government and other key stakeholders can understand and engage on Evolution's sustainability performance.

CORPORATE

Cash

At 30 June 2023, the Company had cash of \$4.4 million.

Appointment of General Manager Sustainability

The Company is also pleased to announce the appointment of Vickey Puncheon as General Manager Sustainability. Vickey is responsible for driving Evolution's sustainability initiatives, including overseeing the Company's energy transition pathway, community and local government relations, delivering the Resettlement Action Plan and implementing the environmental, social and governance framework.

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 \$0.8 million. 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 30 June 2023 are shown below.

Licence	Project	Location	Beneficial Interest at start of quarter ¹	Beneficial Interest at end of quarter ¹
ML 569/2017 – Chilalo	Chilalo	Tanzania	84%	84%
PL 11050/2017 – Chilalo West	Chilalo	Tanzania	84%	84%
PL 11034/2017 – Chilalo	Chilalo	Tanzania	84%	84%
PL 9929/2014 – Chikwale	Chilalo	Tanzania	84%	84%
PL 9946/2014 – Machangaja	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 5.3.4

In accordance with ASX Listing Rule 5.3.4, the Company provides the following information. The Use of Funds table below is a statement of the Company's intentions at that point in time. Investors should note that the allocation of funds set out in the table may change depending on a number of factors, including the results of exploration, outcomes of studies and development activities, regulatory developments and market and general economic conditions.

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Proposed Use of Funds	Prospectus use of funds (estimate) (\$)	Actual use of funds (16/11/21 to 30/6/2023) (\$)	Variance (\$)	Footnote
Lender Debt Repayment	9,500,000	9,500,000	-	1
Marvel Cash Consideration	2,000,000	2,000,000	-	1
Offer associated costs	2,114,744	2,282,631	(167,887)	2
Exploration & Tenement Costs	1,500,000	2,332,583	(832,583)	3
DFS Optimisation	1,000,000	3,440,135	(2,440,135)	4
Downstream Studies/opportunities	2,500,000	1,015,965	1,484,035	5
Graphite product qualification	450,000	2,425,889	(1,975,889)	6
ESG Compliance	400,000	4,362,252	(3,962,252)	7
Early works	1,100,000	-	1,100,000	8
Working Capital*	3,435,256	5,411,876	(1,976,620)	9
Total	24,000,000	32,771,331	(8,771,331)	

* Working Capital includes \$2m raised from grant of Chilalo Project Royalty

1. N/A – Immaterial variation
2. Legal and advisory costs. Variance not significant.
3. Complete a more expansive drilling program to test a larger number of near mine targets.
4. Additional study work associated with the dry stacking of tailings (eliminating a significant ESG risk and reducing capex) and mine optimisation (resulting in lower p/t cost of mining).
5. Testwork on the suitability of Chilalo graphite to battery anode and other value applications has been undertaken. The Company has plans to advance feasibility studies in 2023.
6. Product qualifications continuing with binding offtake agreement signed.
7. The Company has undertaken an extensive RAP and environmental studies are ongoing. Part of the additional cost includes \$0.85 million already paid to PAPs as part of the RAP execution.
8. Early works will commence after project financing has been secured.
9. Working capital will continue to be incurred.

Information required under Listing Rule 5.3.5

During the Quarter, the Company made payments to related parties of \$223,000, all of which comprised payments to Evolution directors (two executive directors and two non-executive directors) in accordance with the applicable terms of engagement.

Reference to Previous ASX Announcements

The Chilalo Mineral Resource estimate shown in Appendix 1 was first reported by Evolution in the Company's prospectus dated 28 September 2021 as supplemented by a supplementary prospectus dated 6 October 2021 (collectively, the "Prospectus") that was lodged with ASX on 12 November 2021. Evolution confirms that it is not aware of any new information or data that materially affects that information and that all material

assumptions and technical parameters underpinning that Information continue to apply and have not materially changed.

In relation to other previously announced information included in this June 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.

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ABOUT EVOLUTION (ASX:EV1)

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Development ready

Chilalo Graphite Project in Tanzania



Robust DFS

High-margin, low capex



Framework agreement finalised

Provides Tanzanian government certainty



Binding offtake

With global leader for expandable graphite and foil



Battery suitability

Premium quality CSPG produced from fines



Vertically integrated strategy

Downstream processing in US using proven technology

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.

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")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(783)	(7,449)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(536)	(2,032)
	(e) administration and corporate costs	(223)	(918)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (graphite marketing, financing and downstream)	(823)	(3,017)
1.9	Net cash from / (used in) operating activities	(2,365)	(13,416)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(12)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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 (12 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 (sale of royalty over the Chilalo project)	-	-
2.6	Net cash from / (used in) investing activities	(5)	(12)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	13,000
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	-	(672)
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 (IPO transaction costs)	-	-
3.10	Net cash from / (used in) financing activities	-	12,328

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,806	5,370
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,365)	(13,416)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	12,328

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	7	173
4.6	Cash and cash equivalents at end of period	4,443	4,443

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	4,443	6,806
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)	4,443	6,806

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	223 ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

¹Fees, salaries and superannuation paid to 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)	(2,365)
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)	(2,365)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,443
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,443
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.9
<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?	
Answer: Yes the expenditure during the quarter is consistent with expenditure expectations for the upcoming quarter as the company progresses project financing initiatives.	
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?	
Answer: The Company continues to have ongoing discussions with potential financiers, strategics and equity investors, however given the response to 8.8.1 above does not have any immediate plans to raise further cash.	

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?

Answer: Yes - given the responses to 8.8.1 and 8.8.2 above.

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.

Date: 31 July 2023

Authorised by: 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.