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EVOLUTION

ENERGY MINERALS

ABN 53 648 703 548

ANNUAL REPORT

For the year ended 30 June 2024

Corporate Information

ABN 53 648 703 548

Directors

Mr Robin Birchall (Non-Executive Chair) Appointed as Non-Executive Chair on 15 August 2024, Non-Executive Director since 4 June 2024
Mr Stephen Dennis (Non-Executive Director) Appointed 6 September 2023
Mr Craig Moulton (Non-Executive Director) Appointed 15 August 2024

Company Secretary

Mr Jay Stephenson

Registered Office

Level 1, 1318 Hay Street
WEST PERTH WA 6005

Bankers

National Australia Bank
Level 14, 100 St Georges Terrace
PERTH WA 6000

Share Register

Automic Group
Level 5
191 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664
Website: automicgroup.com.au

Auditors

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000

Website Address

www.evolutionenergyminerals.com.au

ASX Code

Shares are listed on the Australian Securities Exchange under stock code EV1.

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Directors' report

Basis of preparation

Your Directors present their report on the consolidated entity (referred to hereafter as the **Group**) comprising Evolution Energy Minerals Limited (**Evolution** or the **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2024 and the auditor's report. Evolution is a company limited by shares that is incorporated and domiciled in Australia.

Directors and Company Secretary

The following persons were directors of Evolution (**Directors**) during the year ended 30 June 2024 and up to the date of this report:

Mr Robin Birchall (Non-Executive Chair) Appointed as Non-Executive Chair on 15 August 2024, Non-Executive Director since 3 June 2024.

Mr Stephen Dennis (Non-Executive Director) Appointed 6 September 2023.

Mr Craig Moulton (Non-Executive Director) Appointed 15 August 2024.

Mr Mike Spreadborough (Non-Executive Chair) Resigned 15 August 2024, previously Non-Executive Chair since 8 April 2024 and Non-Executive Director since 12 September 2023.

Mr Henk Ludik (Non-Executive Director) Resigned 15 August 2024 Appointed 2 June 2022.

Mr Phil Hoskins (Chief Executive Officer) Resigned as Director on 3 June 2024, Resigned as CEO on 18 July 2024.

Mr Cameron Dowling (Non-Executive Director) Appointed as an alternate director for Amanda van Dyke 18 August 2023 and as a Non-Executive Director on 12 September 2023, Resigned on 3 June 2024.

Mr Michael Bourguignon (Executive Director) Resigned 12 September 2023.

Ms Amanda van Dyke (Non-Executive Director) Resigned 12 September 2023.

The Company Secretary is Mr Jay Stephenson. Mr Stephenson was appointed to the position of Company Secretary on 25 March 2024.

Mr Stuart McKenzie resigned from the position of Commercial Manager and Company Secretary on 25 March 2024.

Directors were in office for the entire period unless otherwise stated.

Principal activities

During the period, the principal continuing activities of the Group related to the exploration and development of the Company's Chilalo Graphite Project in southern Tanzania (**Chilalo Project**).

Dividends

During the period, no dividends were declared or paid.

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group other than those referred to in this financial report.

Events since the end of the financial period

Subsequent to period end, the following transactions or events occurred.

- Mr Phil Hoskins resigned as CEO on 18 July 2024.
- Mr Robin Birchall was appointed as Non-Executive Chair on 15 August 2024.
- Mr Craig Moulton was appointed as a Non-Executive Director on 15 August 2024.
- Mr Mike Spreadborough and Mr Henk Ludik resigned as Directors of the Company on 15 August 2024.
- Tranche 2 of the placement was completed on 15 August 2024 with the issue of 54,334,370 shares at a price of \$0.04 per share to raise \$2,173,374.
- The Company issued 1,850,000 shares on 21 August 2024 upon the exercise of options.
- Mr Grant Dyker resigned as CFO on 11 September 2024.

Directors' report

Likely developments and expected results

In the opinion of the Directors, there is nothing else to report, except as outlined in the Directors' Report, which relates to likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to 30 June 2024.

Environmental regulation

The Group's exploration and development activities and those of its partners are subject to environmental regulations and guidelines applicable to the prospecting and mining licenses on which such activities are carried out. Failure to meet environmental conditions attaching to the Group's exploration and mining tenements could lead to forfeiture of those tenements. The Group is committed to achieving a high standard of environmental performance. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2024 and up to the date of this report.

Results of operations

A summary of results for year ended 30 June 2024 is as follows:

	30 June 2024	30 June 2023
	\$	\$
Net profit/ (loss) after income tax	(10,576,353)	(13,891,788)
attributable to:		
Share based payments	(230,104)	(531,233)
Exploration and evaluation	(391,649)	(4,232,547)
Environmental, social and governance	(2,992,463)	(2,932,653)
Employee benefits	(2,685,013)	(2,229,013)
Corporate and administration expenses	(1,652,203)	(1,039,415)

Review of operations

Evolution Energy Minerals is listed on the Australian Securities Exchange (**ASX**) under the ticker 'EV1'. The Company's focus is the development of Chilalo Graphite Project in Tanzania.

CHILALO GRAPHITE PROJECT

Strategic Collaboration with BTR New Material Group Co. Ltd ("BTR")

In August 2023, Evolution executed a strategic investment agreement ("Investment Agreement"), a binding offtake agreement ("Offtake Agreement") and an MOU for downstream collaboration with BTR, which is the world's leading battery anode producer with a market capitalisation of US\$3.4 billion¹.

*Investment Agreement*¹:

Under the Investment Agreement, which was subject to the satisfaction or waiver of certain conditions, (including BTR due diligence and regulatory approvals), BTR subscribed for 9.9% of Evolution at \$0.14 per share, raising \$3.62 million.

*MOU for downstream processing*¹:

The MOU covers a proposed downstream processing collaboration between BTR and Evolution to produce battery anode materials, and BTR's further participation in the financing of Chilalo. The collaboration delivers a number of strategic benefits, including:

- Providing Evolution with an opportunity to partner with BTR and its leading natural graphite anode processing technology.
- BTR's existing relationships with leading global battery manufacturers will see it become the marketing agent for the sale of anode materials produced by the downstream collaboration entity.

¹ ASX Announcement 16 August 2023 – Strategic collaboration with BTR

Directors' report

- The parties will initially focus on an economic assessment of downstream processing options in North America but will also consider other jurisdictions outside of China.

Offtake Agreement¹:

Under the Offtake Agreement, Evolution will sell 100% of its fine flake graphite from the Chilalo Project for the first three years (with an option to extend for an additional three years) to BTR. The commencement of the Offtake Agreement was subsequently amended to align with the Decision to Mine currently expected in Q1 2025 ².

Upon establishment of a downstream processing facility pursuant to the MOU, the offtake agreement will be assigned to the entity conducting the downstream processing collaboration. Completion of the Offtake Agreement will mean that ~90% of Evolution's graphite will be under offtake with leading customers, which supports project economics and is expected to enhance project financing proposals.

Positive Testwork:

BTR produced lithium-ion battery anode products using Evolution's Chilalo graphite concentrate and conducted detailed analysis of their performance compared with BTR's current mass production anodes³. The Chilalo anode products were then used to produce lithium-ion batteries for comprehensive analysis and comparison of electrochemistry and electrophysics. An example of the results is reported below with all indicators meeting qualification criteria-

Product	Dmin µm	D10 µm	D50 µm	D90 µm	Tap g/cc	SSA m ² /g	Capacity mAh/g	Initial Effect %
EV1-2	5.9	10.9	17.6	27.6	1.102	2.657	363.9	94.7

Source: BTR New Material Group.

Comments on Processing Properties³:

Below are some comments around key processing properties of Chilalo derived anode materials:

- Ultimate compaction and exfoliation strength of Chilalo anodes are higher than reference products.
- Compared with reference products, electrode plate rebound of Chilalo anodes is comparable.

Compared with reference products, short-term rebound of Chilalo electrode plate performs favourably, with long-term performance being optimised.

Comments on Battery Performance³:

Compared with reference products, Evolution anodes had similar multiplied charging capacity and high- temperature storage capabilities with retention rates being comparable after 200 cycles. Long term cycling is continuing.

US Site Visit:

During the December quarter⁴, Evolution advanced its engagement with BTR, primarily to support BTR's due diligence.

Due diligence conducted by BTR included:

- A site visit to Perth for detailed meetings with Evolution's management and key technical advisors;
- A site visit to the Chilalo Project in Tanzania to view the project area and meet with various stakeholders;
- A US trip with Evolution's Australian and US management to meet various stakeholders and visit various sites under consideration for the proposed downstream processing facility; and

² ASX Announcement 22 April 2024 – Extension of conditions precedent binding offtake agreements

³ ASX Announcement 29 April 2024 – Successful Anode Product Testwork

⁴ ASX Announcement 31 January 2024 – December quarterly activities report

Directors' report

- Spheronisation and battery anode testwork on Chilalo product to validate the previous studies completed by Evolution and to assess the properties utilising BTR processes.

In January⁴, the Company announced that BTR had confirmed that it had completed due diligence to its satisfaction. In particular, BTR advised that:

- Spherical graphite testwork had been completed to confirm the suitability of Chilalo fine flake graphite for the production of spherical graphite for use in the manufacture of anode materials. BTR advised that its testwork delivered exceptional yields into spherical graphite.
- The Chilalo met BTR's investment criteria. BTR's due diligence team spent one week in Perth, after which they spent one week in Tanzania that included time at the Chilalo project site and the surrounding townships. BTR conducted a comprehensive assessment of the Chilalo Project, that included meetings with Evolution executives in Perth and Tanzania, review of both the 2020 Definitive Feasibility Study (2020 DFS) and the 2023 updated DFS (Updated DFS), meetings with key consultants involved in preparation of the 2020 DFS and Updated DFS, and consideration of tenement documents and key permits.
- Flotation testwork and mineralogy on ore samples collected from surface trenches at Chilalo during BTR's site visit had been satisfactorily completed.

New Mining Licence Awarded

In September⁵, the Government of Tanzania issued a new mining licence, ML716/2023 ("New Mining Licence") with a refreshed term of ten years, with an opportunity to renew for an additional 10 years (Figure 1). The Company was also issued with a new Prospecting Licence PL12590/2023 ("New Prospecting Licence"), with a refreshed term of nine years.

The New Mining Licence covers the area of the previous mining licence (ML 569/2017), and the New Prospecting Licence covers the area of the previously held four prospecting licences (PL9929/2014, PL9946/2014, PL 11034/2017 and PL11050/2017).

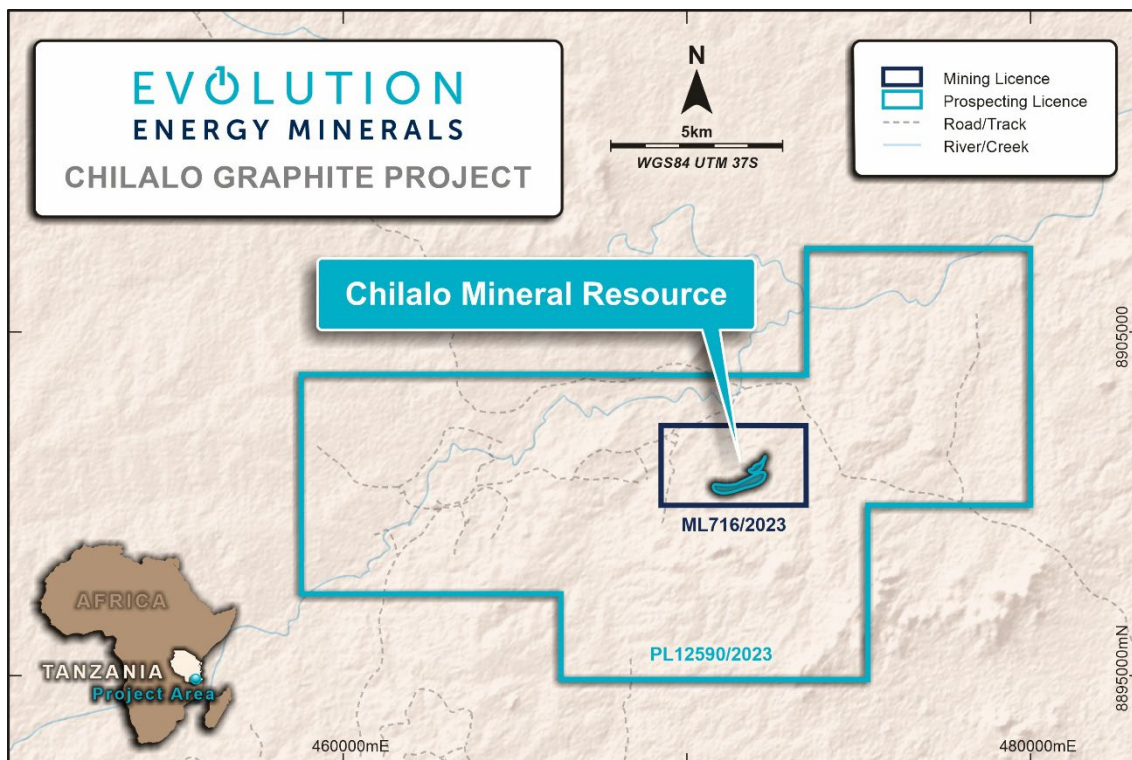


Figure 1: New Mining and Prospecting Tenure

RC Drilling Results

⁵ ASX Announcement 28 September 2023 - New Mining and Prospecting Licence Extends Tenure at Chilalo

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Directors' report

In October⁶, the Company reported the final assay results from its 5,440 metre, 44-hole RC drilling program, which identified high-grade mineralisation proximate to the existing Mineral Resource. Chilalo is currently host to a high-grade Mineral Resource of 20.1Mt at 9.9% TGC for 1,991Kt of contained graphite. The results of the final five holes confirmed three new zones of high-grade graphite mineralisation (Figure 2).

Significant intercepts included:

- Hole NRC 22-188
 - 18m at 7.3% TGC from 18m; and
 - 12m at 7.9% TGC from 46m.
- Hole NRC 22-189
 - 20m at 9.6% TGC from 74m; and
 - 16m at 6.5% TGC from 98m.
- Hole NRC22-207
 - 12m at 8.4% TGC from 14m; and
 - 8m at 5.3% TGC from 30m.
- Hole NRC22-208
 - 12m at 4.8% TGC from 14m; and
 - 30m at 6.1% TGC from 70m.
- NRC22-212
 - 8m at 3.4% TGC from 14m.

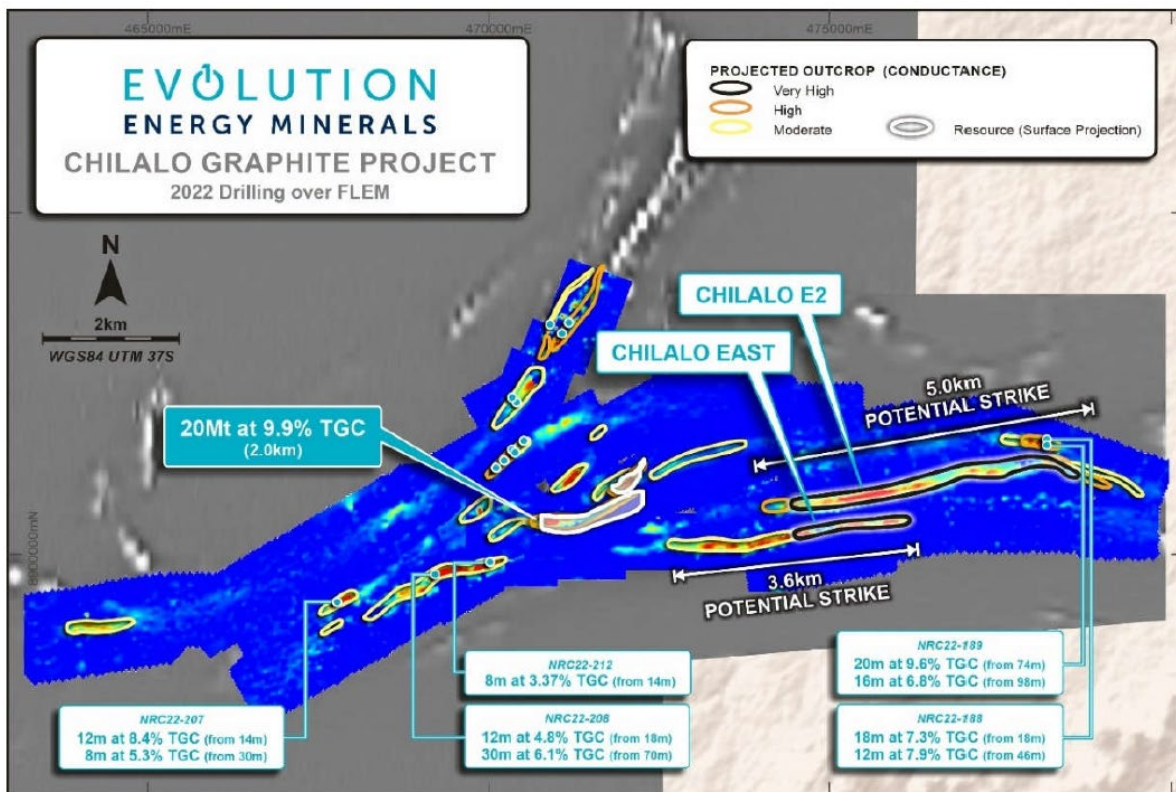


Figure 2: Drilling results from Chilalo showing potential extensions.

⁶ ASX Announcement 31 October 2023 – September quarterly activities report

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Directors' report

Together with the discoveries at Chilalo East and Chilalo E2, which remain open with significant strike potential, these results 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.

Project Optimisation Initiatives

During March⁷, the Company announced an update for the Chilalo Project, providing information on a number of optimisation initiatives that the Company is exploring, aimed at reducing costs and de-risking the project.

Reduced Logistics costs – Mtwara Port shipping solution:

The Mtwara Port, situated 240 kilometres from Chilalo, is a commercial deepwater port. Due to limited shipping activity, the 2023 DFS assumed that Chilalo concentrate would be transported by truck to the Dar es Salaam Port and then shipped to Evolution's customers. The distance to the Dar es Salaam Port is approximately 638 kilometres, whereas the Mtwara Port is only 240 kilometres from Chilalo (see Figure 3) providing the opportunity to reduce costs and minimize the environmental footprint.

The Mtwara Port is envisaged to divert exports away from the Dar es Salaam port which is more congested. This may result in potential concessions being offered to exporters utilising Mtwara. Evolution is working with logistics companies and the port to obtain accurate cost estimates for road transport, storage and shipping. Evolution is increasingly confident in its ability to utilise the Mtwara Port for shipping Chilalo concentrate. With a shorter trucking route and lower shipping costs compared to Dar es Salaam, significant reductions in shipping and road transport expenses are anticipated.



Figure 3: Reduced transport logistics via Mtwara port

⁷ ASX Announcement 21 March 2024 – Chilalo Project Update

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Directors' report

Power Supply:

Power supply constitutes a significant portion of Chilalo's operating expenses, amounting to \$91 per tonne of concentrate (12% of total operating costs). Discussions were conducted with TANESCO, the government owned power supply company in Tanzania, who notified Evolution that the power supply from the gas-fired power station at Mtwara would be augmented by 20MW as of March 31, 2024, to improve power distribution for the southern grid.

Discussions with TANESCO have also indicated that power transmission projects are expected to connect the southern electricity grid to the main Tanzanian national grid within 12 months. Nangurugai village (< 2 km from the process plant location) is already connected to grid power with Evolution's site offices running from grid power. Evolution will work with TANESCO to investigate connecting Chilalo to the grid. Consequently, there is the opportunity for Chilalo to gain access to lower cost grid power.

Meetings with TARURA (Tanzania's rural road authority):

The planning phase for the road design from Ruangwa to Nangurugai is scheduled to span the next six months, followed by a three-month procurement period for materials. Subsequently, TARURA, the Tanzanian government agency overseeing road construction and maintenance, will commence road construction, expected to last an additional 12 months. Consequently, it is now projected that TARURA will complete the construction of the bitumen road by the end of 2025. In the DFS, a capital cost of US\$1.5 million was allocated for Evolution to undertake the upgrade of the Ruangwa to Nangurugai road at its expense. With TARURA now assuming responsibility for this task, a reduction in the capital cost initially outlined in the DFS is anticipated.

Resettlement Action Plan Payments

At the end of March⁸, Evolution made the final cash payment to PAPs under the RAP for Chilalo.

In order to ensure that the compensation payments have the best prospects of improving living standards and well-being in the areas surrounding Chilalo, the Company engaged specialists to conduct financial literacy training sessions with the local communities.

Completion of the cash compensation under the RAP is an important milestone as the Company progresses the Chilalo Project towards development. Evolution continues to work closely with local communities on the implementation of the livelihood restoration program. The Company recognises that working together with local host communities is a fundamental requirement for the successful development of Chilalo.

Delivering the RAP in accordance with IFC standards goes well beyond minimum legislated requirements, which not only secures the best possible outcome for local communities, but also enhances Evolution's social license to operate and supports its efforts to obtain finance for the development of Chilalo.

CORPORATE

Project Financing Process

During the September quarter⁶, Palaris Limited ("Palaris"), who was appointed as the Independent Technical Engineer, Prime Resources Pty Ltd ("Prime") as Independent Environmental and Social Consultant and Fastmarkets as Independent Graphite Market Consultant, delivered their interim reports to the Company.

Work undertaken by Palaris included a due diligence review of all aspects of the updated Definitive Feasibility Study and Front-End Engineering Design and a project risk assessment. Prime carried out environmental and social due diligence against key standards and guidelines including the Equator Principles IV, IFC Performance Standards, World Bank Guidelines on environment, health and safety and UN Guiding Principles on Business and Human Rights.

Strategic Investor Process

The Company announced that it engaged Treadstone Resource Partners (Treadstone) as strategic and financial advisors⁹. Treadstone is coordinating and broadening the Company's ongoing process of identifying and advancing workflows with strategic investors for the financing of Chilalo. The primary objective is to attract strategic funding that supports the intended debt financing for the development of the Chilalo project. The Company remains open to considering a range of strategic alternatives should they deliver the best outcome for shareholders.

⁸ ASX Announcement 27 March 2024 – Completion of Resettlement Compensation

⁹ ASX Announcement 4 June 2024 – Evolution commences strategic investor process

Directors' report

Capital Raisings

October 2023 Placement¹⁰

In October 2023, the Company announced it had received firm commitments for a two-tranche placement to raise A\$4.6 million. The placement consisted of the issue of approximately 32.9 million fully paid ordinary shares to institutional, sophisticated and professional investors at a price of \$0.14 per share (Placement). The Placement was completed as follows:

- Tranche One, which entailed the issue of 24,737,744 shares to institutional, sophisticated and professional investors at \$0.14 per share, utilising the Company's existing placement capacity under Listing Rule 7.1, to raise approximately \$3.46 million (before costs) was completed on 18 October 2023; and
- Tranche Two, which entailed the issue of 8,119,339 shares to ARCH Sustainable Resources Fund, the Company's cornerstone investor, to maintain its 24.71% interest in the Company was completed on 16 January 2024, following the approval of Evolution shareholders on 8 January 2024.

June 2024 Placement

In June¹¹, the Company announced a two-tranche Placement with the issue of 100,000,000 Ordinary shares at \$0.04 per share to raise \$4.0 million in gross proceeds. ARCH participated in the Placement, contributing \$1.3 million resulting in a 25% interest in the Company post raise. The Company is also pleased to welcome German fund Deutsche Balaton AG as a substantial shareholder, holding approximately 6.3%.

The placement was jointly managed by Shaw and Partners and Bridge Street Capital.

Board and Management Changes

There were several changes to the Company's Board and Management team over the course of the reporting period as well as subsequent to the end of the financial year.

Mr Michael Bourguignon resigned as the Company's Chief Operating Officer in January 2024 and was replaced by Mr John Nolan, the Company's Manager Operational Readiness¹². John is a skilled mining professional with over 36 years' experience working abroad and domestically. He has extensive and varied proficiency in mining, from mineral exploration, project optimisation, project development, operational management, people management, technical planning, and production.

Mr Grant Dyker¹³ commenced in the role of Chief Financial Officer, effective May 27, 2024. With over two decades of experience in senior executive roles, Mr. Dyker previously served as CFO for multiple ASX-listed resources companies. His track record includes successfully leading and managing major project and corporate financing endeavours, encompassing project and corporate debt funding totalling A\$1.2 billion, as well as securing new equity funding amounting to A\$670 million.

Mr Jay Stephenson¹³ assumed the role of Company Secretary on 25 March 2024, succeeding Stuart McKenzie. With a career spanning more than 35 years, Mr. Stephenson possesses extensive experience in business development and company secretarial duties across both listed and unlisted entities. His previous roles as Director, Chief Financial Officer, and Company Secretary have involved overseeing various critical processes such as business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, in addition to managing all aspects of finance for organisations.

At the Board level, the following changes occurred:

September 2023⁶ - Mr Stephen Dennis was nominated to join the Board by Marvel Gold Limited who exercised its right to appoint a director under the Share Exchange Agreement between Marvel and the Company in connection with the IPO and ASX listing of Evolution.

Mr Mike Spreadborough was appointed as a Non-Executive Director⁶

Mr Cameron Dowling replaced Ms Amanda van Dyke as the director nominated by the Company's largest shareholder, ARCH⁶.

¹⁰ ASX Announcement 9 October 2023 – Two tranche placement to raise \$4.6 million

¹¹ ASX Announcement 13 June 2024 – Evolution to raise \$4.0M via two tranche placement

¹² ASX Announcement 19 April 2024 – March quarterly activities report

¹³ ASX Announcement 25 March 2024 – Key Management Appointments

Directors' report

April 2024¹⁴ – Mr Mike Spreadborough was appointed as Non-Executive Chair and Mr Henk Ludik reverted to his role of Non-Executive Director after a period as Acting Chair.

3 June 2024¹⁵ – Mr Robin Birchall replaced Mr Cameron Dowling as ARCH's representative on the Board. Mr Phil Hoskins transitioned from Managing Director to Chief Executive Officer.

15 August 2024¹⁶ – Mr Mike Spreadborough and Mr Henk Ludik resigned as directors. Mr Craig Moulton was appointed as a Non-Executive Director and Mr Robin Birchall changed his role to Non-Executive Chair.

Mr Phil Hoskins resigned as Chief Executive Officer on 18 July 2024.

Mr Grant Dyker resigned as Chief Financial Officer on 11 September 2024.

ESG rating upgraded to 'BBB'

Following the announcement of the Company's maiden ESG rating of 'B' in February 2022, the Company received an updated ESG rating of 'BBB' from leading independent assessment platform for ESG disclosure, Digbee ESG™ (Figure 4).¹⁷

The improved rating followed the implementation of a number of ESG initiatives during 2022, including:

- **Dry stacking of tailings** – The change to dry stacking has removed the requirements for a TSF, which reduces the environmental risk given that tailings dams have featured in several high-profile failures in recent years.
- **Approval of RAP** – Finalisation of the RAP and implementation of an extensive livelihood restoration program.
- **ESG Program** – The Company committed to the development and adoption of policies, plans and procedures across various dimensions of ESG.
- **Establishment of Board committees** – The Company established an Audit and Risk Committee and a Nomination and Remuneration Committee as a means of enhancing governance procedures.
- **Grievance Procedures** – As part of its office located at the Nangurugai village, the Company has developed procedures to manage and respond to grievances of the local community.
- **Construction of doctor's residence** – The Company engaged a local contractor to undertake the construction of a doctor's residence at the Nangurugai village.

Figure 4 – Overall ESG Rating



¹⁴ ASX Announcement 8 April 2024 – Appointment of Non-Executive Chair

¹⁵ ASX Announcement 31 July 2024 – June quarter activities report

¹⁶ ASX Announcement 15 August 2024 – Change of Board Members

¹⁷ Digbee ESG™ is the leading independent assessment platform for ESG disclosure in the mining sector endorsed by leading industry stakeholders

Directors' report

Material business risks

The Company is subject to a number of risks. The Company regularly reviews the possible impact of these risks and seeks to minimise this impact through a commitment to its corporate governance principles and its various risk management functions including the audit and risk committee. The Company makes every effort to identify material risks and manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Company or its investors, nor are they in any order of significance.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Liquidity and Capital Management

The Company requires significant capital to develop its Chilalo Project and grow its business to include downstream processing capability. It expects to incur significant expenses, including, among other things, those relating to construction, procurement of equipment, research and development, regulatory compliance and sales and distribution. Evolution's ability to operate its business and effectively implement its business plan over time will depend in large part on its ability to raise capital in the equity markets.

Market risk

The price of natural flake graphite is highly dependent on a variety of factors, including, among other things, international supply and demand of graphite and substitutes, the price and availability of substitutes, actions taken by governments, and global economic and political developments. The Company considers that its product mix, comprised of a significant portion of high-value coarse flake graphite provides a strong basis from which to manage such market risks.

Mineral Resources and Ore Reserves

The Company's estimates of Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economic extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**). These estimates are an expression of judgement based on knowledge, experience and industry practice when originally calculated. Evolution engages reputable, independent specialist to undertake the estimation of Mineral Resources and Ore Reserves at Chilalo.

Health, Safety, Environment and Community

International standards and environmental regulations in Tanzania impose significant obligations on companies that conduct the exploration for and mining and processing of minerals. Evolution's Tanzanian subsidiary holds an Environmental Certificate, which is the environmental approval required for development of the Chilalo Project.

While the Company's operating activities currently involve exploration and pre-development works, it is fully aware of the safety risks associated with those activities and has implemented appropriate safety management protocols and procedures.

Evolution's activities may cause issues or concerns with the local communities in connection with, among other things, the potential effect on the environment as well as other social impacts relating to employment, local infrastructure and community development. The Company has in place a RAP that has been approved by the Chief Government Valuer and by the persons affected by the proposed development of the Chilalo Project. The Company continues to work with the local communities on the implementation of the RAP and to ensure that it retains a sound relationship with those communities based on transparency, trust and mutual respect.

Sovereign Risk

Through its interests (direct and indirect) in Tanzania, the USA, China and Australia, Evolution's activities could be affected by political instability and / or regulatory changes in those countries. The Company's major exposure is in Tanzania, the location of its Chilalo Project. Evolution recently entered into key agreements with the Tanzanian Government which it considers to be an important factor in mitigating sovereign risk in Tanzania.

Key Personnel and Labour Market Risk

Evolution has a number of key management personnel on whom it depends on to manage and run its business. From time to time, Evolution will require additional key personnel, in particular, should it secure funding for the development of Chilalo. The Company recognises the importance of attracting and retaining key personnel, particularly given the remoteness of Chilalo and adopts an approach to remuneration and working conditions to manage key personnel related risks.

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Directors' report

Information on Directors

Mr Robin Birchall – Non-Executive Chair – Appointed as Non-Executive Chair on 15 August 2024, Non-Executive Director since 3 June 2024		
Experience and expertise	Mr Robin Birchall is an accomplished Chief Executive Officer with extensive experience in the investment banking industry. He has a proven track record in driving business development and possesses deep expertise in equity research, investor relations, corporate finance, and the natural resources sector, including mining and oil & gas exploration. Mr Birchall's strong leadership and strategic insight have consistently delivered results, making him a respected figure in the investment and energy sectors.	
Other current directorships	Nil	
Former directorships in the last 3 years	Nil	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	Nil
	Unlisted options	Nil

Mr Stephen Dennis – appointed 6 September 2023		
Experience and expertise	Mr Stephen Dennis has been actively involved in the mining industry for over 30 years. He has held senior management positions at a number of Australian resources companies and was previously the Chief Executive Officer and Managing Director of CBH Resources Limited, the Australian subsidiary of Toho Zinc Co., Ltd of Japan.	
Other current directorships	Rox Resources Limited (Non-Executive Chairman) Marvel Gold Limited (Non-Executive Chairman) Burgundy Diamond Mines Limited (Non -Executive Director)	
Former directorships in the last 3 years	LeadFx Inc. (Non-Executive Chairman) Heron Resources Limited (Non-Executive Chairman) Kalium Lakes Limited (Non-Executive Chairman)	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	50,000
	Unlisted options	Nil

Mr Craig Moulton– Non-Executive Director – appointed 15 August 2024		
Experience and expertise	Mr Craig Moulton has over 32 years of experience in the mining and exploration industry. He is a C-suite executive and non-executive director, skilled in negotiation, corporate finance, and strategic planning, with deep technical expertise in mining operations and exploration. Currently, Mr Moulton is the Director of Moulton Metals Pty Ltd, a strategic advisory firm, focused on Junior Exploration and mining companies. His career highlights include leadership roles as Managing Director and CEO of junior exploration start-ups, and senior positions with Rio Tinto and Cleveland Cliffs. He also serves as a Non-Executive Director for Metals One plc and First Development Resources Plc. Mr Moulton holds a Bachelor of Science (Geology) with Honours from the University of Western Australia and a Master's in Mineral Economics from Curtin Graduate School of Business. He is a member of the AusIMM and a fellow of the Geological Society of London.	
Other current directorships	Metals One Plc; First Development Resources Plc (including Australian subsidiaries)	
Former directorships in the last 3 years	Nickel Search Ltd, Lady Alice Mines Pty Ltd, Cobra Resources Plc	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	Nil
	Unlisted options	Nil

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Directors' report

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Mr Mike Spreadborough – appointed 12 September 2023, resigned 15 August 2024		
Experience and expertise	Mr Spreadborough has over thirty years' experience in Australian and international mining leadership roles in a range of commodities across underground and open pit mining, processing, port operations, exploration, project development and financing. Mr Spreadborough is experienced across the value chain of operations, asset management, technical, exploration, financial, marketing, project development and financing, business development, strategy and investor engagement. Mr Spreadborough is currently the Executive Co-Chair of Novo Resources Corporation	
Other current directorships	Novo Resources Corporation (Executive Co-Chairman)	
Former directorships in the last 3 years	Clean TeQ (Non-Executive Director)	
Special responsibilities	Nil	
Interests in shares and options (at the time of resignation)	Ordinary shares	Nil
	Unlisted options	Nil

Mr Henk Ludik – Non-Executive Director – appointed 2 June 2022, Acting Non-Executive Chairman since 15 February 2023, resigned 15 August 2024		
Experience and expertise	Mr Ludik is a mining engineer with a career spanning over 20 years in the resources industry, with expertise in engineering, feasibility studies, mine optimisation, ESG and corporate finance. Mr Ludik has worked on a number of landmark transactions in the resource sector since 2006. Mr Ludik holds a BEng in Mining Engineering, MSc in Oil and Gas Engineering and an MBA.	
Other current directorships	Nil	
Former directorships in the last 3 years	Suvo Strategic Minerals Limited (Executive Chairman)	
Special responsibilities	Chair of the Audit and Risk Committee Chair of the Nomination and Remuneration Committee Chair of the ESG Committee	
Interests in shares and options (at the time of resignation)	Ordinary shares	31,250
	Unlisted options	390,000

Mr Philip Hoskins – former Managing Director – appointed 15 March 2021 resigned as Director on 3 June 2024, resigned as CEO on 18 July 2024		
Experience and expertise	Mr Hoskins commenced his career at a large international accounting firm and has since gained corporate experience with both Australian and international listed companies. He is a senior executive with broad finance and commercial experience across resources exploration, project development and production as well as large-scale property developments requiring debt and equity financing.	
Other current directorships	Nil	
Former directorships in the last 3 years	Marvel Gold Limited (Non-Executive Director)	
Special responsibilities	Nil	
Interests in shares and options (at the time of resignation)	Ordinary shares	682,645
	Unlisted options	6,409,174

Directors' report

Mr Cameron Dowling – Non-Executive Director – appointed 18 August 2023, resigned 4 June 2024		
Experience and expertise	Mr Dowling holds a BEng (Civil), BEng (Mining) and a MCom (Applied Finance). Mr Dowling has more than a decade of experience in mining focused private equity and throughout his career has been involved in the financing, development and delivery of multiple mining projects across a wide range of commodities globally. Mr Dowling was ARCH SRF's nominee Director.	
Other current directorships	Nil	
Former directorships in the last 3 years	Nil	
Special responsibilities	Nil	
Interests in shares and options (at the time of resignation)	Ordinary shares	Nil
	Unlisted options	Nil

Ms Amanda van Dyke – Non-Executive Director – resigned 12 September 2023		
Experience and expertise	Ms van Dyke is currently the Managing Director of ARCH SRF. Ms van Dyke has over 20 years of experience in commodity markets, initially in mining-focused roles at Dundee Securities, Ocean Equities (now Pareto Securities) and GMP Securities, and later as the manager of an UCITS Gold and Precious Metals Fund at South River Asset Management, as well as other multi-asset and fixed income funds. Ms van Dyke has raised over US\$500 million in debt and equity related finance for junior mining in her investment banking career in the United Kingdom and Canada and has covered projects worldwide. Ms van Dyke was appointed to the Board as ARCH SRF's nominee.	
Other current directorships	Nil	
Former directorships in the last 3 years	Nil	
Special responsibilities	Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee Member of the ESG Committee	
Interests in shares and options (at the time of resignation)	Ordinary shares	Nil
	Unlisted options	Nil

Mr Michael Bourguignon – Executive Director – resigned 12 September 2023		
Experience and expertise	Mr Bourguignon is a project management professional with extensive experience providing strategic direction and leadership in the successful delivery of projects, within the mining industry both in Australia and internationally. Mr Bourguignon was the Project Manager for the construction of Syrah Resources' Balama graphite project in Mozambique, for Glencore's 3.6Mtpa copper concentrate facility at the Mopani Copper Mine in Zambia, and General Manager of Tiger Resources' development team delivering an SX/EW Plant at Kipoi, in the DRC.	
Other current directorships	Nil	
Former directorships in the last 3 years	Nil	
Special responsibilities	Nil	
Interests in shares and options (at the time of resignation)	Ordinary shares	343,750
	Unlisted options	5,766,972

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Directors' report

Information on Company Secretary

Jay Stephenson MBA, FCPA, CA, CPA (Canada) CMA (Canada), FCIS, FGIA – Company secretary – appointed 25 March 2024	
Experience and expertise	Mr Stephenson has been involved in business development for over 35 years, including approximately 29 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

Meetings of Directors and Committees

The number of meetings of the Company's Directors held during the year ended 30 June 2024 and the number of meetings attended by each Director is shown below:

	Meetings of Directors		Audit and Risk Committee		Remuneration and Nomination Committee		ESG Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R Birchall ¹	1	1	-	-	-	-	-	-
S Dennis	19	19	-	-	-	-	-	-
M Spreadborough	19	18	1	1	-	-	-	-
Henk Ludik	24	24	2	2	-	-	-	-
P Hoskins ²	23	23	-	-	-	-	-	-
C Dowling ³	18	17	-	-	-	-	-	-
M Bourguignon ⁴	15	13	-	-	-	-	-	-
A van Dyke ⁵	8	6	1	1	3	3	5	5

¹ Appointed 4 June 2024

² Resigned 3 June 2024

³ Appointed 18 August 2023, resigned 4 June 2024

⁴ Resigned 12 September 2023

⁵ Resigned 12 September 2023

With the recent changes to the Board that were announced on 15 August 2024, the Board intends to appoint new members to the Committees which are to be composed of Non-Executive Directors. For further information, please see the Company's Corporate Governance Statement.

Remuneration report (audited)

(a) Key management personnel covered in this report

This Remuneration Report sets out information relating to the remuneration of the KMP during the year ended 30 June 2024. KMP is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and Group, directly or indirectly. The KMP for the year ended 30 June 2024 are as set out below.

Non-Executive and Executive Directors

Name	Position
M Spreadborough	Non-Executive Chair (resigned on 15 August 2024)
S Dennis	Non-Executive Director
R Birchall	Non-Executive Director (appointed 3 June 2024, Non-Executive Chair from 15 August 2024)
H Ludik	Non-Executive Director (resigned on 15 August 2024) previously acting Non-Executive Chair
P Hoskins	Managing Director (stepped down to CEO on 03 June 2024, resigned as CEO on 18 July 2024)
M Bourguignon	Executive Director (resigned on 12 September 2023)
A van Dyke	Non-Executive Director (resigned on 12 September 2023)

Directors' report

Other KMP

Name	Position
P Hoskins	Chief Executive Officer (stepped down to CEO on 03 June 2024, resigned as CEO on 18 July 2024)
G Dyker	Chief Financial Officer (appointed 27 May 2024 resigned 11 September 2024)
J Stephenson	Company Secretary (appointed 25 March 2024)
C Knee	Chief Financial Officer (resigned 21 December 2023)
S McKenzie	Commercial Manager and Company Secretary (resigned 25 March 2024)

(b) Statutory key performance measures

The Company aims to align executive remuneration to its strategic and business objectives and the creation of shareholder value. The table below shows measures of the Group's financial performance over the last year. The *Corporations Act 2001* requires the disclosure of the past five financial years, however the Company was only listed in November 2021 and therefore limited to the periods disclosed below. These are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs, as outlined in (c) below. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Company performance metric	12 months ended 30 June 2024	12 months ended 30 June 2023	12 months ended 30 June 2022	6 months ended 31 December 2021
Company share price (ASX: EV1)	\$0.03	\$0.19	\$0.33	\$0.44
Company loss after tax	(10,576,353)	(13,891,788)	(8,858,980)	(4,486,724)

(c) Remuneration policy and link to performance

The Group's approach to remuneration is designed to attract and retain key executive talent, recognise the individual contributions of the Group's people, and motivate them to achieve strong performance aligned to the business strategy, whilst discouraging excessive risk taking.

In summary, the Group's approach to remuneration is to:

- Provide remuneration that is competitive and consistent with market standards;
- Align remuneration with the Company's overall strategy and shareholder interests;
- Reward superior performance within an objective and measurable incentive framework;
- Ensure that executives understand the link between individual reward and Group and individual performance;
- Be at a level acceptable to shareholders; and
- Apply sufficiently flexible remuneration practices that enable the Company to respond to changing circumstances.

Remuneration policy for the year ended 30 June 2024

All Executive KMP remuneration was comprised of the following:

- Fixed (base remuneration):
 - Contractual salary or consulting fee; and
 - Legislated superannuation guarantee (11% of gross salary for 2024).
- At risk component:

The Board did not issue FY2024 short term and long term incentives to KMP during the period. KMP remuneration for FY2024 is summarised in the following table.

Directors' report

Element	Purpose	Performance metrics	Potential value
Base (fixed) remuneration	Provide a market competitive salary, including superannuation.	Nil	Within industry averages for the position's required skill and experience. Third party advice is sought periodically to ensure these are at or close to market median.
STIs	Provide market-based equity remuneration pursuant to a set of KPI's and a vesting period of one year.	No performance metrics set and no STI's issued.	Up to a maximum of 50% of base remuneration.
LTIs	Provide market-based equity remuneration pursuant to a set of KPIs and a vesting period of three year.	No performance metrics set and no STI's issued.	Up to a maximum of 50% of base remuneration.

At risk remuneration for the year ended 30 June 2023

For the year ended 30 June 2023, KMP remuneration included the following at risk incentives:

- Short term incentives (STI) – described further in the table below.
- Long term incentives (LTI) – described further in the table below.

Based on the performance metrics set for the FY2023 - STI, it is unlikely these short-term incentive KPI's will be met.

Element	Purpose	Performance metrics	Potential value
STIs	Provide market-based equity remuneration pursuant to a set of KPI's and a vesting period of one year.	Board-approved construction decision for Chilalo mine and/or downstream graphite business (45%); Growth – secure technology and complete feasibility study for battery anode materials (12.5%); Growth – secure technology via YXGC JV and complete feasibility study for expandable graphite or graphite foil (12.5%); and ESG – a number of ESG related targets (30%).	Up to a maximum of 50% of base remuneration.
LTIs	Provide market-based equity remuneration pursuant to a set of KPIs and a vesting period of three year.	Relative shareholder return performance against a peer group, mine or downstream commercial production and ESG targets.	Up to a maximum of 50% of base remuneration.

For the 2023 financial year, both STIs and LTIs were issued under the Company's Option Plan (**Option Plan**).

Balancing short-term and long-term performance

The Company considers performance-based remuneration to be a critical component of the overall remuneration framework, by providing a remuneration structure that rewards personnel for achieving goals that are aligned to the Group's strategy and objectives. Both STIs and LTIs are issued under the Option Plan.

Short-term incentives

The STI scheme operates to link performance and reward with key measurable financial and non-financial performance indicators to provide personnel with clear and understandable targets that are aligned with the Group's objectives.

STIs are in the form of zero exercise price options which vest on completion of a one-year performance period, subject to specific KPIs

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Directors' report

being achieved. The number of options that vest is determined by assessment of the Group's performance against stated objectives by the Remuneration and Nomination Committee, to determine the percentage of objectives that has been achieved. This percentage is then applied to the options granted in order to determine the number of options that vest. The option holder then has two years in which to exercise the options for nil consideration. Each vested STI option represents a right to be issued one Evolution share.

The Board sets the objectives of the Company, and these are then used to set the KPIs of the KMPs to ensure alignment of objectives. The STI performance objectives are communicated to KMPs at the beginning of the twelve-month performance period, with the performance evaluations conducted by the Board following the end of the respective twelve-month performance period.

The Board did not issue FY2024 - STI options during the year ended 30 June 2024. Based on the performance metrics set for the FY2023 - STI, it is unlikely these short-term incentive KPI's will be met. The vesting criteria of the FY2023 - STIs issued in the previous period were:

- Board – approved construction decision for Chilalo mine and/or downstream graphite business (45%);
- Growth – secure technology and complete feasibility study for battery anode materials (12.5%);
- Growth – secure technology via YXGC JV and complete feasibility study for expandable graphite / graphite foil (12.5%); and
- ESG – a range of ESG focused targets (30%).

Long-term incentives

The KMP remuneration structure also seeks to drive performance and align with shareholder interests through LTI equity-based remuneration. This involves the issue of zero exercise price options to KMP as LTIs. Subject to performance against agreed vesting criteria, LTIs vest three years from the grant date and expire five years from the grant date. Each vested LTI option represents a right to be issued one Evolution share. KMPs are assessed against applicable KPIs on the third anniversary from the date of issue.

The vesting criteria for FY2023 - LTIs that are on issue as at 30 June 2024 are:

- Chilalo mine and/or downstream graphite business has achieved commercial production (20%).
- ESG – a range of ESG focused targets (30%).
- Relative total shareholder return as shown in the table below (50%).

Evolution's relative TSR	Portion of LTIs that vest
Top 3	100%
4-5	75%
6-7	50%
8-13	0%

(d) Contractual arrangements with executive KMPs

Component	Managing Director – P Hoskins	Other KMP – Senior executive - Grant Dyker
Fixed remuneration	\$425,000 plus superannuation.	\$375,000 plus superannuation
Contract duration	Ongoing employment contract	Ongoing employment contract
Notice by individual	3 months	3 months
Notice by Company	6 months	3 months
Termination of employment (with or without cause)	Unvested options to be automatically forfeited unless the Board determines in its discretion to vest some or all of the options.	

Directors' report

(e) Non-Executive Director arrangements

Non-Executive Directors receive a monthly fee. No compensation other than the annual fee (including superannuation) was paid to Directors for the year ended 30 June 2024. No additional fees are paid to Directors in connection with positions on the Audit and Risk, Nomination and Remuneration and ESG Committees.

Non-Executive Director fees are reviewed annually by the Board taking into account comparable roles and market data. Directors' fees were reviewed in June 2024. Fees for the financial year are as follows:

- Non-Executive Chairman – \$120,000 including superannuation
- Non-Executive Directors – \$75,000 including superannuation

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which summarises the key terms and conditions of the Non-Executive Director's appointment.

(f) Remuneration expenses for key management personnel

The following table shows details of the remuneration expense recognised for the Group's KMP for the current financial period, measured in accordance with the requirements of the accounting standards:

For the year ended 30 June 2024

Name	Fixed remuneration			Variable		Performance based remuneration %	Total
	Cash salary	Annual leave	Post-employment benefits	Share Based Payment	Bonuses		
Non-executive directors							
R Birchall ¹	6,250	-	-	-	-	-	6,250
S Dennis	37,001	-	4,070	-	-	-	41,071
M Spreadborough ²	53,784	-	5,916	-	-	-	59,700
H Ludik	67,568	-	7,432	33,222	-	31%	108,222
C Dowling ³	32,720	-	3,599	-	-	-	36,319
A van Dyke ⁴	9,921	-	-	-	-	-	9,921
Executive directors							
P Hoskins ⁵	309,033	-	25,230	361,650	-	52%	695,913
M Bourguignon ⁶	224,522	-	18,266	-	-	-	242,788
Other KMP							
P Hoskins ⁵	26,568	-	2,169	-	-	-	28,737
G Dyker ⁷	38,043	-	2,664	-	-	-	40,707
J Stephenson ⁸	14,944	-	-	-	-	-	14,944
S McKenzie ⁹	141,522	-	-	-	-	-	141,522
C Knee ¹⁰	136,772	-	-	-	-	-	136,772
Total executive and other KMP	891,404	-	48,329	361,650	-	28%	1,301,383
Total NED remuneration	207,244	-	21,017	33,222	-	13%	261,483
Total KMP remuneration expensed	1,098,648	-	69,346	394,872	-	25%	1,562,866

¹ Appointed 4 June 2024.

² Appointed 12 September 2023.

³ Appointed 18 August 2023 resigned 4 June 2024.

⁴ Resigned 12 September 2023.

⁵ Resigned as managing director 3 June 2024 step down to CEO 3 June 2024.

⁶ Resigned 12 September 2023

⁷ Appointed 27 May 2024.

⁸ Appointed 25 March 2024

⁹ Resigned 25 March 2024

¹⁰ Resigned 21 December 2023

Directors' report

For the year ended 30 June 2023

Name	Fixed remuneration			Variable		Performance based remuneration %	Total
	Cash salary	Annual leave	Post-employment benefits	Share Based Payment	Bonuses		
Non-executive directors							
T Benson ¹	48,265	-	5,068	-	-	-	53,333
A van Dyke ²	50,000	-	-	-	-	-	50,000
H Ludik	67,873	-	7,127	49,275	-	40%	124,275
Executive directors							
P Hoskins	338,907	-	24,092	313,406	-	46%	676,405
M Bourguignon ²	321,208	-	25,292	63,072	-	15%	409,572
Other KMP							
S McKenzie	153,800	-	-	23,298	-	13%	177,098
C Knee	147,133	-	-	23,298	-	14%	170,431
Total executive and other KMP	961,048	-	49,384	423,074	-	30%	1,433,506
Total NED remuneration	166,138	-	12,195	49,275	-	22%	227,608
Total KMP remuneration expensed	1,127,186	-	61,579	472,349	-	28%	1,661,114

¹ Resigned 15 February 2023.

² Resigned 12 September 2023

(g) Other KMP transactions

During the period, Mr. Stephen Dennis was a Non-Executive Director of Marvel Gold Limited (**Marvel**), an ASX listed Company that has a shared services agreement with the Company. Under this arrangement, the Company provides company secretarial, accounting and administration services. Payments made under these arrangements for the period are set out below.

	30 June 2024	30 June 2023
Related party transactions	\$	\$
Receipts from Marvel (ex-GST)	70,021	86,004
Payments to Marvel (ex-GST)	(4,781)	(4,623)
Amounts outstanding from Marvel at period end	4,997	9,009
Amounts outstanding to Marvel at period end	(153)	(98)

(h) Additional statutory information

Relative proportions of fixed and variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense above:

Name	30 June 2024		30 June 2023	
	Fixed remuneration	At risk remuneration – Share Based Payment	Fixed remuneration	At risk remuneration – Share Based Payment
Managing Director & CEO				
P Hoskins	50%	50%	54%	46%
Other KMP				
G Dyker	100%	-	-	-
J Stephenson	100%	-	-	-
M Bourguignon	100%	-	85%	15%
S McKenzie	100%	-	87%	13%
C Knee	100%	-	86%	14%

Directors' report

Performance based remuneration granted and forfeited

The remuneration of KMPs was approved by the Board in June 2023. As at 30 June 2024 KMP have 6,409,174 options in total (comprising vested 2,904,587 and unvested 3,504,587), of which unvested options are subject to Board approved performance criteria.

No new options (STI or LTI) were granted or issued during the financial year ended 30 June 2024. Subsequent to 30 June 2024, in the period to the date of this report, no new options have been granted or issued. Options forfeited by current and prior KMP during the financial year total 1,571,560 which resulted in a reversal of current and prior period expenses totalling \$109,669.

Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested	Vesting criteria
16-Nov-21	16-Nov-21	9-Nov-24	\$0.25	\$0.114	N/A	100%	Nil
23-Sep-22	23-Sep-24	10-Oct-27	\$-	\$0.280	-	-	Note 1
23-Sep-22	10-Oct-25	10-Oct-27	\$-	\$0.280	-	-	Note 1
23-Sep-22	10-Oct-25	10-Oct-27	\$-	\$0.160	-	-	Note 5
23-Sep-22	10-Oct-25	10-Oct-27	\$-	\$0.118	-	-	Note 6
23-Sept-22	30-Jun-23	10-Oct-25	\$-	\$0.280	-	-	Note 2
23-Sept-22	30-Jun-25	10-Oct-27	\$-	\$0.280	-	-	Note 3
23-Sept-22	30-Jun-25	10-Oct-27	\$-	\$0.245	-	-	Note 3
23-Sept-22	23-Sept-23	10-Oct-27	\$0.45	\$0.289	-	-	Note 4
23-Sept-22	10-Oct-25	10-Oct-27	\$0.45	\$0.289	-	-	Note 4
10-Oct-22	1-Jul-23	10-Oct-25	\$-	\$0.260	-	-	Note 2

The fair value of services received in return for the share options granted is measured by reference to the fair value of options granted. The Black Scholes option pricing model was used to determine the fair value of the options issued to Directors, other KMP and staff for options with an exercise price and also STIs with non-market based STIs. LTIs contain market-based vesting criteria such as share price performance against peer companies. LTIs are valued using the Monte Carlo Simulation method.

Vesting criteria

Note 1:- Managing Director one off options – twelve months of continuous service and a decision to proceed with construction at Chilalo.

Note 2:- Executive Director and other STIs.
The vesting criteria of the STIs issued during the period were:

- Board-approved construction decision for Chilalo mine and/or downstream graphite business (45%);
- Growth – secure technology and complete feasibility study for battery anode materials (12.5%);
- Growth – secure technology via YXGC JV and complete feasibility study for expandable graphite / graphite foil (12.5%); and
- ESG – a range of ESG focused targets (30%).

Note 3:- Executive Director and other ESS LTIs.
The vesting criteria for LTIs issued during the period were:

- Chilalo mine and/or downstream graphite business has achieved commercial production (20%).
- ESG – a range of ESG focused targets (30%).

Note 4:- Executive Director and other ESS LTIs.
The vesting criteria for LTIs issued during the period were:

- Relative total shareholder return as shown in the table below (50%).

Directors' report

Evolution's relative TSR	Portion of LTIs that vest
Top 3	100%
4-5	75%
6-7	50%
8-13	0%

Note 5:– Managing Director one off options – share price target of \$0.70.

Note 6:– Managing Director one off options – share price target of \$1.00.

As at 30 June 2024, the terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year and future reporting years are as follows:

Name	Number of options granted	Vesting condition (see above)	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value of option at grant date
P Hoskins	2,400,000	Nil	16-Nov-21	16-Nov-21	9-Nov-24	\$0.25	\$0.11
P Hoskins	1,500,000	Note 1	23-Sep-22	23-Sep-24	10-Oct-27	\$0.00	\$0.28
P Hoskins	750,000	Note 1	23-Sep-22	10-Oct-25	10-Oct-27	\$0.00	\$0.28
P Hoskins	375,000	Note 5	23-Sep-22	10-Oct-25	10-Oct-27	\$0.00	\$0.16
P Hoskins	375,000	Note 6	23-Sep-22	10-Oct-25	10-Oct-27	\$0.00	\$0.12
P Hoskins	504,587	Note 2	23-Sep-22	30-Jun-23	10-Oct-25	\$0.00	\$0.28
P Hoskins	252,294	Note 3	23-Sep-22	30-Jun-25	10-Oct-27	\$0.00	\$0.28
P Hoskins	252,293	Note 4	23-Sep-22	30-Jun-25	10-Oct-27	\$0.00	\$0.24
H Ludik	140,000	Nil	23-Sep-22	23-Sep-23	10-Oct-27	\$0.45	\$0.29
H Ludik	250,000	Nil	23-Sep-22	10-Oct-25	10-Oct-27	\$0.45	\$0.29

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company.

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Directors' report

The number of options over ordinary shares in the Company provided as remuneration to directors and KMP is shown below. The options carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Reconciliation of options 2022	Balance at 1 July 2023		Granted as compensation	Exercise price	Vested		Exercised	Forfeited / expired		Balance at 30 June 2024	
	Vested and exercisable	Unvested			Number	%		Number	%	Vested and exercisable	Unvested
P Hoskins											
16-Nov-21	2,400,000	-	-	-	-	-	-	-	-	2,400,000	-
23-Sep-22	-	3,000,000	-	-	-	-	-	-	-	-	3,000,000
23-Sep-22	-	504,587	-	-	-	-	-	-	-	-	504,587
23-Sep-22	-	504,587	-	-	-	-	-	-	-	-	504,587
M Bourguignon											
16-Nov-21	4,900,000	-	-	-	-	-	-	-	-	4,900,000	-
23-Sep-22	-	433,486	-	-	-	-	-	(433,486)	-	-	-
23-Sep-22	-	433,485	-	-	-	-	-	(433,485)	-	-	-
H Ludik											
23-Sep-22	-	140,000	-	-	140,000	-	-	-	-	140,000	-
23-Sep-22	-	250,000	-	-	-	-	-	-	-	-	250,000
S McKenzie											
16-Nov-21	825,000	-	-	-	-	-	-	-	-	825,000	-
10-Oct-22	-	176,147	-	-	-	-	-	(176,147)	-	-	-
10-Oct-22	-	176,147	-	-	-	-	-	(176,147)	-	-	-
C Knee											
16-Nov-21	825,000	-	-	-	-	-	-	-	-	825,000	-
10-Oct-22	-	176,147	-	-	-	-	(176,147)	(176,147)	-	-	-
10-Oct-22	-	176,147	-	-	-	-	(173,853)	(2,294)	-	-	-

Director's report

Shareholdings

Name	Balance at start of period	Received during the period on the exercise of options	Other changes during the period	Balance at end of the period
R Birchall	-	-	-	-
S Dennis	-	-	50,000	50,000
M Spreadborough	-	-	-	-
H Ludik	31,250	-	-	31,250
C Dowling	-	-	-	-
P Hoskins	682,645	-	-	682,645
M Bourguignon ¹	343,750	-	(343,750)	-
S McKenzie ¹	200,000	-	(200,000)	-
C Knee ¹	125,000	-	(125,000)	-

¹ Resigned during the year.

None of the shares in the above table are held nominally by the Directors or by any of the other KMP.

Loans to KMP

There were no loans made to Directors or KMP.

Reliance on external remuneration consultants

In performing its role, the Nomination and Remuneration Committee may seek advice from independent remuneration consultants where appropriate, to make recommendations as to the nature and amount of remuneration payable to KMPs. Remuneration consultants are engaged by, and report directly to the Nomination and Remuneration Committee. For the year ended 30 June 2024, the Board did not engage an independent remuneration consultant to review the Company's remuneration structure. Having considered publicly available information on the remuneration practices of a number of peer group companies and conducted an extensive benchmarking exercise, the Board believes that current remuneration arrangements are appropriate.

Shares under option

Unissued ordinary shares

Shares under option that formed part of remuneration at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Options	Vested and exercisable
16-Nov-21	9-Nov-24	\$0.25	2,400,000	2,400,000
23-Sep-22	10-Oct-25	\$-	1,254,587	-
23-Sep-22	10-Oct-27	\$-	2,754,587	-
23-Sep-22	10-Oct-27	\$0.45	390,000	140,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Voting of shareholders at last year's Annual General Meeting

The Group's 2023 annual general meeting was held on 24 November 2023, with all resolutions approved on a poll.

END OF REMUNERATION REPORT (audited)

Director's report

Insurance of officers and indemnities

The Company's constitution allows the Company to indemnify each Director or officer of the Company, to the extent permitted by law, against liability incurred in or arising out of the conduct of the business of the Company or the discharge of the duties of the Directors or officers.

The Group has granted indemnities under deeds of indemnity with its current Directors and officers. In conformity with the constitution, each deed of indemnity indemnifies the relevant Director or officer to the full extent permitted by law. Where applicable, each deed of indemnity indemnifies the relevant Director, officer or employee to the fullest extent permitted by law for liabilities incurred whilst acting as a director, officer or employee of the Company, any of its related bodies corporate and any outside entity, where such an office is held at the request of the Company.

The Group has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the Group.

No indemnity has been granted to an auditor of the Group in their capacity as auditors of the Group.

During the period, the Group paid insurance premiums (inclusive of fees and charges) in respect of contracts insuring all directors and officers against legal costs incurred in defending proceedings. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. The terms of the insurance contract are confidential and do not permit the disclosure of insured amounts, the premium cost for the policies or any other condition.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought, or intervened in, on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit Pty Ltd) for audit and non-audit services provided during the period are set out in note 24.

The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Exposure to economic, environmental and social sustainability risks

The Group has material exposure to economic, environmental and social sustainability risks, including changes in community expectations, and environmental, social and governance legislation (including, for example, those matters related to climate change). The Group employs suitably qualified personnel to assist with the management of its exposure to these risks. These risks are discussed in more detail the Corporate Governance Statement which can be found on the Group's website.

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Director's report

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307 of the *Corporation Act 2001* is set out on page 31.

This annual report is made in accordance with a resolution of the Directors.

Annual Statement of Ore Reserves and Mineral Resources

Chilalo Project: Ore Reserve and Mineral Resource Estimate

Chilalo Ore Reserve Estimate					
Domain	Classification	Zone	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High-Grade	Probable Reserve	Main	8.0	10.5	836
Total Ore Reserve	Probable Reserve	Main	8.0	10.5	836

Chilalo Mineral Resource Estimate					
High-Grade	Indicated	Main	9.2	10.6	982
		North East	1.0	9.5	100
		All	10.3	10.5	1,082
	Inferred	Main	7.4	9.5	704
		North East	2.3	8.8	205
All		9.8	9.3	908	
Total High-Grade	Indicated + Inferred	All	20.1	9.9	1,991
Low-Grade	Inferred	Main	37.8	3.4	1,282
		North East	9.5	4.1	394
		All	47.3	3.5	1,677
High-Grade + Low-Grade	Indicated + Inferred	All	67.3	5.4	3,667

Mineral Resources are inclusive of Ore Reserves. The Mineral Resource was estimated within constraining wireframe solids using a core high-grade domain defined above a nominal 5% TGC cut-off within a surrounding low-grade zone defined above a nominal 2% TGC cut-off. The resource is quoted from all classified blocks above a lower cut-off of 2% TGC within these wireframe solids. Differences may occur due to rounding.

Competent Person's Statement - Chilalo Mineral Resource Estimate

The information in this Prospectus that relates to the Chilalo Mineral Resource Estimate is based on information compiled by Mr Grant Louw, under the direction and supervision of Dr Andrew Scogings. Mr Louw was a full-time employee of CSA Global and Dr Scogings was an Associate of CSA Global at the time the Chilalo Mineral Resource Estimate was made. Dr Scogings takes overall responsibility for the Chilalo Mineral Resource Estimate. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the JORC Code. Dr Scogings consents to the inclusion of such information in this report in the form and context in which it appears.

Competent Person's Statement - Chilalo Ore Reserve Estimate

The information in this announcement that relates to the Ore Reserve estimate for the Chilalo Project is based on information compiled by Andrew Hutson, a Competent Person, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Andrew Hutson is employed by Resolve Mining Solutions. Mr Hutson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the JORC Code. Mr Hutson consents to the inclusion of such information in this report in the form and context in which it appears.

Ore Reserves and Mineral Resources Governance

Evolution reviews its Mineral Resource and Ore Reserve estimates on an annual basis. The Annual Statement of Mineral Resources and Ore Reserves is prepared in accordance with the JORC Code and the ASX Listing Rules.

Competent Persons named by the Company are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined under the JORC Code.

The Company engages external consultants and Competent Persons to prepare and calculate estimates of its Mineral Resources and Ore Reserves. These estimates and underlying assumptions are reviewed by the Directors and management for reasonableness and accuracy.

Director's report

The results of the Mineral Resource and Ore Reserve estimates are then reported in accordance with the JORC Code 2012 and the ASX Listing Rules. Where material changes occur to a project during the period, including the project's size, title, exploration results or other technical information, previous resource estimates and market disclosures are reviewed for completeness. The Company reviews its Mineral Resources and Ore Reserves as at 30 June each year and where a material change has occurred in the assumptions or data used in previously reported Mineral Resources and Ore Reserves, a revised estimate will be prepared as part of the annual review process.

Competent Person's Statement – Chilalo Exploration Results

The information in this report that relates to exploration results, data quality and geological interpretations for the Chilalo Graphite Project is based on information compiled by Mr Mathew Perrot, who is a Registered Practising Geologist and a member of the Australian Institute of Geoscientists. Mr Perrot is the principal geologist with Mathew Perrot Consulting Geologist Pty Ltd. Mr Perrot has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Perrot consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Results of the Updated Definitive Feasibility Study

The DFS outcomes in this announcement comprises production targets and forecast financial information for the Chilalo Graphite Project and is based on an updated feasibility study for the Chilalo Graphite Project that was announced on 20 March 2023. The production targets (and the forecast financial information based on these production targets) are based solely on Ore Reserve estimates which have been prepared by a Competent Person in accordance with the requirements in the JORC Code.

Evolution confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 20 March 2023 and that all material assumptions and technical parameters upon which the production targets and forecast financial information are based continue to apply and have not materially changed.



Robin Birchall
Chair
PERTH
On the 26 day of September 2024

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Sustainability Statement

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 Evolution directors have undertaken to report on the Company's approach to sustainability and in particular its focus on the places in which the Company operates, being better for its presence. In June 2023, the Company released its maiden sustainability report for the period from November 2021 to 31 December 2022.

As the Company advances towards the development of the Chilalo Graphite Project, it appreciates 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. The Company's maiden Sustainability Report is a critical part of presenting such a transparent account.

A copy of the Company's sustainability report is available at: <https://www.investi.com.au/api/announcements/ev1/451b9146-bcb.pdf>.

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Corporate Governance Statement

Evolution and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Evolution has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2024 corporate governance statement is dated as at 30 June 2024 and reflects the corporate governance practices in place throughout the 2024 financial year. The 2024 corporate governance statement was approved by the Board on 25 September 2024. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed on the Company's website at www.evolutionenergyminerals.com.au/corporate/#corporate-governance.

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF EVOLUTION ENERGY MINERALS LIMITED

As lead auditor of Evolution Energy Minerals Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Evolution Energy Minerals Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit Pty Ltd
Perth
26 September 2024

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
Other income		35,844	69,397
Foreign currency gain / (loss)		(130,504)	612,661
Corporate and administration expense		(1,652,203)	(1,039,415)
Employee benefits	2	(2,685,013)	(2,229,013)
Business development and marketing expense		(2,086,033)	(2,769,006)
Environment, social and governance expense	2	(2,992,463)	(2,932,653)
Finance costs	2	(338,459)	(338,563)
Exploration and evaluation expense		(391,649)	(4,232,547)
Impairment	6	(105,769)	(501,416)
Share based payments	23	(230,104)	(531,233)
Loss before income tax		(10,576,353)	(13,891,788)
Income tax expense		-	-
Profit / (loss) for the year after tax		(10,576,353)	(13,891,788)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		76,108	(235,515)
Total comprehensive profit / (loss) for the period		(10,500,245)	(14,127,303)
Net profit / (loss) is attributable to:			
Owners of Evolution Energy Minerals Limited		(11,062,919)	(13,891,788)
Non-controlling interest		486,566	-
		(10,576,353)	(13,891,788)
Total comprehensive loss is attributable to:			
Owners of Evolution Energy Minerals Limited		(10,492,771)	(14,127,303)
Non-controlling interest	18	(7,474)	-
		(10,500,245)	(14,127,303)
Profit / (loss) per share attributable to owners of the Company			
		\$	\$
Basic EPS	25	(0.05)	(0.07)
Diluted EPS	25	(0.05)	(0.07)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial report.

Consolidated statement of financial position

as at 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	3,065,627	4,441,568
Trade and other receivables	6	164,113	233,348
Total current assets		3,229,740	4,674,916
Non-current assets			
Property, plant and equipment	7	110,375	63,085
Exploration and evaluation assets	8	5,438,612	5,443,248
Total non-current assets		5,548,987	5,506,333
Total assets		8,778,727	10,181,249
LIABILITIES			
Current liabilities			
Trade and other payables	9	558,715	1,018,525
Provisions	10	57,134	75,513
Total current liabilities		615,849	1,094,038
Total liabilities		615,849	1,094,038
Net assets		8,162,878	9,087,211
EQUITY			
Share capital	11	47,017,565	37,671,757
Reserves	12	3,152,115	2,838,429
Accumulated losses	13	(42,485,894)	(31,422,975)
Equity attributable to owners of Evolution Energy Minerals		7,683,786	9,087,211
Non-controlling interest	18	479,092	-
Total equity		8,162,878	9,087,211

The above consolidated statement of financial position is to be read in conjunction with the notes to the financial report.

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Consolidated statement of changes in equity
for the year ended 30 June 2024

	Notes	Contributed equity \$	Foreign currency translation reserve \$	Share based payment reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2022		25,348,523	31,112	2,511,599	(17,531,187)	-	10,360,047
Total comprehensive income for the period:							
Loss for the period		-	-	-	(13,891,788)	-	(13,891,788)
Foreign exchange translation differences		-	(235,515)	-	-	-	(235,515)
Total comprehensive loss for the period		-	(235,515)	-	(13,891,788)	-	(14,127,303)
Transactions with owners in their capacity as owners:							
Issue of shares net of transaction costs	11	12,323,234	-	-	-	-	12,323,234
Options issued to employee under the employee share scheme	12	-	-	531,233	-	-	531,233
Balance at 30 June 2023		37,671,757	(204,403)	3,042,832	(31,422,975)	-	9,087,211

Consolidated statement of changes in equity
for the year ended 30 June 2024

	Notes	Contributed equity	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Non-controlling interest	Total equity
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		37,671,757	(204,403)	3,042,832	(31,422,975)	-	9,087,211
Total comprehensive income for the period:							
Profit / (loss) for the period		-	-	-	(11,062,919)	486,566	(10,576,353)
Foreign exchange translation differences		-	83,582	-	-	(7,474)	76,108
Total comprehensive profit / (loss) for the period		-	83,582	-	(11,062,919)	479,092	(10,500,245)
Transactions with owners in their capacity as owners:							
Issue of shares net of transaction costs	11	9,345,808	-	-	-	-	9,345,808
Options issued to employee under the employee share scheme	12, 22	-	-	230,104	-	-	230,104
Balance at 30 June 2024		47,017,565	(120,821)	3,272,936	(42,485,894)	479,092	8,162,878

The above consolidated statement of changes in equity is to be read in conjunction with the notes to the financial report.

Consolidated statement of cash flows for the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
Cash flows from operating activities			
Payments to suppliers and employees		(4,394,987)	(2,777,398)
Payments for business development and marketing		(2,577,622)	(3,092,894)
Payment of exploration and evaluation and project expenditure		(3,629,500)	(7,530,592)
Net cash (outflow) from operating activities		(10,602,109)	(13,400,884)
Cash flows from investing activities			
Payment for property, plant and equipment		(65,243)	(29,273)
Net cash (outflow) from investing activities		(65,243)	(29,273)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares	11	9,947,025	13,000,000
Share issue transaction costs		(601,217)	(676,766)
Net cash inflow from financing activities		9,345,808	12,323,234
Net increase / (decrease) in cash and cash equivalents		(1,321,544)	(1,106,923)
Cash and cash equivalents at the beginning of the period		4,441,568	5,370,037
Effects of exchange rate changes on cash and cash equivalents		(54,397)	178,454
Cash and cash equivalents at the end of the period	5	3,065,627	4,441,568

The above consolidated statement of cash flows is to be read in conjunction with the notes to the financial report.

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Notes to the consolidated financial statements

1. Corporate information

Evolution Energy Minerals Limited (**Evolution** or the **Company**) is a company incorporated in Australia and limited by shares. Evolution shares are publicly traded on the Australian Securities Exchange under the stock code EV1. The consolidated financial statements of the Company as at, and for the year ended, 30 June 2024 comprise the Company and its subsidiaries (together the **Group**).

During the period, the principal continuing activities of the Group related to the acquisition, exploration, evaluation and development of the Company's Chilalo Graphite Project in southern Tanzania (**Chilalo Project**).

This financial report was authorised for issue in accordance with a resolution of the Directors on 25 September 2024.

2. Expenses

(a) Employee benefits

	30 June 2024	30 June 2023
	\$	\$
Salaries and Directors fees – Corporate	2,227,959	1,795,332
Salaries – Technical and site	315,608	398,288
Superannuation	123,246	90,768
Recharges	-	(114,314)
Changes in leave provisions	18,200	58,939
	2,685,013	2,229,013

(b) Finance costs

	30 June 2024	30 June 2023
	\$	\$
Project financing expense	338,459	338,563
	338,459	338,563

(c) Environmental, social and governance

	30 June 2024	30 June 2023
	\$	\$
Environmental studies and ESIA	713,037	992,309
ESG Compliance	627,016	225,577
Relocation action plan	1,652,410	1,714,767
	2,992,463	2,932,653

3. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its assets and liabilities are primarily related to the mining industry and are located within Tanzania. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit and loss and other comprehensive income, statement of financial position and statement of cashflows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

Notes to the consolidated financial statements

4. Income tax expense

The Company has total carried forward tax losses of \$12,344,969 (June 2023: \$8,068,639) available for offset against future assessable income of the Company. The net deferred tax asset attributable to the residual tax losses of \$3,086,242 (June 2023: \$2,017,160) has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.

The deferred tax asset in respect of these losses has been used to offset a deferred tax liability. The net deferred tax asset attributable to the residual tax losses of \$3,086,242 has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.

5. Cash and cash equivalents

	30 June 2024	30 June 2023
	\$	\$
Cash at bank	2,988,211	4,364,152
Cash on deposit	77,416	77,416
	3,065,627	4,441,568

Refer to note 15(a)(i) for the Group's exposure to interest rate and credit risk.

6. Trade and other receivables

	30 June 2024	30 June 2023
	\$	\$
Accounts receivable	14,193	19,819
Other receivables	59,344	58,901
Prepayments	90,576	154,628
	164,113	233,348

There are no debtors that are past due at year end, therefore none are impaired. The impairment expense of \$105,769 incurred in year relates to irrecoverable Value Added Tax (VAT) borne in Tanzania. The Tanzanian Tax Authority has not been refunding input VAT credits unless the Company is producing revenue. Until such time as the Company is producing revenue it will take the conservative approach of impairing these input credits.

7. Property, plant and equipment

	Plant and equipment	Motor Vehicles	Furniture and fittings	Total
	\$	\$	\$	\$
Non-current				
At 30 June 2024				
Cost	173,433	48,445	69,170	291,048
Accumulated depreciation	(138,772)	(720)	(41,181)	(180,673)
Net book amount	34,661	47,725	27,989	110,375
Period ended 30 June 2024				
Opening net book amount	38,995	-	24,090	63,085
Additions	38,818	48,445	25,289	112,552
Disposal	(37,939)	-	(15,216)	(53,155)
Foreign exchange movement	2,968	-	2,839	5,807
Depreciation charge	(8,181)	(720)	(9,013)	(17,914)
Closing net book amount	34,661	47,725	27,989	110,375

Notes to the consolidated financial statements

7. Property, plant and equipment (continued)

Non-current	Plant and equipment \$	Motor Vehicles \$	Furniture and fittings \$	Total \$
At 30 June 2023				
Cost	169,808	-	56,375	226,183
Accumulated depreciation	(130,813)	-	(32,285)	(163,098)
Net book amount	38,995	-	24,090	63,085
Period ended 30 June 2023				
Opening net book amount	26,625	-	17,757	44,382
Additions	17,523	-	11,750	29,273
Disposal	-	-	-	-
Foreign exchange movement	959	-	594	1,553
Depreciation charge	(6,112)	-	(6,011)	(12,123)
Closing net book amount	38,995	-	24,090	63,085

8. Exploration and evaluation expenditure

	30 June 2024 \$	30 June 2023 \$
(a) Reconciliation of exploration and evaluation expenditure		
Carrying amount at beginning of the period	5,443,248	5,246,108
Foreign exchange movement	(4,636)	197,140
Carrying amount at the end of the period	5,438,612	5,443,248

9. Trade and other payables

	30 June 2024 \$	30 June 2023 \$
Creditors	79,624	449,656
Accruals	412,410	457,551
Other payables	66,681	111,318
	558,715	1,018,525

10. Provisions

	30 June 2024 \$	30 June 2023 \$
Provision for annual leave	57,134	75,513
	57,134	75,513

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Notes to the consolidated financial statements

11. Share capital

	30 June 2024		30 June 2023	
	Shares	\$	Shares	\$
(a) Issued and paid-up capital				
Ordinary fully paid shares – Evolution Energy Minerals Limited	304,382,773	47,017,565	202,500,000	37,671,757
(b) Movement in ordinary shares				
Opening balance at 1 July	202,500,000	37,671,757	161,875,000	25,348,523
Issue of equities				
Shares issued placement – 18 October 2023	24,737,744	3,463,284	-	-
Shares issued placement – 16 January 2024	8,119,399	1,136,716	-	-
Shares issued placement – 19 March 2024	25,860,000	3,620,400	-	-
Shares issued placement – 21 June 2024	43,165,630	1,726,625	-	-
Tranche One Placement	-	-	24,281,250	7,770,000
Tranche Two Placement	-	-	16,343,750	5,230,000
Less: Equity raising cost	-	(601,217)	-	(676,766)
	304,382,773	47,017,565	202,500,000	37,671,757

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote. Upon a poll, each fully paid share has one vote.

12. Reserves

The following table shows a breakdown of the statement of financial position line item 'reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below.

	Share based payments	Foreign currency translation	Total	Non-controlling interest	Total Equity
	\$	\$	\$	\$	\$
At 30 June 2022	2,511,599	31,112	2,542,711	-	2,542,711
Translation of foreign subsidiaries	-	(235,515)	(235,515)	-	(235,515)
Other comprehensive income	-	(235,515)	(235,515)	-	(235,515)
Transactions with owners in their capacity as owners					
Employee share-based payments expense	531,233	-	531,233	-	531,233
At 30 June 2023	3,042,832	(204,403)	2,838,429	-	2,838,429
Translation of foreign subsidiaries	-	83,582	83,582	(7,474)	76,108
Other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners					
Employee share-based payments expense	230,104	-	230,104	-	230,104
At 30 June 2024	3,272,936	(120,821)	3,152,115	(7,474)	3,144,641

Notes to the consolidated financial statements

12. Reserves (continued)

(a) Nature and purpose of reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of the Company's net investment in a foreign subsidiary.

(ii) Share based payment reserve

The share-based remuneration reserve is used to recognise the fair value of options issued.

13. Accumulated losses

	30 June 2024	30 June 2023
	\$	\$
Opening balance	(31,422,975)	(17,531,187)
Net gain / (loss) for the period	(10,576,353)	(13,891,788)
Non-controlling Interest	(486,566)	-
Closing balance	(42,485,894)	(31,422,975)

14. Cash flow information

	30 June 2024	30 June 2023
	\$	\$
(a) Reconciliation of operating loss after income tax to the net cash flows from operating activities:		
Loss for the period	(10,576,353)	(13,891,788)
<i>Adjustments for:</i>		
Depreciation	17,952	12,123
Non-cash employee benefits expense - share based payments	230,104	531,233
Net exchange differences	135,140	(612,661)
<i>Changes in operating assets and liabilities:</i>		
Changes in trade and other receivables	69,236	(72,526)
Changes in trade and other payables	(459,808)	573,247
Changes in provisions	(18,380)	59,488
Net cash (outflow) from operating activities	(10,602,109)	(13,400,884)

(b) Non-cash investing and financing activities

There were no non-cash investing or financing activities for the year ended 30 June 2024.

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Notes to the consolidated financial statements

15. Financial risk management

The Company and the Group's activities expose it to a variety of financial risks, including market, foreign currency, credit and liquidity risk. For the Group, market risk includes:

- Interest rate risk; and
- Foreign exchange risk.

Financial risk management is carried out by the Group's Chief Financial Officer, in close co-operation with the Audit and Risk Committee. The Group obtains independent external advice as required to assist it in understanding and managing its exposures and risks.

The Group held the following financial instruments at reporting date:

	Note	30 June 2024 \$	30 June 2023 \$
<i>Financial Assets</i>			
Cash and cash equivalents	5	3,065,627	4,441,568
Trade and other receivables	6	73,537	78,720
Total Financial Assets		3,139,164	4,520,288
<i>Financial Liabilities</i>			
Trade and other payables	9	558,715	560,974
Total Financial Liabilities		558,715	560,974

(a) Market risk

(i) Interest rate risk

The Group and the Company are exposed to interest rate volatility on deposits and loans. Deposits and loans at variable rates expose the Group and the Company to cash flow interest rate risk. Deposits and loans at fixed rates expose the Group to fair value interest rate risk.

	Effective Average Interest Rate (%)	Variable Interest Rate \$	Fixed Interest Rate \$	Non-Interest Bearing \$	Total \$
30 June 2024 (consolidated)					
<i>Financial Assets</i>					
Cash and cash equivalents	1.53%	2,951,568	77,416	36,643	3,065,627
Trade and other receivables	0.0%	-	-	73,537	73,537
		2,951,568	77,416	110,180	3,139,164
<i>Financial Liability</i>					
Trade and other payables	0.0%	-	-	558,715	558,715
		-	-	558,715	558,715
30 June 2023 (consolidated)					
<i>Financial Assets</i>					
Cash and cash equivalents	1.06%	4,087,076	77,416	277,076	4,441,568
Trade and other receivables	0.0%	-	-	78,720	78,720
		4,087,076	77,416	355,796	4,520,288
<i>Financial Liability</i>					
Trade and other payables	0.0%	-	-	560,974	560,974
		-	-	560,974	560,974

Notes to the consolidated financial statements

15. Financial risk management (continued)

Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved with all other variables held constant, post-tax loss and equity would have been affected as shown below.

	Carrying Amount \$	Interest Rate Risk -100 basis points (-1%)		Interest Rate Risk +100 basis points (+1%)	
		Net Profit / (Loss) \$	Equity \$	Net Profit / (Loss) \$	Equity \$
30 June 2024 (consolidated)					
<i>Financial Assets</i>					
Cash and cash equivalents	3,065,627	(29,516)	(29,516)	29,516	29,516
	3,080,462	(29,516)	(29,516)	29,516	29,516
30 June 2023 (consolidated)					
<i>Financial Assets</i>					
Cash and cash equivalents	4,441,568	(40,871)	(40,871)	40,871	40,871
	4,441,568	(40,871)	(40,871)	40,871	40,871

(ii) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from costs incurred in currencies other than the functional currency of the Company and Group entities. The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the United States dollar and Tanzanian shilling.

The Group has a Treasury Policy that stipulates foreign currency risk management measures. It provides that the Company shall hold one month's forward looking foreign currency cash requirement. Should the exchange rate be favourable to the budgeted exchange rate, the Company can hold up to three months of forecast foreign cash requirements. The Group monitors foreign currency expenditure in light of exchange rate movements. The Group's exposure to foreign currency risk as at 30 June 2024, expressed in Australian dollars was as follows.

Foreign currency balances	30 June 2024		30 June 2023	
	US Dollar	Tanzanian Shilling	US Dollar	Tanzanian Shilling
Cash at bank	26,272	14,197	235,609	14,772
Trade receivables	-	-	-	-
Trade payables	(41,061)	-	(126,966)	-

Sensitivity analysis	10% Strengthening to the AUD		10% Weakening to the AUD	
	Equity \$	Net Profit / (Loss) \$	Equity \$	Net Profit / (Loss) \$
30 June 2024 (Consolidated)				
USD (10% movement)	(10,078)	(3,733)	8,246	4,562
TZS (10% movement)	-	1,291	-	(1,577)
30 June 2023 (Consolidated)				
USD (10% movement)	(26,179)	(11,542)	21,419	14,107
TZS (10% movement)	-	1,343	-	(1,641)

Notes to the consolidated financial statements

15. Financial risk management (continued)

(b) Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner.

The Group's treasury function continually reviews the Group's liquidity position, including cash flow forecasts, to determine the forecast liquidity position and maintain appropriate liquidity levels.

	Less than 1 year \$	Between 1 and 2 years \$	Total contractual cash flows \$	Carrying amount \$
30 June 2024 (Consolidated)				
Trade and other receivables	73,537	-	73,537	73,537
Trade and other payables	(558,715)	-	(558,715)	(558,715)
	(485,178)	-	(485,178)	(485,178)
30 June 2023 (Consolidated)				
Trade and other receivables	78,720	-	78,720	78,720
Trade and other payables	(560,974)	-	(560,974)	(560,974)
	(482,254)	-	(482,254)	(482,254)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

(i) Cash at bank

The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and Tanzania that are reputable banks with a high credit rating.

(ii) Trade and other receivables

The Group has credit risk arising from other receivables.

(iii) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	30 June 2024 \$	30 June 2023 \$
<i>Financial Assets</i>			
Cash and cash equivalents	5	3,065,627	4,441,568
Trade and other receivables	6	73,537	78,720
Total Financial Assets		3,139,164	4,520,288

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Notes to the consolidated financial statements

The carrying amounts and estimated fair values of all the Group's financial instruments recognised in the financial statements are materially the same.

16. Capital management

(a) Risk management

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business.

The Company has welcomed equity investment from major stakeholders so that goals are aligned and there is a vested interest in the Group's success. Current stakeholders that are also shareholders include major suppliers for exploration, project management and feasibility studies advisors, corporate advisors, Directors, executives and employees.

The Company monitors its total shares on issue, market capitalisation and enterprise value on a regular basis so as to maintain a critical balance between having its strategy fully funded and minimising existing shareholder dilution.

	30 June 2024	30 June 2023
	\$	\$
Net debt	-	-
Share capital	47,017,565	37,671,757
Net debt to equity ratio	0%	0%

(b) Dividends

Up until the date of this report, no dividend has been declared or paid by the Company.

17. Interests in other entities

The Group's principal subsidiaries as at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Type of entity	Country of incorporation	Foreign tax jurisdiction of foreign residents	Class of shares	Equity Holding	Equity Holding
					30 June 2024	30 June 2023
					%	%
Evolution Energy Minerals Limited	Body corporate	Australia	N/A	Ordinary	Parent	Parent
Evolution Energy Holdings Pty Limited	Body corporate	Australia	N/A	Ordinary	100	100
Evolution Energy UK Limited	Body corporate	United Kingdom	United Kingdom	Ordinary	100	100
Evolution Energy Solutions LLC	Body corporate	United States	United States of America	Ordinary	100	100
Evolution Recycling Solutions LLC	Body corporate	United States	United States of America	Ordinary	100	100
Kudu Graphite Limited	Body corporate	Tanzania	Tanzania	Ordinary	86	86
Ngwena Tanzania Limited	Body corporate	Tanzania	Tanzania	Ordinary	100	100

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Notes to the consolidated financial statements

18. Equity – Non-controlling Interest

	30 June 2024	30 June 2023
	\$	\$
Issued Capital	-	-
Reserves	(7,474)	-
Retained Profits	486,566	-
Closing balance	479,092	-

The non-controlling interest has a 16% (2023: 0%) equity holding in Kudu Graphite Limited.

19. Contingent liabilities

Royalty

The Company is a party to a Net Sales Return Royalty Deed with the Company's major shareholder ARCH SRF. Under the terms of this agreement the Company is bound to pay a royalty of 1.7% on the future net sales returns of graphite concentrate from the Chilalo Graphite Project less allowable deductions. Allowable deductions include the costs of processing, freight, handling, marketing and administration costs. The royalty is uncapped and is for the life of the Chilalo Project.

The Company is a party to an agreement with Australia Minerals and Resources Pty Ltd (**AMR**), a graphite market consultancy. Under the terms of the agreement with AMR, the Company must pay AMR a fee equal to 3% of the value of an offtake or sales agreement entered into by the Company with a third party that AMR has introduced. AMR has introduced both of the Company's offtake partners, BTR and YXGC.

20. Commitments

(a) Exploration commitments

The Company is required to meet certain minimum expenditure commitments on the mineral exploration assets in which it has an interest. The minimum expenditure commitment is set out in the Prospecting Licences held by the Group. Outstanding exploration commitments are as follows:

	30 June 2024	30 June 2023
	\$	\$
- not later than one year	1,447,128	918,427
- beyond one year	-	-
	1,447,128	918,427

(b) Prospecting and mining licence rentals

	30 June 2024	30 June 2023
	\$	\$
- not later than one year	53,535	71,118
- beyond one year	-	-
	53,535	71,118

The Company pays an annual lease amount for the tenements it holds. The leases can be relinquished on or before the anniversary date, therefore there are no contractual commitments beyond one year. The Company has no current plans to relinquish any of its existing tenements.

Notes to the consolidated financial statements

21. Events occurring after reporting date

Subsequent to period end, the Company

- Mr Phil Hoskins resigned as CEO on 18 July 2024.
- Mr Robin Birchall was appointed as Non-Executive Chair on 15 August 2024.
- Mr Craig Moulton was appointed as a Non-Executive Director on 15 August 2024.
- Mr Mike Spreadborough and Mr Henk Ludik resigned as Directors of the Company on 15 August 2024.
- The Tranche 2 of the placement was completed on 15 August 2024 with the issue of 54,334,370 Shares at a price of \$0.04 per share to raise \$2,173,374.
- The Company issued 1,850,000 shares on 21 August 2024 upon the exercise of options.
- Mr Grant Dyker resigned as CFO on 11 September 2024.

22. Related party transactions

(a) Parent entity

Evolution is the ultimate Australian parent entity of the Group. Evolution is a company limited by shares that is incorporated and domiciled in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 17.

(c) Group transactions

Controlled entities made payments and received funds on behalf of the Company and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand, however demand for repayment is not expected in the next twelve months.

(d) Key management personnel compensation

	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	1,098,648	1,127,186
Post-employment benefits	69,346	61,579
Annual and long service leave	-	-
Share-based payments	394,872	472,349
	<u>1,562,866</u>	<u>1,661,114</u>

Detailed remuneration disclosures are provided in the Remuneration Report.

(e) Other KMP transactions

During the period, Mr. Stephen Dennis was a Non-Executive Director of Marvel Gold Limited (**Marvel**), an ASX listed Company that has a shared services agreement with the Company. Under this arrangement, the Company provides company secretarial, accounting and administration services. Payments made under these arrangements for the period are set out below.

	30 June 2024	June 2023
	\$	\$
Related part transactions		
Receipts from Marvel (ex-GST)	70,021	86,004
Payments to Marvel (ex-GST)	(4,781)	(4,623)
Amounts outstanding from Marvel at period end	4,997	9,009
Amounts outstanding to Marvel at period end	(153)	(98)

No options were granted or issued to Directors and KMP during the year ended 30 June 2024.

Further details of the options issued including the inputs used to determine the fair value of the share-based payments are included in note 23 below.

Notes to the consolidated financial statements

23. Share-based payments

(a) Employee option plan

Information on the Company's Option Plan (**Option Plan**) was set out in the Company's Prospectus lodged on 29 September 2021. Given the disclosure of the Option Plan in the Prospectus, the issue of shares under the Plan rules does not count towards the Company's share issuance capacity under ASX listing Rules 7.1 and 7.1A. The Plan is designed to:

- assist and reward the retention and motivation of employees;
- link employee reward to shareholder value creation; and
- align the interests of employees with shareholders by providing an opportunity for employees to receive an equity interest in the Company in the form of Options.

Under the Plan, participants are granted options which are STIs or LTIs and vest upon satisfaction of KPIs as determined by the Board. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

The Employee may exercise the option at any time after they have vested. To exercise an option, an employee must deliver a signed notice of exercise and, subject to a cashless exercise of options, pay the option exercise price (if there is one) prior to the expiry date. An option may specify that at the time of exercise, the employee may elect not to be required to provide payment of the option exercise price. Alternatively, the Company will transfer or issue to the employee that number of shares equal in value to the positive difference between the market value of the shares at the time of exercise and the option exercise price that would otherwise be payable to exercise those options.

The Board has determined that incentive awards will be equity settled to ensure alignment with Company and shareholders' interests and to preserve cash.

Options are granted under the Option Plan for no cash consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share subject to the payment of any applicable exercise price. Outstanding options on issue to Directors and KMP at 30 June 2024 totals 6,799,174 (2023: 20,570,734). No options were granted or issued to Directors and KMP during the year ended 30 June 2024. Director and KMP options forfeited during the financial year ended 30 June 2024 totals 1,571,560 (2023: Nil).

Movement in shares under option comprising directors, KMP and other employees for the financial year ended 30 June 2024 were as follows:

	30 June 2024		30 June 2023	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
As at 1 July	\$0.179	21,455,442	\$0.25	14,600,000
Granted during the period	Nil	Nil	\$0.027	6,855,442
Exercised during the period	Nil	Nil	Nil	Nil
Forfeited or lapsed during the period	\$0.000	(2,400,306)	Nil	Nil
As at 30 June	\$0.201	19,055,136	\$0.179	21,455,442

Fair value of options granted

The fair value of services received in return for the share options granted is measured by reference to the fair value of options granted. The Black Scholes option pricing model was used to determine the fair value of the options issued to Directors, other KMP and staff for options with an exercise price and also short-term incentives (**STIs**) with non-market based STIs. Long-term incentives (**LTIs**) contain market-based vesting criteria such as share price performance against peer companies. LTIs are valued using the Monte Carlo Simulation method.

Notes to the consolidated financial statements

The assumptions used for the options valuation are as follows:

	Managing Director / CEO – one off grant	Managing Director / CEO – one off grant	Managing Director / CEO – one off grant	Managing Director / CEO – one off grant	Non-executive Director	Non-executive Director
Underlying value of the security	\$0.28	\$0.28	\$0.28	\$0.28	\$0.40	\$0.40
Exercise price	\$-	\$-	\$-	\$-	\$0.45	\$0.45
Valuation date	23-Sep-22	23-Sep-22	23-Sep-22	23-Sep-22	23-Sep-22	23-Sep-22
Vesting date	23-Sep-24	10-Oct-25	10-Oct-25	10-Oct-25	23-Sep-23	10-Oct-25
Expiry date	10-Oct-27	10-Oct-27	10-Oct-27	10-Oct-27	10-Oct-27	10-Oct-27
Risk free rate	3.68%	3.68%	3.68%	3.68%	3.61%	3.61%
Volatility	100%	100%	100%	100%	100%	100%
Life of Options in years	5	5	5	5	5	5
Number of Options	1,500,000	750,000	375,000	375,000	140,000	250,000
Valuation per Option	\$0.2800	\$0.2800	\$0.1604	\$0.1182	\$0.2894	\$0.2894
Amount expended during the year	\$210,287	\$69,057	\$19,780	\$14,576	\$9,434	\$23,788
Vesting criteria	Note 5	Note 1	Note 5	Note 6	Nil	Nil

	Executive Director / CEO STIs	Executive Directors / CEO LTI's Non-market	Executive Director / CEO LTIs Market	Other ESS STIs
Underlying value of the security	\$0.28	\$0.28	\$0.28	\$0.40
Exercise price	\$-	\$-	\$-	\$-
Valuation date	23-Sep-22	23-Sep-22	23-Sep-22	10-Oct-22
Vesting date	1-Jul-23	1-Jul-25	1-Jul-25	1-Jul-23
Expiry date	10-Oct-25	10-Oct-27	10-Oct-27	10-Oct-25
Risk free rate	3.61%	3.68%	3.68%	3.61%
Volatility	100%	100%	100%	100%
Life of Options in years	3	5	5	3.2
Number of Options	504,587	252,294	252,294	55,942
Valuation per Option	\$0.2800	\$0.2800	\$0.2450	\$0.2600
Amount expended during the year	\$-	\$25,574	\$22,377	\$-
Vesting criteria	Note 2	Note 3	Note 4	Note 2

Vesting criteria

Note 1:– Managing Director one off options – twelve months of continuous service and a decision to proceed with construction at Chilalo.

Note 2:– Executive Director and other STIs.

The vesting criteria of the STIs issued during the period were:

- Board-approved construction decision for Chilalo mine and/or downstream graphite business (45%);
- Growth – secure technology and complete feasibility study for battery anode materials (12.5%);
- Growth – secure technology via YXGC JV and complete feasibility study for expandable graphite / graphite foil (12.5%); and
- ESG – a range of ESG focused targets (30%).

Note 3:– Executive Director and other ESS LTIs.

The vesting criteria for LTIs issued during the period were:

- Chilalo mine and/or downstream graphite business has achieved commercial production (20%).
- ESG – a range of ESG focused targets (30%).

Notes to the consolidated financial statements

Note 4:- Executive Director and other ESS LTIs.
The vesting criteria for LTIs issued during the period were:

- Relative total shareholder return as shown in the table below (50%).

Evolution's relative TSR	Portion of LTIs that vest
Top 3	100%
4-5	75%
6-7	50%
8-13	0%

Note 5:- Managing Director one off options – share price target of \$0.70.

Note 6:- Managing Director one off options – share price target of \$1.00.

(b) Total shares under option

Options outstanding at the end of the period have the following expiry date and exercise prices:

Option series	Exercise price	Grant date	Vesting date	Expiry date	No. of options
Other KMP	\$0.25	16-Nov-21	16-Nov-21	9-Nov-24	2,400,000
Joint lead manager options	\$0.25	16-Nov-21	16-Nov-21	9-Nov-24	27,500,000
Other IPO option holders	\$0.25	16-Nov-21	16-Nov-21	9-Nov-24	12,200,000
Managing Director / CEO – one off grant	-	23-Sep-22	23-Sep-24	10-Oct-27	1,500,000
Managing Director / CEO – one off grant	-	23-Sep-22	10-Oct-25	10-Oct-27	750,000
Managing Director / CEO – one off grant	-	23-Sep-22	10-Oct-25	10-Oct-25	375,000
Managing Director / CEO – one off grant	-	23-Sep-22	10-Oct-25	10-Oct-25	375,000
Executive Directors – STIs	-	23-Sept-22	01-Jul-23	10-Oct-25	504,587
Executive Directors – LTIs	-	23-Sept-22	01-Jul-25	10-Oct-27	252,294
Executive Directors – LTIs	-	23-Sept-22	01-Jul-25	10-Oct-27	252,293
Non-executive Director – T1	\$0.45	23-Sept-22	2-Jun-23	10-Oct-27	140,000
Non-executive Director – T2	\$0.45	23-Sept-22	10-Oct-25	10-Oct-27	250,000
Other ESS – STIs	-	10-Oct-22	01-Jul-23	10-Oct-27	55,942
Total					46,555,116

Weighted average remaining contractual life of options outstanding at period end is 0.58 years (2023: 1.68 years).

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions during the period were as follows:

	30 June 2024	30 June 2023
	\$	\$
Options issued under the Plan	230,104	531,233
	230,104	531,233

The share-based payments expense includes a reversal of expenses from the current and prior periods arising from options forfeited, totalling \$164,769.

At the end of each reporting period, the Company applies a probability to options with non-market based vesting criteria to reflect the likely number of options that will vest at the end of the vesting period taking into consideration all the vesting criteria.

Notes to the consolidated financial statements

24. Remuneration of auditors

During the period, the following fees were paid and payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) BDO Audit (WA) Pty Limited

	30 June 2024	30 June 2023
	\$	\$
(i) Audit and assurance services		
Audit and review of financial statements	61,400	49,095
Other assurance services	9,041	4,500
Total audit and assurance remuneration	70,441	53,595

(b) PricewaterhouseCoopers (Tanzania component auditor)

(i) Audit and assurance services		
Audit of financial statements	34,153	18,750
Total audit and assurance remuneration	34,153	18,750

25. Earnings per share

	30 June 2024	30 June 2023
	\$	\$
(a) Basic earnings / (loss) per share		
From continuing operations attributable to ordinary equity holders	(0.05)	(0.07)

The weighted average number of shares used to calculate both the basic and diluted earnings per share is 231,904,804 (30 June 2023: 194,967,068).

(b) Fully diluted earnings / (loss) per share

From continuing operations attributable to ordinary equity holders	(0.05)	(0.07)
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(c) Information concerning the classification of securities

Options granted to employees under the Plan and those issued to contractors are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share with the assumption all such options will vest, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 23.

Notes to the consolidated financial statements

26. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

(a) Summary of financial information

	30 June 2024 \$	30 June 2023 \$
<i>Statement of financial position</i>		
Current assets	3,160,586	4,310,494
Non-current assets	10,980	7,951
Total assets	3,171,566	4,318,445
Current liabilities	(556,320)	(955,700)
Total liabilities	(556,320)	(955,700)
<i>Shareholders' equity</i>		
Issued capital	42,067,565	32,721,757
Reserves	3,272,936	3,042,832
Retained earnings	(42,725,255)	(32,401,844)
Total shareholders' equity	2,615,246	3,362,745
Profit / (Loss) for the period	(10,323,411)	(14,512,561)
Total comprehensive profit / (loss)	(10,323,411)	(14,512,561)

(b) Guarantees

Evolution, as the parent company, has provided a guarantee for financial support of its wholly subsidiary Kudu Graphite Limited and Ngwena Tanzania Limited for the 2025 financial year. This guarantee is provided each year as it does not have the ability to fund itself in its own right.

(c) Commitments

The Company has no leases or commitments.

(d) Contingencies

All contingencies outlined in note 19 are the contingent liabilities of the Company.

27. Basis of preparation

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. The financial statements are for the Group consisting of Evolution and its subsidiaries disclosed in note 17.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

(i) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of loans and borrowings at fair value through profit or loss.

Notes to the consolidated financial statements

(ii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 28.

(iii) New or amended Accounting Standards and Interpretations adopted

The accounting standards and interpretations relevant to the operations of the Group are consistent with those of the previous financial year. There are some amendments and interpretations effective for the first time from 1 July 2023, though they did not have any impact on the current period or any prior period and is not likely to affect future periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have any impact on future reporting periods.

(b) Going concern

The financial report for the year ended 30 June 2024 has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has incurred net losses after tax of \$10,576,353 (30 June 2023: \$13,891,788) and experienced net cash outflows from operating, financing and investing activities of \$1,321,545 for the year ended 30 June 2024 (30 June 2023: \$1,106,923 outflow). As at 30 June 2024, the Group had cash assets of \$3,065,627 (30 June 2023: \$4,441,568) and net assets of \$8,162,878 (30 June 2023: \$9,087,211).

The Directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report. However, the ability of the Group to continue as a going concern is dependent on securing additional funding through a capital raising or other fund-raising activities. The Directors consider it is reasonable to assume that additional funds will be able to be raised as required and that the Group will continue as a going concern. As such, the financial report has been prepared on 'a going concern' basis.

Subsequent to period end, the Company completed the Tranche 2 placement on the 15 August 2024 with the issue of 54,334,370 Shares at a price of \$0.04 per share to raise \$2,173,374. This cash was received in August.

The Directors believe there are sufficient funds to meet the Group's committed minimum expenditure requirements and, as at the date of this report, the directors believe they can meet all liabilities as and when they fall due dependent on securing additional funding via a capital raising or other fund-raising activities. These conditions indicated a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

28. Accounting policies

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with Australian Accounting Standards.

(a) New and amended standards adopted by the Company

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

(b) Principles of consolidation and equity accounting

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its

Notes to the consolidated financial statements

power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Investments in subsidiaries are accounted for at cost in the parent entity information disclosures of Evolution.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Revenue recognition

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(d) Impairment

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and costs directly attributable to bringing the asset to a working condition for their intended use.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Depreciation

Depreciation of plant and equipment is calculated on a straight-line basis so as to write off the net costs of each asset over the expected useful life. The rates vary between 2% and 50% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

(f) Exploration and evaluation costs

Costs arising from the acquisition of exploration and evaluation activities are carried forward where these activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ongoing exploration activities are expensed as incurred.

The Directors believe that this policy results in the carrying value of exploration expenditure more appropriately reflecting the definition of an asset, being future benefits controlled by the Group. All costs carried forward are in respect of areas of interest in the exploration and evaluation phases and accordingly, production has not commenced.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, in particular when exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area.

Where tenements or part of an area of interest are disposed of, the proceeds of this partial disposal will reduce the value of the asset by the fair value of those proceeds. This recognises that part of the future economic benefit of the asset has effectively been disposed.

Notes to the consolidated financial statements

(g) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(i) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, inclusive of on costs, when the liabilities are settled. The expense for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

Share-based payment transactions

The fair value is measured at grant date and recognised over the period during which the Directors, employees or contractors become unconditionally entitled to the options.

The fair value of the options at grant date is independently determined using the Black-Scholes option and Monte Carlo simulation pricing models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients. The Company accounts for share based payments issued to non-employees in accordance with the share based payments standard.

(j) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable of the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Notes to the consolidated financial statements

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax exposures

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(k) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of other receivables is reviewed on an ongoing basis to assess impairment.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Consolidated Statement of financial position.

(m) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity investments, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables (see notes 5 and 6).

When an investment is derecognised, the cumulative gain or loss in equity is transferred to the consolidated statement of comprehensive income. Fair value is determined by reference to the quoted price at the reporting date.

Notes to the consolidated financial statements

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

The Group classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans from related parties and trade and other payables.

(n) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(o) Segment reporting

Segment results that are reported to the Group's Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(p) Parent entity information

The financial information for the parent entity, Evolution, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements.

(q) Acquisition of entities under common control

Predecessor accounting

Acquisitions involving entities under common control are accounted for using the predecessor accounting method. Under this method:

- carrying values are not restated in the accounts of the acquiring entity, rather prior book values are maintained. As a result, no fair value adjustments are recorded on acquisition; and
- the carrying value of net assets acquired or liabilities assumed is recorded as a separate element of equity on consolidation.

(r) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective financial currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Notes to the consolidated financial statements

Non-monetary assets and liabilities that are measured in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

29. Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation

Exploration and evaluation acquisition costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the recoverability of the value of the asset. The Company assesses whether any impairment indicators may exist over the area of interest to assess recoverability each year.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options at grant date is independently determined using the Black-Scholes option and Monte Carlo simulation pricing models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, market based conditions and the risk-free interest rate for the term of the option. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Consolidated Entity Disclosure Statement

Name	Type of entity	Country of incorporation	Australian resident or foreign resident	Foreign tax jurisdiction of foreign residents	Class of shares	Equity Holding 30 June 2024 %
Evolution Energy Minerals Limited	Body corporate	Australia	Australia	N/A	Ordinary	Parent
Evolution Energy Holdings Pty Limited	Body corporate	Australia	Australia	N/A	Ordinary	100
Evolution Energy UK Limited	Body corporate	United Kingdom	Foreign	United Kingdom	Ordinary	100
Evolution Energy Solutions LLC	Body corporate	United States	Foreign	United States of America	Ordinary	100
Evolution Recycling Solutions LLC	Body corporate	United States	Foreign	United States of America	Ordinary	100
Kudu Graphite Limited	Body corporate	Tanzania	Foreign	Tanzania	Ordinary	86
Ngwena Tanzania Limited	Body corporate	Tanzania	Foreign	Tanzania	Ordinary	100

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295 (3A)(vii) of the *Corporations Act 2001*).



Robin Birchall
Non-Executive Chairman
PERTH
On this 26 day of September 2024

Directors' declaration

In the opinion of the Directors:

- (a) the consolidated financial statements and notes set out on pages 32 to 58:
 - (i) comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (ii) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 27 to the financial statements;
 - (ii) give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The consolidated entity disclosure statement on page 59 is true and correct.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Robin Birchall
Non-Executive Chairman
PERTH

On this 26 day of September 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Evolution Energy Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Evolution Energy Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 27(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 8 to the Financial Report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>The Group's accounting policies and significant judgements applied to exploration and evaluation expenditure are detailed in Note 28 and 29 of the Financial Report.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing whether rights to tenure of the Group's area of interest remained current at balance date; Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; Considering whether any facts or circumstances existed to suggest impairment testing was required; and Assessing the adequacy of the related disclosures in Notes 8 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 25 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Evolution Energy Minerals Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



Dean Just

Director

Perth, 26 September 2024

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. Unless otherwise stated, the information is current as at 18 September 2024.

1. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding.

Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	106	71,746	0.02%
above 1,000 up to and including 5,000	677	1,952,434	0.54%
above 5,000 up to and including 10,000	444	3,840,871	1.07%
above 10,000 up to and including 100,000	606	21,714,158	6.02%
above 100,000	184	332,987,934	92.35%
Totals	2,017	360,567,143	100.00%

There are 1,466 holders of an unmarketable parcel of shares, representing 9,763,319 shares.

2. Top 20 Holders of Quoted Shares

Position	Holder Name	Holding	% Issued Capital
1	SRF HOLDCO GP PCC LIMITED	91,242,379	25.31%
2	MARVEL GOLD LIMITED	50,000,000	13.87%
3	RIAN INTERNATIONAL HOLDINGS PTE LTD	25,860,000	7.17%
4	DEUTSCHE BALATON AKTIENGESELLSCHAFT	22,804,375	6.32%
5	AURAMET CAPITAL PARTNERS LP	9,942,858	2.76%
6	MRS LING ZHANG	9,692,858	2.69%
7	BNP PARIBAS NOMINEES PTY LTD	8,817,358	2.45%
8	OCEANVIEW ROAD PTY LTD	8,500,039	2.36%
9	BAROLO EV1 CT PTY LTD <BAROLO EV1 A/C>	7,254,464	2.01%
10	ABBOTSLEIGH PTY LTD	6,250,000	1.73%
11	ONE MANAGED INVESTMENT FUNDS LIMITED	6,069,509	1.68%
12	CITICORP NOMINEES PTY LIMITED	4,345,573	1.21%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,847,933	1.07%
14	LOMACOTT PTY LTD	3,000,000	0.83%
15	CLARKSON'S BOATHOUSE PTY LTD	2,969,391	0.82%
16	MR WILHELM SCHRODER	2,750,000	0.76%
17	T R SAMUELS TRANSPORT PTY LIMITED	2,200,000	0.61%
18	PA & JB LEACH INVESTMENTS PTY LTD	2,082,925	0.58%
19	JOINT M1 PTY LTD	2,025,875	0.56%
20	S3 CONSORTIUM PTY LTD	1,708,000	0.47%
	Total	271,363,537	75.26%
	Total issued capital	360,567,143	100.00%

3. Substantial Shareholders

Substantial shareholders (shareholders who hold 5% or more of the issued share capital):

	Number of Shares	Percentage Held
SRF HOLDCO GP PCC LIMITED	91,242,379	25.31%
MARVEL GOLD LIMITED	50,000,000	13.87%
RIAN INTERNATIONAL HOLDINGS PTE LTD	25,860,000	7.17%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	22,804,375	6.32%

ASX Additional Information

4. Voting Rights

(a) Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

(b) Options have no voting rights

5. Quoted Securities on Issue

The Company has 360,567,143 quoted shares on issue. There are no quoted options on issue.

6. Unquoted Equity Securities

The Company has 43,920,887 unquoted securities on issue.

Date of Expiry	Exercise Price	Number of Options	No of Option Holders
8 November 2024	\$0.25	20,000,000	1
9 November 2024	\$0.25	22,100,000	8
10 October 2025	\$0.45	390,000	1
10 October 2027	\$0.00	1,430,887	5
		43,920,887	15

7. 10 Largest Holders of Unlisted Options

Position	Holder Name	Holding	% of Issued Option Class
1	SRF HOLDCO GP PCC LIMITED	20,000,000	45.54%
2	TREVOR BRUCE BENSON	5,650,000	12.86%
3	MR MICHAEL EMIL BOURGUIGNON	5,333,486	12.14%
4	CAPITAL DI LIMITED	2,500,000	5.69%
5	ASHANTI CAPITAL PTY LTD	2,500,000	5.69%
6	CHIEFTAIN SECURITIES (WA) PTY LTD	2,500,000	5.69%
7	NICOLE JENNIFER HOSKINS	2,400,000	5.46%
8	STUART MCKENZIE &	1,001,147	2.28%
9	MR CHRISTOPHER BRUCE KNEE	827,294	1.88%
10	PHIL HOSKINS	504,587	1.15%
	Total	43,216,514	100%

8. Tenement interests as at 18 September 2024

Tenement	Ownership	Project	Location
ML 769/2023	84%	Chilalo	South-east Tanzania
PL 25161/2023	84%	Chilalo	South-east Tanzania

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