

# ASX ANNOUNCEMENT

## June Quarterly Activities Report

### HIGHLIGHTS

- **\$4.0 million placement at \$0.04 per share undertaken to progress development of Chilalo**
- **Treadstone Resource Partners engaged as strategic and financial advisors to coordinate and broaden the Company's ongoing strategic investor process, aiming to secure additional financing support for the development of Chilalo – numerous parties active in the data room**
- **Positive results received from testwork and performance evaluation conducted by BTR on battery anode materials made from Chilalo bulk concentrate samples**
- **Testwork has confirmed the ability for Chilalo graphite to replicate BTR's existing premium quality anode materials which are mass produced by BTR and qualified by the world's leading lithium-ion battery producers.**
- **Michael Spreadborough was appointed as independent Non-Executive Chair and Acting Chair, Henk Ludik, reverted to his role as a Non-Executive Director**
- **Substantial shareholder, ARCH, nominated Robin Birchall to replace Cameron Dowling as its representative on the Board**

Evolution Energy Minerals Limited (“**Evolution**” or the “**Company**”) (ASX: EV1, FSE: P77) is pleased to report the Company's activities for the quarter ended 30 June 2024.

Towards the end of the quarter, the Company undertook a \$4.0 million Placement at \$0.04 per share to progress the development of Chilalo through to FID<sup>1</sup>.

On the operational front, the Company announced that its technology partner and strategic shareholder BTR New Material Group Co Ltd (**BTR**) has received positive performance results from battery anode and lithium-ion battery testwork conducted on bulk Chilalo samples<sup>2</sup>.

During the quarter, the Company also revised the binding offtake agreement with BTR with the timetable updated to reflect an anticipated Decision to Mine being made in Q1 2025<sup>3</sup>. All other terms in the agreement remain unchanged.

The debt financing process continued during the quarter, with the reports from Independent Technical Engineer (Palaris Limited), Independent Environmental and Social Consultant (Prime Resources) and Independent Graphite Market Consultant (Fastmarkets) submitted to reputable project finance banks from Europe, South Africa and Tanzania.

Treadstone Resource Partners were engaged during the quarter to assist with the identification and negotiations with strategic investors as part of the financing process<sup>4</sup>.

<sup>1</sup> ASX Announcement 13 June 2024 – Evolution to raise \$4.0M via two tranche placement

<sup>2</sup> ASX Announcement 29 April 2024 – Successful Anode Product Testwork

<sup>3</sup> ASX Announcement 22 April 2024 – Extension of conditions precedent binding offtake agreements

<sup>4</sup> ASX Announcement 4 June 2024 – Evolution commences strategic investor process

Corporately, the Company's new management team comprising Grant Dyker (CFO), John Nolan (COO) and Jay Stephenson (CoSec) have settled in well and are making excellent progress on the remaining items required for the Decision to Mine.

At the Board level, Michael Spreadborough was appointed as Non-Executive Chairman, replacing Henk Ludik, who was acting in the role<sup>5</sup>. Mr Ludik has resumed his duties as a Non-Executive Director.

As part of an investment agreement, substantial shareholder, ARCH, has the right to appoint a representative to the Board. During the quarter, ARCH advised that it was replacing Cameron Dowling with Robin Birchall as its representative<sup>4</sup>.

Post quarter end, the Company's Chief Executive Officer, Phil Hoskins, tendered his resignation, providing three months' notice.

#### **Evolution's Non-Executive Chairman, Michael Spreadborough, commented:**

*"The positive anode testwork undertaken by BTR solidifies our belief that we have a truly special graphite deposit in Tanzania that will play a significant role in global decarbonisation.*

*The financing process is continuing at pace, with potential financiers all reviewing the various independent reports ahead of expected receipt of Terms Sheets during the September quarter.*

*We are excited by the potential investor introductions being explored with Treadstone. The early indicators are that the Company, and Chilalo, are quality assets worth investing in. We expect the levels of dialogue to ramp up during the upcoming quarter.*

*Finally, I would like to thank Phil for his contribution to the Company and the Chilalo Project over the past decade and I wish him well in his future endeavours."*

#### **BTR ANODE PRODUCT TESTWORK<sup>2</sup>**

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 anodes. Then, the Chilalo anode products were 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 <sup>2</sup> /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 Properties*

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.

<sup>5</sup> ASX Announcement 2 April 2024 – Appointment of Non-Executive Chair

### *Comments on Battery Performance*

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.

### **BTR BINDING OFFTAKE AGREEMENT UPDATE**

In order to align with the expected Decision to Mine for Chilalo in Q1 2025, the Company and BTR agreed to update the Binding Offtake Agreement with regards to the dates of commencement of the agreement and offtake<sup>3</sup>. All other terms and conditions remain the same.

### **FINANCING UPDATE**

During the June quarter, the independent reports prepared by Palaris, Prime and Fastmarkets were submitted to its debt advisor, Auramet Capital Partners (**Auramet**) for potential debt financiers. A number of parties have now received these reports and are currently assessing.

The Company is confident that debt financing can be obtained for the Chilalo Project and the focus is on obtaining strategic equity.

### **STRATEGIC INVESTOR PROCESS**

The Company announced that it engaged Treadstone Resource Partners (**Treadstone**) as strategic and financial advisors<sup>4</sup>. Treadstone will coordinate and broaden the Company's ongoing process of identifying and advancing workflows with strategic investors for the financing of Chilalo.

The Company is currently engaged in discussions with potential strategic investors at varying stages of due diligence. The Board has appointed Treadstone to broaden and coordinate this process. The primary objective is to attract strategic funding that supports the intended debt financing for the development of the Chilalo project. The Company is open to considering a range of strategic alternatives should they deliver the best outcome for shareholders.

### **CORPORATE**

#### **Placement**

In June, 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<sup>1</sup>. ARCH participated in the Placement, contributing \$1.3 million to hold 25% 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.

#### **Cash**

At 30 June 2024, the Company had cash of \$3.1 million with an additional \$2.3 million expected to be received in the September quarter following shareholder approval being received for tranche 2 of the capital raising.

#### **New Management Team**

Mr Grant Dyker commenced as Chief Financial Officer, effective May 27, 2024. With over two decades of experience in senior executive roles, Mr. Dyker brings a wealth of expertise to the position, having 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.

The appointments of Mr Dyker, Mr Jay Stephenson (CoSec) and Mr Nolan (COO) underscores the Company's commitment to advancing the Chilalo Graphite Project towards financing and construction.

### Board Restructure

During the quarter, Michael Spreadborough was appointed as independent Non-Executive Chair<sup>5</sup>, replacing Henk Ludik who had been acting as interim Non-Executive Chair. The appointment of Mr Spreadborough is part of a process to re-position the Board to support the Company's focus on advancing the Chilalo Graphite Project towards financing and construction. Mr Spreadborough has over thirty years' experience in Australian and international mining leadership roles, having worked across underground and open pit mining, processing, port operations, exploration, project development and financing.

Following the appointment of Mr Spreadborough as Chair, Mr Ludik reverted to his role as a Non-Executive Director.

As part of an investment agreement, substantial shareholder, ARCH Sustainable Resources Fund LP (ARCH), has the right to nominate a representative to the Board. During the quarter<sup>4</sup>, ARCH advised the Company that Robin Birchall would be replacing Cameron Dowling as its representative.

During the quarter, Phil Hoskins transitioned from the role of Managing Director to Chief Executive Officer. Post quarter end, Mr Hoskins tendered his resignation from the Company, providing three months' notice.

## INFORMATION REQUIRED UNDER ASX LISTING RULES

### Information required under Listing Rules 5.3.1 and 5.3.2

Evaluation and exploration expenditure during the Quarter amounted to \$0.2 million. During the quarter, there were no mining production and development activities.

### Information required under Listing Rule 5.3.3 – tenement information

The Company's tenement interests as at 30 June 2024 are shown below.

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

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

### Information required under Listing Rule 5.3.5

During the Quarter, the Company made payments to related parties of \$168,000, all of which comprised payments to Evolution directors in accordance with the applicable terms of engagement.

### Reference to Previous ASX Announcements

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

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

### For further information please contact:

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## Appendix 5B

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

Name of entity

Evolution Energy Minerals Limited

ABN

53 648 703 548

Quarter ended ("current quarter")

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(230)	(3,914)
(b) development	-	-
(c) production	-	-
(d) staff costs	(612)	(2,573)
(e) administration and corporate costs	(440)	(2,138)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (graphite marketing, financing and downstream)	(361)	(2,473)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,643)</b>	<b>(11,098)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(51)	(65)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (sale of royalty over the Chilalo project)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(51)</b>	<b>(65)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,727	9,947
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(358)	(601)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (IPO transaction costs)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,369</b>	<b>9,346</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,552	4,442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,643)	(11,098)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(51)	(65)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,369	9,346

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(145)	457
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,082</b>	<b>3,082</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,082	3,552
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,082</b>	<b>3,552</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	168 <sup>1</sup>
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

<sup>1</sup> Fees, salaries and superannuation paid to directors.



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

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,643)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,643)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,082
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,082
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes - The company is continuing to progress Chilalo's project development and financing.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes - the company held a general meeting of shareholders on 26 July 2024 to approve the issue of shares under tranche 2 of the June 2024 capital raise. The proceeds of \$2.27 million (before costs) are to be received early August 2024.	

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

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

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

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

## Compliance statement

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

31 July 2024

Date: .....

The Board

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

## Notes

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