# ASX ANNOUNCEMENT
## March Quarterly Activities Report

### HIGHLIGHTS

- **Preparation for a strategic review of all project and corporate activities focusedes on cost reduction**
- **Commencement of Early Contractor Involvement process for Chilalo natural flake graphite Project**
- **Update on early exploration works at Chikundu Cu-Pb-Zn VHMS Prospect**
- **Term Sheet to negotiate farm out of Chikundu Prospect**

Evolution Energy Minerals (**"Evolution" or the "Company") (ASX: EV1, FSE: P77)** is pleased to report the Company's activities for the quarter ended 31 March 2025.

During the period, Evolution began preparations for a strategic review at the Chilalo natural flake graphite project in Tanzania. Outside of this review, the Company commenced an early contractor involvement[1] (**ECI**) process for the graphite process plant, the largest capital item in the construction of Chilalo. The ECI process seeks to integrate international engineering groups into Engineering, Procurement and Construction **(EPC)** selection.

Following a preliminary sampling campaign, the Company also assessed options for commercialising its Chikundu Copper (**Cu**)-Lead (**Pb**)-Zinc (**Zn**) prospect. The results of surface sampling at the Chikundu Prospect[2] supported the potential for a Volcanic Hosted Massive Sulphide (**VHMS**) style Cu-Pb-Zn system and in March the Company entered into a term sheet for an exclusivity period to negotiate a farm out Chikundu to Oscillate plc (**Oscillate**)[3]. Upon entering into the farmout agreement with Oscillate, Evolution received an exclusivity fee of $300,000 cash with a further $100,000 payable upon signing of binding documentation. The term sheet contemplates a dual-phase farm-in arrangement whereby Oscillate may earn 100% of the Company's interest in Chikundu by funding a minimum of $4.5 million of exploration expenditure, with an option to accelerate a buy-out for a cash payment of $3 million. Additional consideration will be payable to Evolution of either a cash payment based on contained copper in Measured and Indicated Mineral Resources, or a 1.0% net smelter royalty on all copper sold . It is proposed to excise the area of the Chikundu Prospect from the prospecting licence in which the Chilalo Project is situated, and transferring this area to a new prospecting licence. Completion of the proposed transaction is subject to due diligence and negotiation and signing of binding agreements.

**Non-Executive Director, Craig Moulton, commented:**

*"In the current global climate, prudent financial management is paramount. We are in the process of undertaking a comprehensive reset of the business, with a focus on the long term sustainability of the business. Our priorities remain the maximising shareholder value and ensuring that expenditure is strictly aligned with advancing Chilalo. The strategic value of the Chilalo Project remains intact, and we are continuing targeted engagement to secure the appropriate capital pathway."*

[1] ASX Announcement 16 January 2025 – Chilalo Graphite Project Early Contractor Involvement
[2] ASX Announcement 10 February 2025 - Chikundu Cu-Pb-Zn VHMS Update
[3] ASX Announcement 31 March 2025 - Evolution enters into Binding Term Sheet to farm-out Chikundu Cu-PbZn VHMS Prospect

## CHILALO GRAPHITE PROJECT

### Chilalo Early Contractor Involvement[1]

During the quarter, the Company commenced the ECI process for the design and engineering of the graphite process plant of the Company's Chilalo Project. The process plant will be integral to the Chilalo graphite concentrate operation and the largest capital item.

The ECI process seeks to integrate international engineering groups into the EPC selection and has been chosen by Evolution as an optimal development path as it allows the Company the opportunity to build key relationships with potential EPC contractors by collaborating in design development, optimising risk allocation and preparation of EPC pricing. The ECI tender phase follows an Expression of Interest process that was concluded in January 2025 and the Company intends to shortlist two potential contractor parties to be invited to make a final EPC bid.

### Exploration at Chikundu VHMS Prospect[Error! Bookmark not defined.] and Term Sheet for Farm Out[3]

The Chikundu Prospect, has the key characteristics of a VHMS Cu-Pb-Zn prospect, including the expected host geology and key lithogeochemical associations. These associations include a strong pathfinder relationship between the economic metals (Cu-Pb-Zn) and pathfinder elements such as Bismuth (Bi) and Tellurium (Te)[4]. Following a recent field visit and sampling programme, gossanous material over 1km along strike from the original workings were identified at the Chikundu VHMS prospect. Eight rock chip samples collected near the original workings also confirmed both visual evidence of copper carbonate at surface, as well as values from historical sampling.

In March, Evolution announced that it had entered into a term sheet (**Term Sheet**) with Oscillate to grant Oscillate an exclusivity period of six months to negotiate a farm into Evolution's interest in the Chikundu VHMS prospect for a non-refundable cash fee of A$300,000 with an additional non-refundable fee of A$100,000 payable on signing of binding transaction documentation. Completion of the transaction will be subject to completion of customary due diligence and agreement and signing of binding transaction documents.

Under the envisaged transaction, the VHMS discoveries on the Company's existing graphite prospecting licence (**PL**) held by its Tanzanian subsidiary, Kudu Graphite Limited (**Kudu**), will be transferred to a new PL to be held by new joint venture company with the Government of Tanzania (**JVCo**). This transfer will not affect any of Kudu's rights to the existing graphite resources and does not affect the Chilalo mining licence.

Oscillate may earn up to 100% of Evolution's interest in JVCo by completing two phases of exploration, with Phase 1 requiring a minimum of $1.5 million in exploration expenditure to be made within 18 months signing of binding transaction documents and Phase 2 requiring a minimum of $3.0 million in exploration expenditure to be made within 24 months of completion of Phase 1. On completion of Phase 1, Evolution will transfer 51% of its holding in JVCo to Oscillate with the remainder transferred on completion of Phase 2. On completion of Phase 2, Oscillate may either make a cash payment to Evolution based on contained copper in Measured and Indicated Resources or grant the Company a 1.0% net smelter royalty in respect any copper sold. Alternatively, prior to completion of Phase 1, Oscillate may acquire Evolution's interest in the JVCo for a cash payment of $3.0 million.

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[4] Pathfinder elements, such as Bismuth and Tellurium, are chemically correlated with Cu-Pb-Zn but remain relatively immobile in weathered soils. As a result, they preserve a reliable geochemical signal even when the main target metals have been leached or dispersed. Their stability and strong association with the target minerals make them an effective tool for pinpointing prospective zones in base metal exploration.

## CORPORATE

The Company is currently implementing a broad cost rationalisation strategy. This includes the deferral of non-essential project activities, a reduction in corporate overheads, and a detailed review of all supplier and contractor commitments. The objective is to streamline operations, reduce expenditure, and ensure that the Company is positioned to progress Chilalo efficiently while navigating ongoing market challenges.

### Cash

As at 31 March 2025, the Company had cash of $112,000. Following the end of the quarter, the Company received an R&D refund of $202,000 and the funds from the Oscillate transaction of $300,000.

## INFORMATION REQUIRED UNDER ASX LISTING RULES

### Information required under Listing Rules 5.3.1 and 5.3.2

Exploration, evaluation and development activities during the quarter amounted to $170,000.

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

The Company's tenement interests as at 31 March 2025 are shown below.

| Licence | Project | Location | Beneficial Interest at start of quarter[1] | Beneficial Interest at end of quarter[1] |
|---|---|---|---|---|
| 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 $98,000, 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 March 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:**

Craig Moulton
Non-Executive Director
info@ev1minerals.com.au

# Appendix 5B

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

Name of entity

| |
|---|
| Evolution Energy Minerals Limited |

| ABN | Quarter ended ("current quarter") |
|---|---|
| 53 648 703 548 | March 2025 |

| **Consolidated statement of cash flows** | | | **Current quarter $A'000** | **Year to date (9 months) $A'000** |
|---|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | | |
| 1.1 | Receipts from customers | | | |
| 1.2 | Payments for | | | |
| | (a) | exploration & evaluation | (170) | (1,346) |
| | (b) | development | | |
| | (c) | production | | |
| | (d) | staff costs | (412) | (2,125) |
| | (e) | administration and corporate costs | (461) | (1,241) |
| 1.3 | Dividends received (see note 3) | | | |
| 1.4 | Interest received | | 2 | 21 |
| 1.5 | Interest and other costs of finance paid | | | |
| 1.6 | Income taxes paid | | | |
| 1.7 | Government grants and tax incentives | | | |
| 1.8 | Other (provide details if material) | | | (363) |
| **1.9** | **Net cash from / (used in) operating activities** | | **(1,041)** | **(5,044)** |

| | | | | |
|---|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | | |
| 2.1 | Payments to acquire or for: | | | |
| | (a) | entities | | |
| | (b) | tenements | | |
| | (c) | property, plant and equipment | | (49) |
| | (d) | exploration & evaluation | | |
| | (e) | investments | | |
| | (f) | other non-current assets | | |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (9 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 (provide details if material) | | |
| **2.6** | **Net cash from / (used in) investing activities** | **-** | **(49)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 2,173 |
| 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 | | |
| 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 (provide details if material) | | |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **2,173** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,161 | 3,066 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,041) | (5,044) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (49) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 2,173 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (9 months) $A'000** |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | (8) | (34) |
| **4.6** | **Cash and cash equivalents at end of period** | **112** | **112** |

| **5.** | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter $A'000** | **Previous quarter $A'000** |
|---|---|---|---|
| 5.1 | Bank balances | 112 | 1,161 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **112** | **1,161** |

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 98 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors

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

| **8.** | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,041) |
| 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) | (1,041) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 112 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 112 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 0.11 |

*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.*

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?

The Company does not anticipate maintaining its current expenditure levels as it is actively engaged in a cost reduction initiative, aiming to optimise operating cash flows. Following the end of the quarter, the Company received an R&D refund of $202,000 and the funds from the Oscillate transaction of $300,000.

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?

In addition to ongoing cost reduction efforts, the Company is exploring alternative funding options to support its operations, including funding from its major shareholder ARCH. Management remains confident in the viability of these efforts, based on existing relationships.

| | |
|---|---|
| 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? |
| | Yes, the Company expects to continue its operations and meet its objectives by closely managing expenditure and actively seeking capital-raising opportunities, aligning resources to support ongoing business goals. |
| | *Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.* |

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

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

**Notes**

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