

ASX ANNOUNCEMENT

Evolution receives maiden independent ESG rating from Digbee

HIGHLIGHTS

- Evolution's initial submission to Digbee ESG™ has received a "B" ESG rating from Digbee's independent ESG experts – ratings range from D to A.
- Digbee ESG™ is the leading independent assessment platform for ESG disclosure in the mining sector endorsed by the industry's leading stakeholders including Blackrock, Orion Mine Finance and ARCH SRF.
- Adherence to the Company's ESG Framework announced on 25 November 2021 and actioning the recommendations provided by Digbee, will see Evolution achieve an ESG rating of "A" or better, opening the door to additional pools of ESG-focused financing.
- Key areas for improvement, for which work is already underway, include:
 - **Environmental:**
 - Reduction in carbon footprint being pursued via renewable power solution.
 - Potential removal of tailings storage facility by dry stacking of tailings.
 - **Social:**
 - Completion of an updated Relocation Action Plan.
 - **Governance:**
 - Putting in place global best practice policies to be actively integrated at all levels of the Company.
 - Making ESG information transparent and accessible to all stakeholders.

Evolution Energy Minerals ("Evolution" or the "Company") is pleased to report that based on Digbee ESG™'s ("Digbee") maiden independent review, its ESG performance has been assessed as a "B" at both corporate and project levels. The review has provided numerous recommendations for improvement which, combined with the Company's commitment to develop its own ESG Framework (as set out in the ASX announcement of 25 November 2021), is expected to deliver a substantially higher score of at least an "A" by H2 2022. Achievement of an independent rating of at least an "A" will demonstrate a significantly positive improvement in ESG performance that the Company expects would be supported by ESG-focused funds looking to invest in battery minerals related companies.

Evolution Managing Director, Phil Hoskins, commented: *"The Digbee report identifies key areas for improvement that will support efforts to integrate ESG considerations throughout our business and will support the substantial work already under way. The Board of Evolution Energy Minerals is committed to achieving at least an "A" rating assisting the Company to become the standout near-term sustainable graphite producer.*

"Project financiers and capital markets are placing increasing importance on ESG factors in their investment decisions. Put simply, financiers will not consider an investment unless minimum ESG standards are met. The engagement of Digbee to provide an independent and transparent assessment of our ESG performance is critically important as we seek to position Chilalo for development and align with the requirements of ESG-focused financiers.

Digbee CEO, Jamie Strauss, commented: *“With a strong focus on ESG, including a robust ESG Board-level Committee and clear focus on energy-transition materials, Evolution Energy Minerals is ensuring that ESG is at the heart of its culture. Primarily as a result of the Company only having been formed recently, a number of documents, plans and activities required for the foundations of good-practice ESG have yet to be implemented. However, the team has identified these gaps and has plans in place to address them in the coming months. As a result, some of the scores outlined in this assessment may appear lower than anticipated. We fully expect these scores to improve as and when key ESG initiatives are implemented.*

“It should be noted that there is an opportunity for the rating to be improved significantly, with the Company having the potential to achieve an overarching rating of at least an A in the near future.”

Digbee’s independent assessments are aligned with key global ESG standards and frameworks, including those developed by the World Bank, IFC, the Initiative for Responsible Mining Assurance (**IRMA**) and the United Nations. Digbee’s assessments, which map to these standards and frameworks, are undertaken against a set of rigorous and standardised scoring criteria that have been developed in consultation with a wide range of stakeholders. This enables Evolution’s ESG program to be measured, transparently disclosed and in time, benchmarked, which will allow the Company to identify areas for improvement and to position Evolution as an attractive investment proposition for a wide range of ESG-focused fund managers and financiers.

Some of the areas for improvement identified in the report and which the Company is currently working to address include:

Environmental

- *Reduction in carbon footprint* – a specialist advisor has been engaged to undertake a Life Cycle Assessment for the Chilalo Project, to determine the quantity of greenhouse gases (GHG) that our project will produce. Simultaneously, the company is reviewing options to reduce emissions through the use of renewable power and other means.
- *Requirement for a tailings storage facility (“TSF”)* – the Company has commenced a process to review options available for storage of tailings with a view to dry stacking tailings, thereby removing the requirement for a TSF.

Social

- *Resettlement of individuals living / working in the project area* – preparation of an updated Relocation Action Plan (“RAP”) is under way. A team is currently at site carrying out the work required to update the RAP, in accordance with Good International Industry Practice as defined by the IFC Performance Standards.
- *Increasing community relations capability* – the Company has a dedicated community liaison officer in the Project area and is about to open an office in the village of Nangurugai. As Chilalo moves towards a development decision, additional community engagement personnel are expected to be employed.

Governance

- *Additional policy documents* – As a new company, work is under way to establish the Company’s suite of policy documents. This includes policies that will demonstrate the company’s unwavering commitment to ESG and procedures that govern how that will be achieved.
- *Reporting ESG information to all stakeholders* – the Company is developing channels to ensure ESG information is regularly available to key stakeholders, including those in Tanzania.

Who are Digbee?

Digbee ESG™ is the leading independent assessment platform for ESG disclosure for the mining sector. It provides mining companies with a right-sized, future-looking set of frameworks against which they can credibly disclose, track, compare and improve ESG performance. Digbee ESG™ has been developed in

consultation with mining companies, ESG specialists and capital providers and is endorsed by leading financial institutions, producing mining companies and other industry stakeholders.

All ESG submissions are manually reviewed and scored against a set of rigorous and standardised rating criteria that have been developed in consultation with a wide range of stakeholders. Scoring is undertaken by a team of accredited ESG experts who have deep experience in mining projects similar to those being assessed.

This announcement has been approved for release by the Evolution board of directors.

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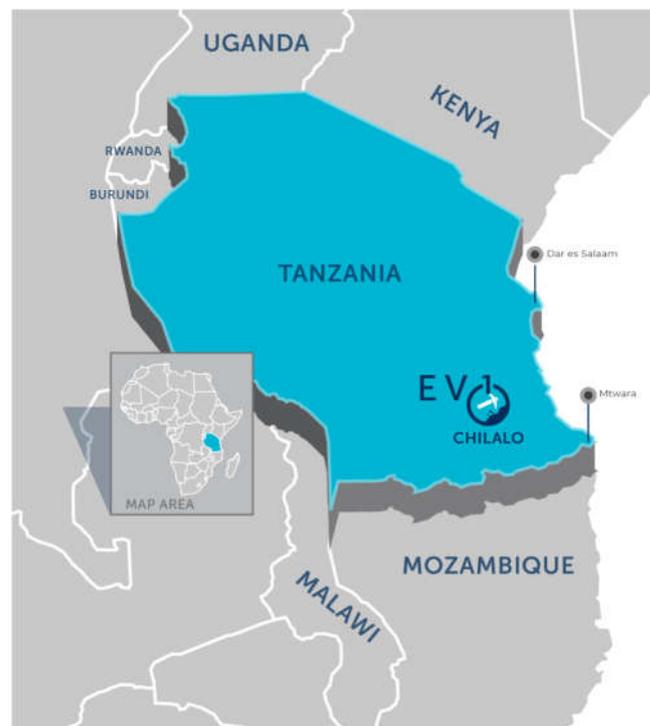
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ABOUT EVOLUTION

Evolution is committed to supplying sustainable graphite solutions for the global green economy and in doing so, create the first net zero carbon graphite mine. A DFS confirmed the opportunity to produce high-quality flake graphite at Chilalo and the Company intends to apply Chilalo flake graphite to downstream processing to produce battery anode material, expandable graphite, micronised graphite and graphite foil.

The Chilalo Project hosts a high-grade mineral resource of 20.1Mt at 9.9% total graphitic carbon (TGC) for 1,991 Kt of contained graphite, as shown in the table below. Exploration to be conducted during 2022 is expected to transform Chilalo into a multi-decade mine life project.



Chilalo Mineral Resource Estimate¹

Domain	JORC Code Classification	Zone	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
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
	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

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 mineral 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.

¹ The Chilalo Mineral Resource estimate was reported by Evolution in the prospectus dated 28 September 2021, as supplemented by a supplementary prospectus dated 6 October 2021 (collectively, the Prospectus). Evolution confirms that it is not aware of any new information or data that materially affects the Chilalo Mineral Resource estimate included in the Prospectus and that all material assumptions and technical parameters underpinning the Chilalo Mineral Resource estimate in the Prospectus continue to apply and have not materially changed.