

**EVOLUTION**  
ENERGY MINERALS

**BTR**

**STRATEGIC  
COLLABORATION  
WITH THE #1 GLOBAL  
BATTERY ANODE  
COMPANY**

**ASX:EV1**

[evolutionenergyminerals.com.au](http://evolutionenergyminerals.com.au)



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## Mineral Resources

The information in this presentation that relates to the Mineral Resource estimate for the Chilalo Graphite Project is extracted from the report titled "Prospectus" released to the ASX on 12 November 2021 and available to view at <https://evolutionenergyminerals.com.au/>.

Evolution confirms that it is not aware of any new information or data that materially affects the information included in the original report and that all material assumptions and technical parameters underpinning the Mineral Resource estimate for the Chilalo Graphite Project continue to apply and have not materially changed.

Evolution confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original report and that the Competent Person's consent remains in place for subsequent releases by Evolution of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report or accompanying consent.

## Ore Reserve Estimate

The information in this presentation 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 2012 Edition. Mr Hutson consents to the inclusion of such information in this presentation in the form and context in which it appears.

## Production Target and Forecast Financial Information

In relation to the results of the Updated Definitive Feasibility Study (Updated DFS) announced on 20 March 2023 that are included in this presentation, the Company confirms that all material assumptions underpinning the production target and forecast financial information included in the original market announcement continue to apply and have not materially changed. The results reported in the Updated DFS are reported on a 100% ownership basis. On completion of the Framework Agreement and Shareholders' Agreement with the Government of Tanzania, as announced on 18 April 2023, the Company holds an 84% interest in the Chilalo Project, the remaining 16% interest being held by the Government of Tanzania.

## Risks Associated with BTR Transactions

The arrangements between Evolution and BTR are subject to a variety of conditions precedent. The conditions precedent to the Investment Agreement include, (amongst others) BTR completing due diligence to its satisfaction, BTR obtaining the required PRC governmental approvals and approval of Evolution shareholders for the issue of shares under the BTR Placement. The conditions precedent to the Offtake Agreement include (amongst others) the parties executing a downstream cooperation agreement before 31 March 2024, the necessary finance for the construction of the Chilalo Project having been obtained, and construction commenced, in each case on or before 31 March 2024, and BTR notifying Evolution that all of its qualification tests have been completed to BTR's satisfaction. The downstream collaboration is a non-binding MOU, with detailed terms yet to be negotiated or agreed.

Accordingly, investors are cautioned that there is no certainty that these transactions with BTR will be finalised, either on the currently agreed terms or at all. Please refer to the ASX announcement dated 16 August 2023 for further information.

# Corporate Overview

**202.5M**

Shares on Issue

**\$0.205**

Share price

**\$41.5M**

Market Cap

**48.9M<sup>1</sup>**

Unlisted Options

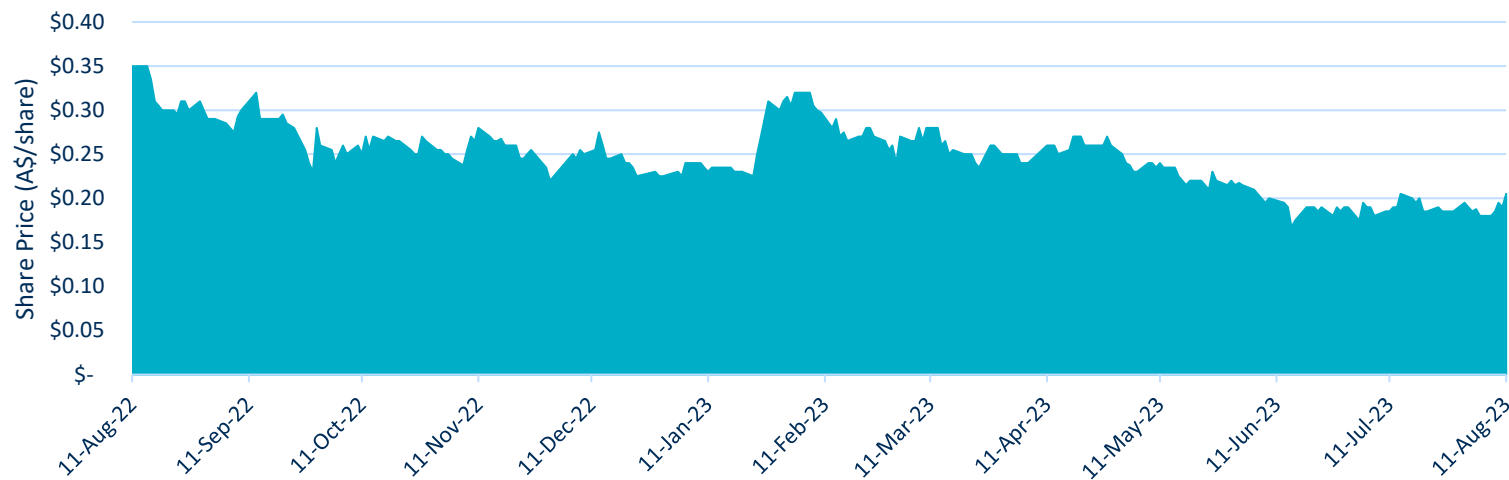
**\$4.4M<sup>2</sup>**

Cash *(as at 30 June 2023)*

**\$37.1M**

Enterprise Value

## Share Price (12 months)



1. 42.1M options at \$0.25 exercise price, 6.8M options at nil exercise price, subject to performance-related vesting criteria
2. 30 June cash + BTR placement = \$9.3M

## Major Shareholders

ARCH Sustainable Resources Fund **24.70%**

Marvel Gold Limited **24.69%**

HSBC Custody Nominees (Australia) Limited **3.80%**

Barolo EV1 CT Pty Ltd **2.70%**

Precision Opportunities Fund **2.22%**

# STRATEGIC COLLABORATION WITH BTR

EVOLUTION  
ENERGY MINERALS

BTR

## 3 Pillars

to deliver product  
validation, enhance  
project financing  
and fast-track  
downstream value  
creation

### INVESTMENT

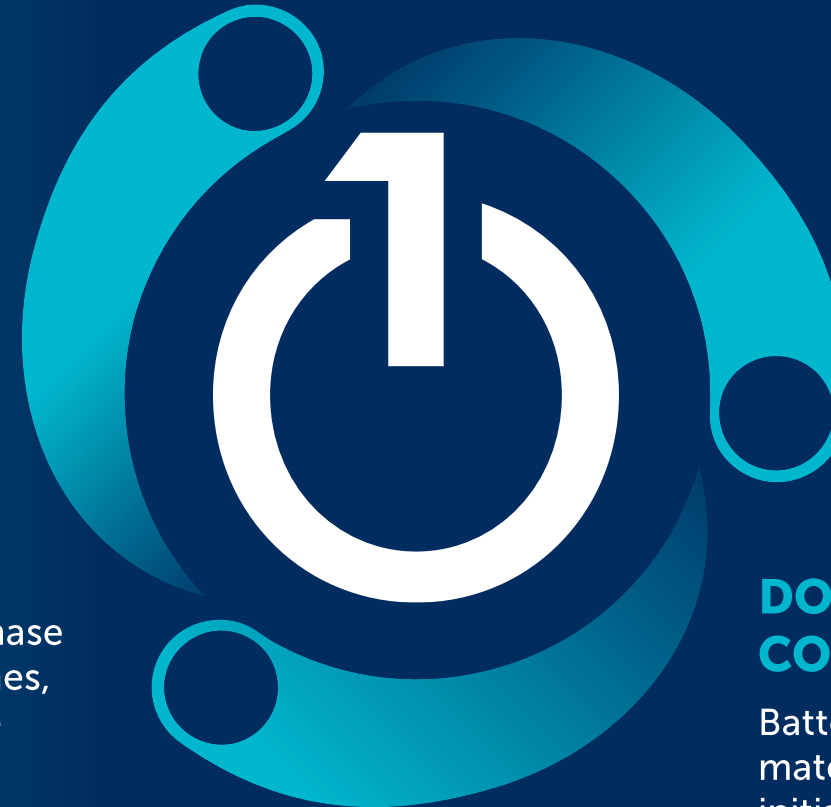
BTR to become  
9.9% shareholder

### OFFTAKE

BTR to purchase  
all Chilalo fines,  
with plans to  
transition to  
downstream  
processing

### DOWNSTREAM COLLABORATION

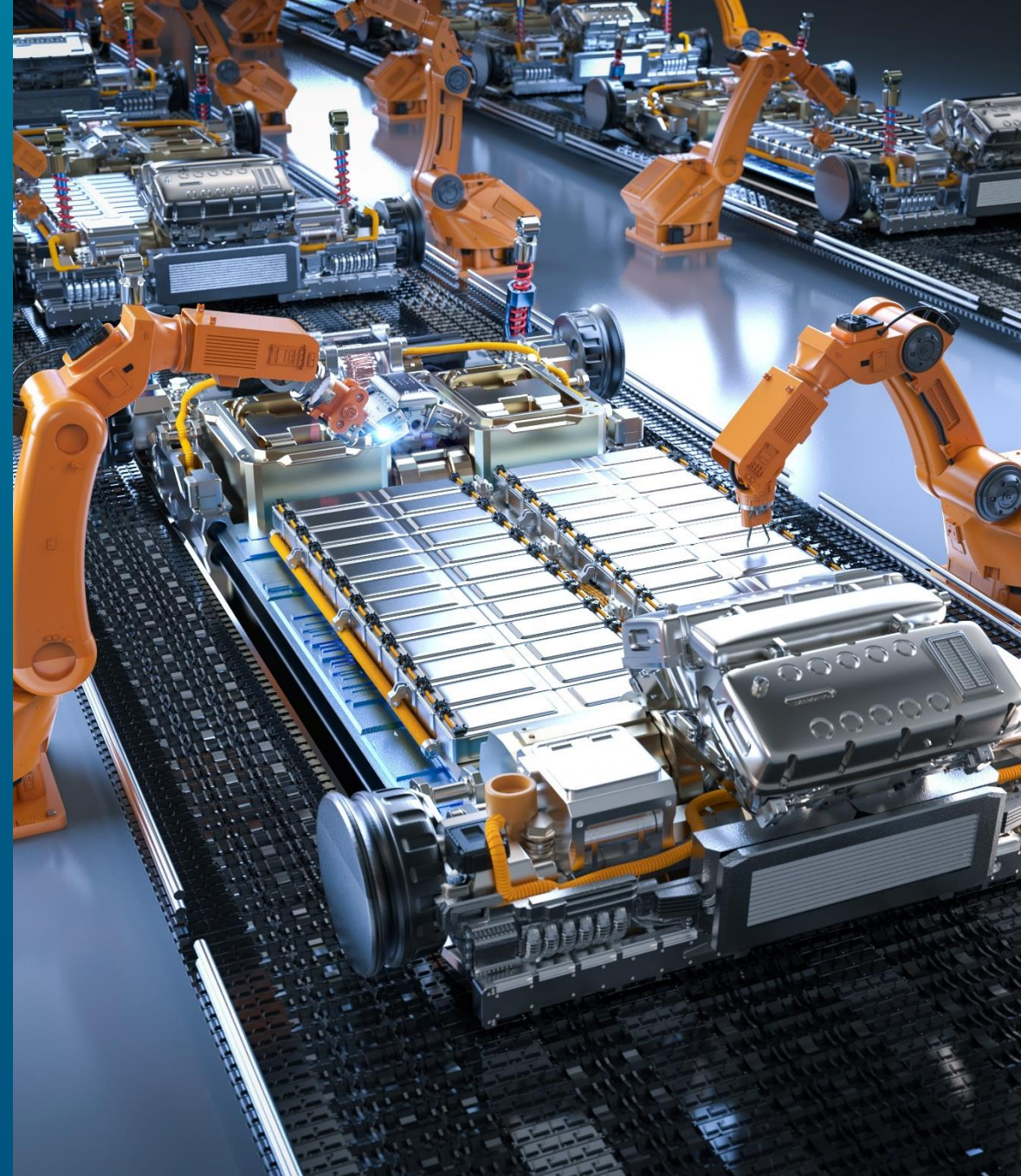
Battery anode  
materials,  
initially North  
America focused



# BTR PROFILE

#1 global battery anode leader

- 🔌 Listed on the Beijing Stock Exchange (market cap US\$3.4 billion)
- 🔌 26% overall anode market share, 60% natural graphite anode market share
- 🔌 Tier 1 customer base including CATL, Panasonic, LG, SK, BYD, Tesla and Samsung
- 🔌 Within China, BTR have 5 natural graphite production bases, 9 synthetic graphite production bases, 2 silicon anode production bases and 3 graphene production bases
- 🔌 80,000tpa anode plant under construction in Indonesia



# BTR TRANSACTIONS

## Summary of key terms

### INVESTMENT AGREEMENT

- 🔌 BTR to become 9.9% shareholder
- 🔌 22M shares \$0.22 (\$4.9M)
- 🔌 Conditional on due diligence, PRC approval, EV1 shareholder approval
- 🔌 Participation right in future capital raisings

### MOU – DOWNSTREAM & PROJECT FINANCE

#### Downstream

- 🔌 Jointly assessing downstream processing into battery anodes
- 🔌 Initial focus on North America but investigate other jurisdictions outside China
- 🔌 Utilising BTR's world-leading technology
- 🔌 BTR to be the marketing agent for anode materials
- 🔌 Site selection, feasibility studies and structuring advice required prior to binding agreement

#### Project Finance

- 🔌 Explore how BTR could contribute to Chilalo financing

### OFFTAKE AGREEMENT

- 🔌 100% of Chilalo fines (-100 mesh)
- 🔌 3 year term (+3 year option), subject to assignment to joint downstream entity
- 🔌 Market prices agreed bi-laterally
- 🔌 Conditional on:
  - 🔌 Executing binding downstream agreement by 31 March 2024
  - 🔌 EV1 reaching FID and commence construction before 31 March 2024
  - 🔌 Completion under the investment agreement

## **RATIONALE FOR BTR TRANSACTION**

**1**

Results in ~90% of graphite under offtake with global leaders, assisting with financing

**2**

Re-positioning and fast-tracking EV1 into a vertically integrated producer of battery anode materials and other high-value graphite products

**3**

Partnering with global technology leader accelerates an executable, de-risked downstream solution

# Evolution / BTR Downstream Plan

## A Compelling Partnership



Strategic collaboration with BTR, the global anode leader



Access to commercially proven and cutting-edge technology and battery anode innovations (silicon additives etc)



BTR to provide product development, qualification and technical marketing support with its existing Tier 1 customer base

## Immediate Work Plan



Accelerated qualification program and advanced product development based on Chilalo-sourced anode materials



Joint economic assessment to determine most efficient and profitable downstream locations



Initial focus on North America (building on EV1's work to date) with other jurisdictions outside China also being considered



Legal advice to determine appropriate structure for binding collaboration

# A Standout Development-Ready Graphite Project

Poised for Vertical Integration into Battery Anodes



Development-ready  
coarse flake Chilalo  
Graphite Project in  
Tanzania



Chilalo is a  
high-margin, low  
capex development  
option



Product quality  
validation – offtakes  
with global leaders  
for downstream  
applications covering  
LiB, hydrogen fuel  
cells, expandables



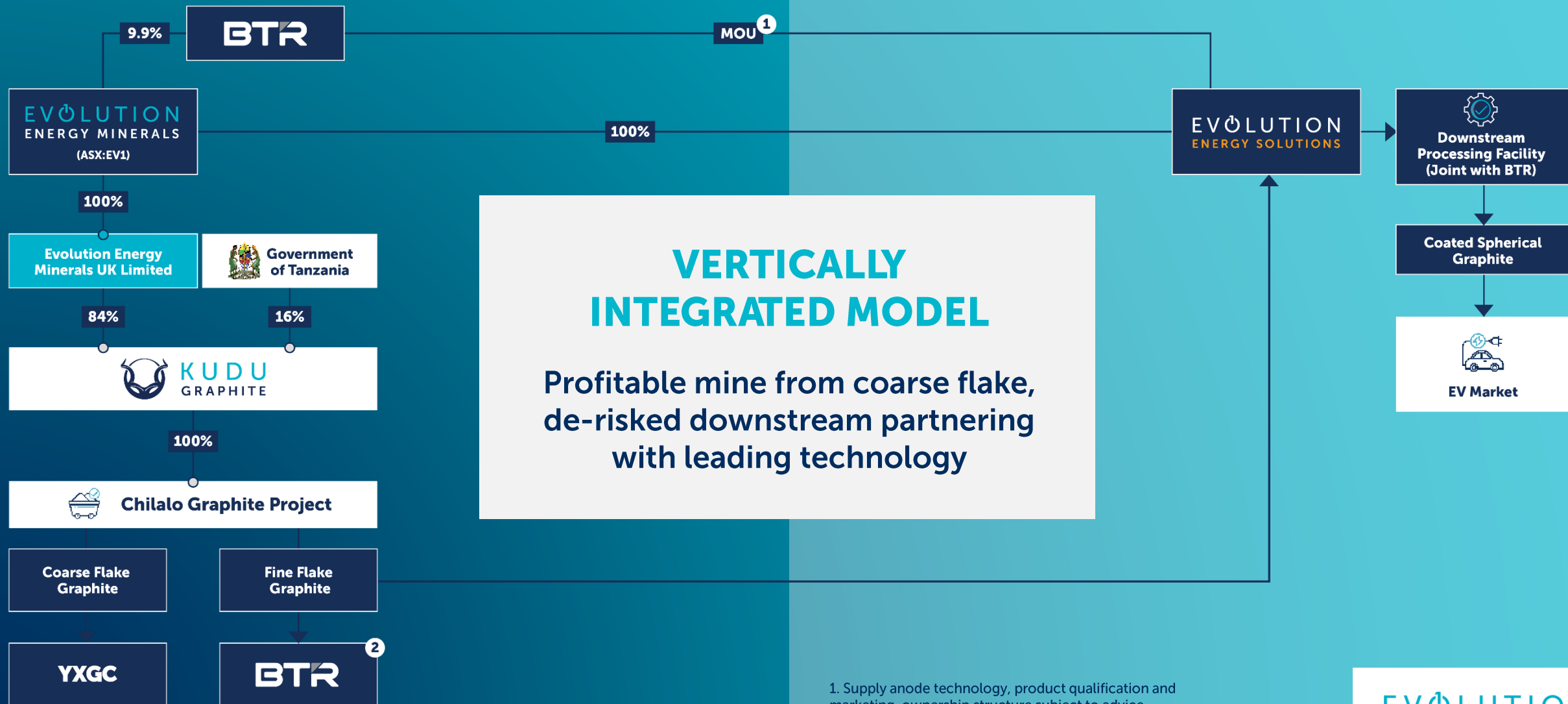
Strategic transaction  
provides funding  
optionality to traditional  
project finance



Leveraging proven  
technology from leading  
battery anode producer  
to fast-track value  
addition and vertical  
integration

# UPSTREAM

# DOWNSTREAM



# CHILALO'S COMPETITIVE ADVANTAGE

Favourable geology driving product quality



## GEOLOGY

**Large flake free of impurities results in:**

- (i) World-class flake size at 95% C
- (ii) Ability to produce +99% C through conventional flotation

### Product Quality

Unique graphite signature validated by global leaders in high-growth, value-added applications:

- LiB anode materials
- Expandable / expanded graphite, foil

### Strong Economics

High margin underpinned by flake size

Chilalo presents an economic case at current prices

### Low Technical Risk

Plant design based on team's real graphite operating experience

DFS variability testwork done at two separate labs

Two separate pilot plant runs

### Low Execution Risk

Team experienced in delivery and operation of graphite mine

Executable real-world assumptions used in DFS

Secured offtakes with world leading end users

# Key Milestones Achieved in H2 2023

## Tanzanian Framework Agreement & Updated DFS / FEED



Managing Director Phil Hoskins and Executive Director Michael Bourguignon pictured at the signing ceremony in Tanzania before the President of Tanzania, Her Excellency Samia Suluhu Hassan, April 2023

### Definitive Feasibility Study Outcomes

**US\$338M**

NPV<sub>8</sub> (Post-tax)

**32%**

IRR (Post-tax)

**17 Yrs**

Mine Life

**3.3 Yrs**

Post-tax  
payback period

**US\$120M**

Pre-production  
capital cost  
(incl. 10% contingency  
and pre-strip)

**US\$82M**

Average annual  
EBITDA

ASX announcement 20 March 2023 "Updated DFS confirms Chilalo as a standout graphite project"

# Financeability of Chilalo

## Low Capex

Important to commercial  
banks in the process

## High Margin

Coarse flake provides  
buffer to weaker prices

## Product Quality

Validation by offtakes with global  
leaders for batteries and expandables

## Strong Project Sponsors

ARCH and BTR supporting to FID

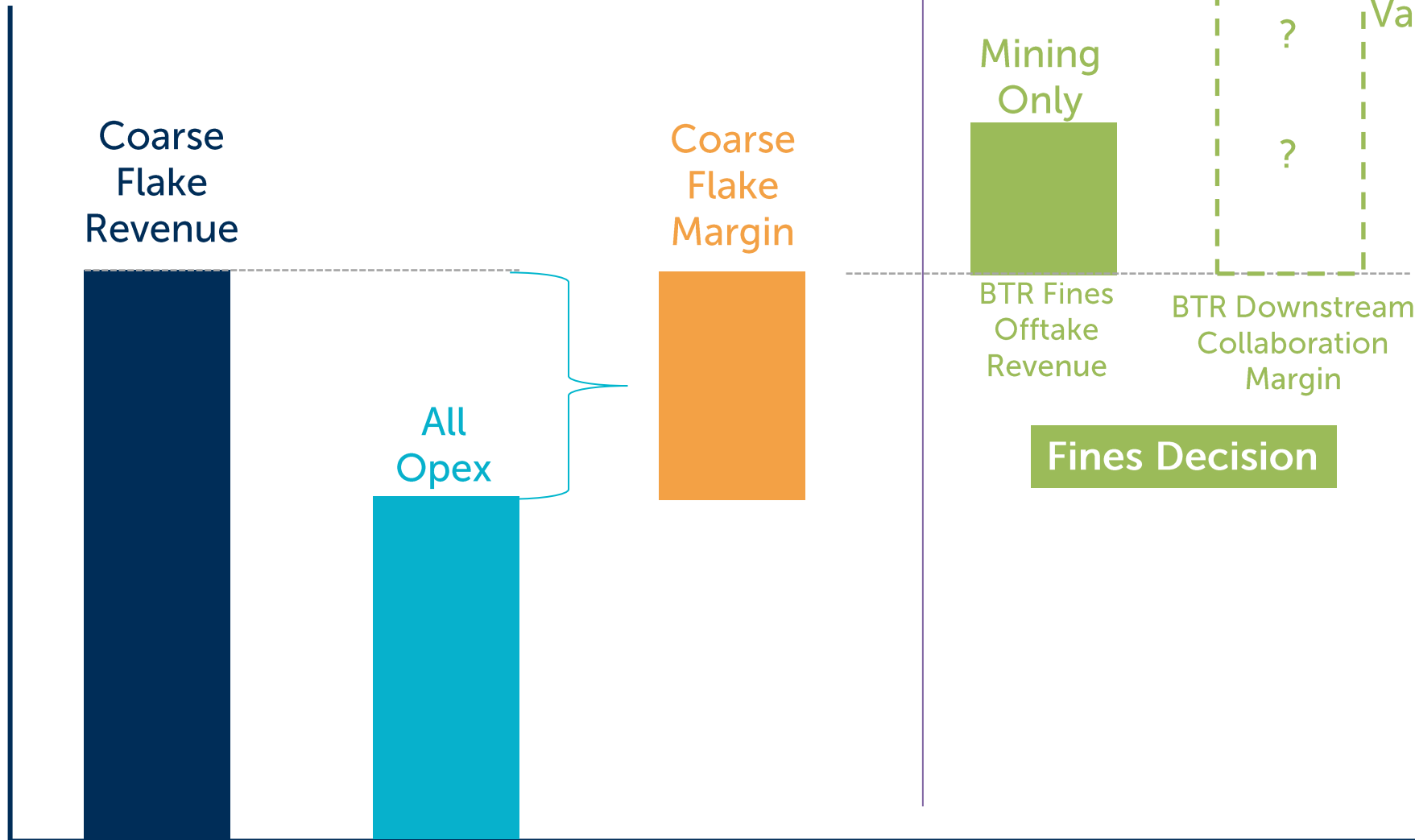
## Experienced to Execute

Ex-Balama PM leading experienced team –  
de-risks execution/delivery

Building momentum to  
become the next  
graphite producer

# Coarse Flake Pays the Bills

Fines are a free entry into the battery market

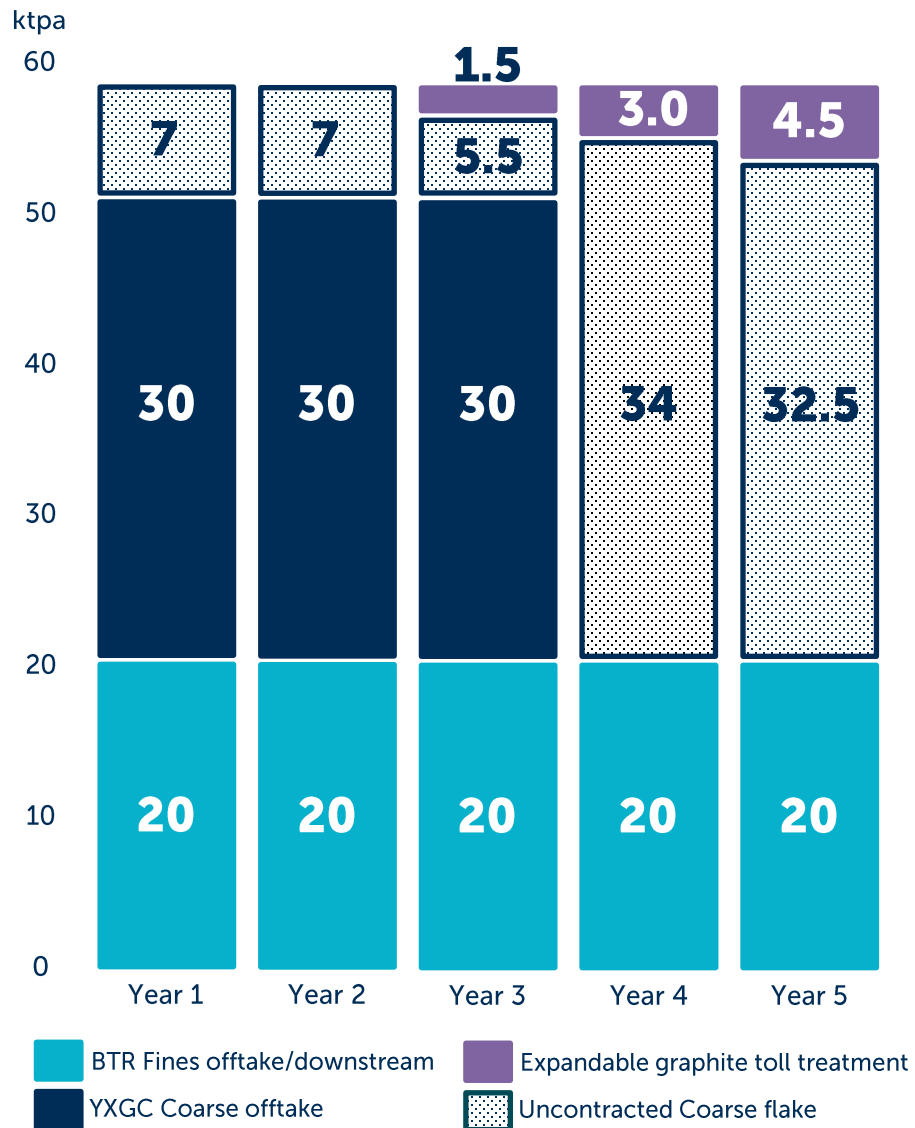


*Coarse flake generates a solid margin on its own, after paying for total project opex.*

*This means Chilalo's fines are a cheap entry into the battery market, where they can either be sold as concentrate or in EV1's case, participating in greater margin capture via downstream processing.*

# EV1 Offtake Strategy

Binding offtake for ~90% of production with global leaders



Yichang Xincheng Graphite Co.,Ltd

## Coarse Flake Offtake

- ⚡ 30,000tpa for 3 years
- ⚡ 70% of concentrate revenue
- ⚡ YXGC are the global leader for expandable graphite (EG) and foil
- ⚡ Electronics, fuel cells, seals, gaskets, flame retardants
- ⚡ Conditional on YXGC toll treating some graphite into EG

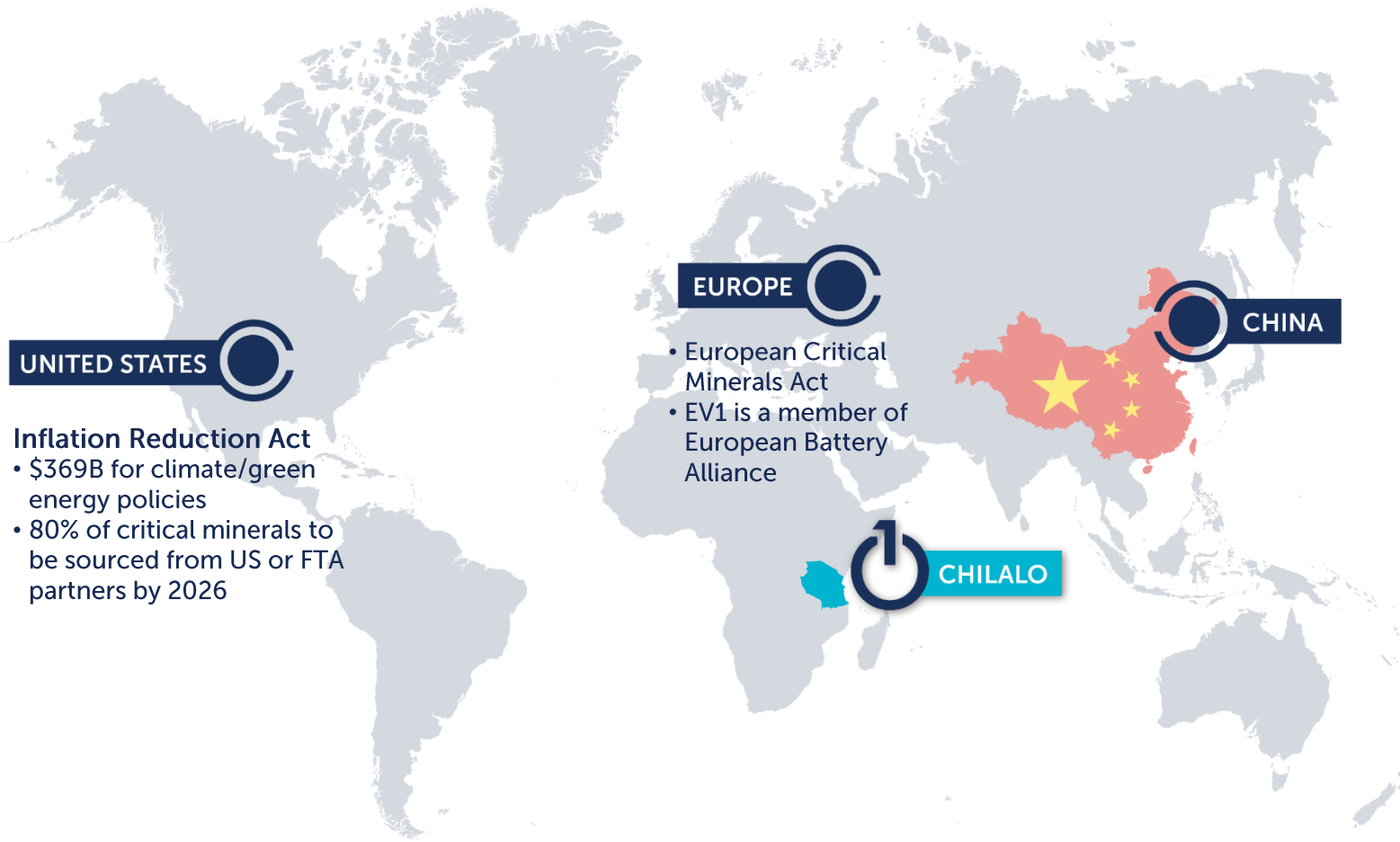


## Fines Flake Offtake

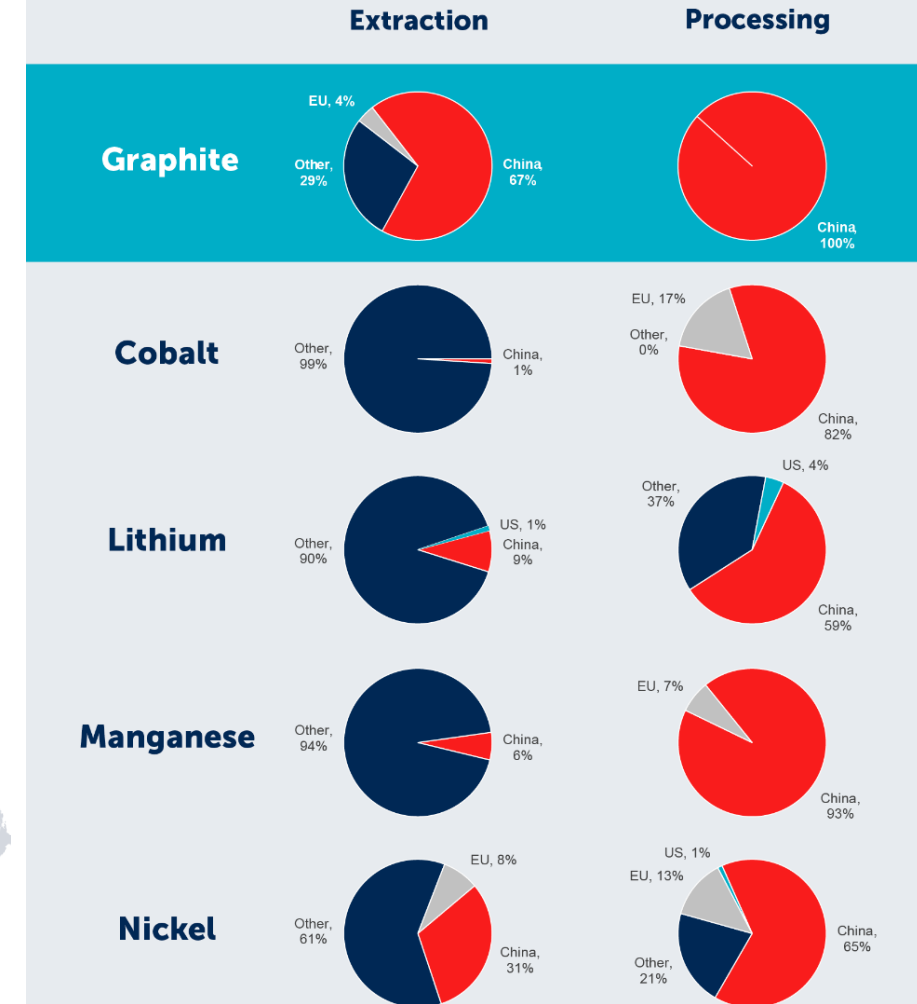
- ⚡ 100% of fines for 3 years (+3 yr option), subject to assignment to joint downstream entity
- ⚡ Market prices agreed bi-laterally
- ⚡ Conditional on:
  - ⚡ Downstream agreement and FID by 31 March 24
  - ⚡ BTR investment

# Graphite Mining and Processing Supply Chain

Greater reliance on China than all other battery minerals



## Li-ion battery raw materials supply chain by country



# IRA-compliant anodes into the US

A compelling market opportunity

|                                      | 2025 | 2030  |
|--------------------------------------|------|-------|
| US battery demand (GWh) <sup>1</sup> | 504  | 1,180 |
| Anode materials (ktpa) <sup>1</sup>  | 554  | 1,298 |
| IRA requirement <sup>2</sup>         | 50%  | 80%   |
| IRA-compliant anode materials (ktpa) | 277  | 1,038 |

1. Benchmark Mineral Intelligence

2. Percentage of battery raw materials that are extracted, processed or recycled in the US or FTA countries

## Favourable policy initiatives



Production tax credits  
and EV consumer credits



US\$17B EV loan program



US\$7B DoE grant  
funding program

Current supply is Nil

## Rapidly growing market opportunity



In February, Ford and CATL announced plans to build a US\$3.5 billion EV factory in Michigan. Ford will control 100% of the plant and licence LFP battery technology from CATL

# Evolution's ESG Commitment



# Board & Management with Graphite Experience

## BOARD OF DIRECTORS



**Phil Hoskins**  
MANAGING DIRECTOR

Phil is the Executive responsible for the development of Chilalo since 2014. Nine years' graphite experience.



**Henk Ludik**  
INTERIM NON-EXECUTIVE CHAIR

Henk is a mining engineer with a career spanning over 20 years in mining with expertise in engineering, feasibility, mine optimisation, ESG and corporate finance.



**Michael Bourguignon**  
EXECUTIVE DIRECTOR

Michael was the Project Manager for the construction of Syrah Resources' Balama graphite project in Mozambique.



**Amanda van Dyke**  
NON-EXECUTIVE DIRECTOR

Amanda is the MD of the ARCH Sustainable Resources Fund, an ESG-focused investment fund based in London.

## MANAGEMENT TEAM



**Chris Knee**  
CHIEF FINANCIAL OFFICER

Chris is the finance executive involved in the development of the Chilalo project since 2015.



**Stacy Newstead**  
CEO – EVOLUTION  
ENERGY SOLUTIONS LLC

US-based Stacy is responsible for overseeing the US downstream strategy.



**Stuart McKenzie**  
COMPANY SECRETARY

Stuart has significant African experience including 6 years with Anvil Mining and involved with the Chilalo project since 2014.



**Vickey Puncheon**  
GM SUSTAINABILITY

18 years' African experience including 5 years with Syrah Resources.



**Heavenlight Kavishe**  
COUNTRY MANAGER

Experienced government advisor, with the Chilalo project since 2014.



**John Nolan**  
OPERATIONAL READINESS  
(MINING)

Mining professional with 36 years' experience across Africa, South America and Asia in a variety of roles.



**Chris Whiteley**  
INTERNATIONAL SALES &  
MARKETING CONSULTANT

Chris has been actively involved in all aspects of graphite marketing and product development for more than 25 years.



**Eileen Hao**  
BUSINESS DEVELOPMENT MANAGER  
CHINA CEO AND CHIEF REPRESENTATIVE

27 years experience on industrials, graphite, battery minerals & metals, senior roles with IMERYS, Syrah and facilitating Neometals / Gangfeng transactions.

# Key Catalysts

**1**

Chilalo project  
financing

**2**

Downstream  
developments and  
binding downstream  
agreement with BTR



# EVOLUTION

ENERGY MINERALS

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Managing Director

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