EVOLUTION ENERGY MINERALS

# ASX ANNOUNCEMENT

## Amended BTR investment and satisfaction of key condition

**Evolution Energy Minerals Limited (Evolution** or the **Company) (ASX: EV1, FSE: P77)** is pleased to announce an amendment to the investment agreement between BTR New Material Group Co., Ltd. (**BTR**) and Evolution (**Investment Agreement**)[1] and that the due diligence condition has been satisfied.

Under the Investment Agreement, BTR had agreed to subscribe for Evolution shares at $0.22 per share, representing 9.90% of Evolution (**BTR Investment**), subject to the satisfaction or waiver of certain conditions, including completion of due diligence to BTR's satisfaction, on or before 31 January 2024.

The parties have agreed to adjust the issue price of the shares under the BTR Investment to $0.14, the equivalent price of the Company's most recent capital raising. The change in the issue price will result in BTR investing $3.62 million into Evolution for a 9.90% interest in the Company. BTR's investment is now unconditional, other than obtaining the approval of Evolution shareholders and no material adverse event occurring in respect of Evolution. A meeting of Evolution shareholders to approve the issue of shares to BTR is expected to take place in late February 2024, immediately after which BTR will transfer funds.

BTR has informed Evolution that its due diligence has been completed to its satisfaction including the following:

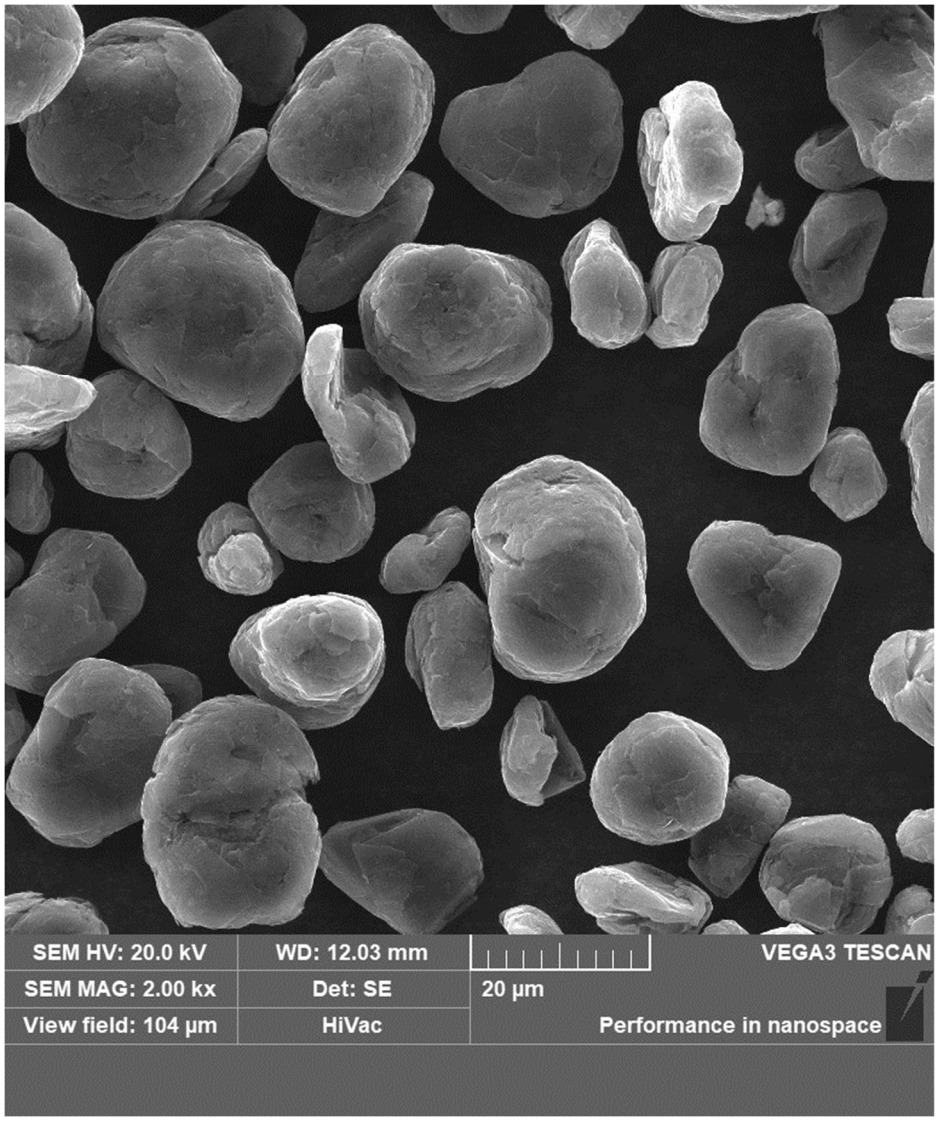
- Completion of spherical graphite testwork to confirm the suitability of Chilalo fine flake graphite for the production of spherical graphite for use in the manufacture of anode materials. BTR has advised that its testwork delivered exceptional yields into spherical graphite. Figure 1 below shows a Scanning Electron Micrograph of typical spheroidal particles formed through BTR's spheronisation process.
- 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. BTR's review of the Chilalo project confirmed that Chilalo met BTR's graphite project investment criteria.
- BTR accompanied Evolution management to the United States to meet with various stakeholders as Evolution continues to evaluate potential locations for a downstream processing facility.
- The final element of BTR's due diligence related to the flotation testwork and mineralogy on ore samples collected from surface trenches at Chilalo during BTR's site visit, which has now been completed to BTR's satisfaction.

**Managing Director, Phil Hoskins, commented**: *"We are very pleased to have removed the due diligence condition of BTR's investment and now look forward to BTR becoming a key strategic shareholder. BTR's positive due diligence provides validation about the quality of the Chilalo project and our graphite's performance in lithium-ion battery anodes. Welcoming the global battery anode leader to our register will help with Chilalo's project financing whilst we continue to assess the possibilities from the broader collaboration with BTR including downstream processing."*

[1] For further information on the Investment Agreement, see ASX announcements dated 16 August 2023 and 30 October 2023.

**BTR's Senior Vice President, Mr Chen Xiaodong, commented:** "*We have been pleased with the results of what has been an extensive due diligence process and look forward to ongoing cooperation with Evolution, including supporting Evolution in the financing of the Chilalo project.*"

**Figure 1. Spheroidal particles formed through BTR's spheronisation process**




## About BTR

BTR is a high-tech enterprise integrating basic research, product development, production and sales, specialising in lithium-ion battery materials and carbon nanomaterials, including anode, cathode and advanced new materials. BTR's customers not only include Chinese domestic lithium-ion battery manufacturers such as CATL, BYD, EVE, Gotion High-Tech and REPT, but also include international Tier 1 customers such as SK, Samsung, LG, muRata and Panasonic.

BTR was established in August 2000, and listed on the New Third Board in 2015, transferring to the Beijing Stock Exchange in 2021 (Stock code: 835185. BTR has more than 8,000 employees worldwide, and more than 20 companies/production bases in mainland China, with an Indonesia production base currently under construction. Within China, BTR has five natural graphite production bases, nine synthetic graphite productions bases, two silicon anode production bases and three graphene production bases.

After more than two decades of dedicated effort, BTR not only leads the world in market share of lithium-ion battery anode materials, but also takes the lead in new generation silicon-based anode materials. In the field of cathode material production, BTR takes the lead in China for large-scale production of high-nickel cathode materials such as NCA.

According to ICCSINO, a Shanghai based consultancy in research of the EV, lithium-ion battery and anode and cathode industries, BTR had a 26% share of China's anode material market in 2022, whilst China held more than 96% share of the global anode material market. BTR exceeds 60% of global market share for natural graphite anodes with comparable cycle performance of new-generation natural graphite products against synthetic graphite. Over the past 10 years, BTR has enjoyed a sales CAGR of 44.6% and a profit CAGR of 42.6%.

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

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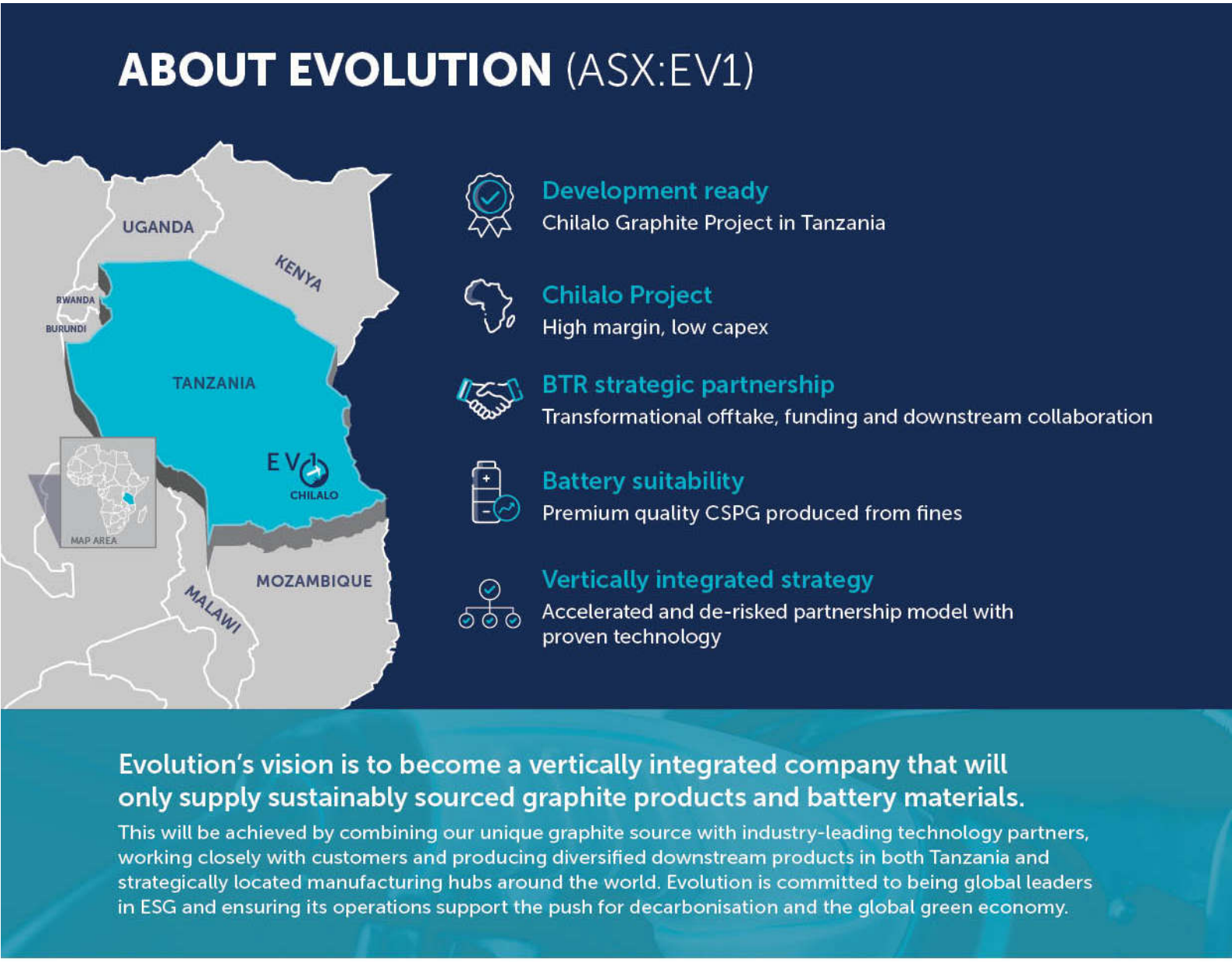


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