

Dear Shareholders,

As we approach the holiday season, we want to take a moment to reflect on the progress Evolve Royalties has made this year and share our optimism for the road ahead. This has been a year of significant developments for both our company and the industries we support, and we are deeply grateful for your continued trust and support as shareholders.

**A Busy Year for Evolve.**

Our mission is to create value through our royalty investments in critical mineral and battery metal projects. During 2024 we advanced this mission via two related accomplishments. Notably, we raised just under \$30 million in equity capital from new shareholders, enabling us to complete a transformative transaction with Sandstorm to acquire our cornerstone royalty on the Highland Valley Copper mine. These accomplishments reflect our disciplined approach to growth and our commitment to creating sustainable value.

Following the closing of the acquisition, Teck Resources hosted a site visit at the Highland Valley Copper mine. The visit further validated the importance and long-term potential of the acquisition. During the visit, Teck discussed the history of successful mine life extensions at HVC and provided details of future expansion plans. In addition, they spoke about some of the technologies currently being implemented at the mine that are helping to make HVC one of the lowest cost operations in the Americas - and a cornerstone asset for Teck. The visit raised our already high confidence levels even further that this investment will be a cornerstone of our portfolio for many years to come.

**The Copper Market Continues to Show Positive Signals.** While economic uncertainties and geopolitical tensions introduced some market volatility, the overarching narrative remains clear: the world's need for copper is accelerating. This essential metal is indispensable for renewable energy infrastructure, electric vehicles, artificial intelligence, and grid modernization. Moreover, in 2024, significant actions were taken by some of the largest mining companies, e.g. Rio Tinto, BHP, Anglo American and Teck, to reshape their portfolios through mergers, acquisitions, or divestitures, to refocus on copper, further highlighting its strategic importance. Supply constraints, coupled with robust demand, have supported prices and underscored the critical importance of reliable, ethical sources of copper production-a principle at the heart of our strategy.

**The World Needs New Sources of Critical Minerals More than Ever.** Beyond copper, the broader thematic for battery metals has continued to gain momentum. Governments and industries worldwide have embraced ambitious electrification goals, driving unprecedented investment in clean energy technologies. This structural shift reaffirms our belief that critical minerals will remain at the forefront of global priorities for decades to come. However, we must also acknowledge the growing global competition for critical raw materials which is driving a wave of protectionist policies across many countries. These developments underscore the urgent need to develop new, sustainable sources of critical minerals, a challenge that Evolve is well-positioned to address. Looking ahead, we are optimistic about the opportunities that lie before us. Given copper's fundamental role in the global energy transition, we anticipate positive market trends for copper prices in 2025 and beyond, supported by robust demand and constrained supply. We remain committed to delivering value by aligning our growth strategy with these evolving trends and the

requirements of the global economy. Our disciplined approach to asset selection and portfolio management ensures that we remain resilient in the face of market challenges while capitalizing on emerging trends.

As we close out 2024, we want to thank each of you for your unwavering support and belief in our vision. Your confidence fuels our ambition to lead in this dynamic and transformative industry. Together, we are building a future powered by progress and sustainability. These developments further reinforce the opportunity we see at Evolve to be a first mover in financing the construction of new critical mineral mines through the proven royalty model, ensuring long-term value creation for our shareholders.

On behalf of everyone at Evolve, we wish you and your loved ones a joyful holiday season and a prosperous New Year.

Joseph de la Plante  
Chief Executive Officer  
Evolve Strategic Element Royalties Ltd.