



Montreal, Québec – October 21, 2024
(in U.S. dollars unless otherwise noted)

EVOLVE ROYALTIES SHAREHOLDER UPDATE

Evolve Strategic Element Royalties Ltd. (“Evolve” or the “Company”) is pleased to provide portfolio and corporate updates following the successful launch of Evolve in May 2024.

Evolve is a new royalty company which was established in May 2024 that aims to be an early mover in applying the proven royalty and streaming model to finance the new mines that will supply future generations with the strategic commodities needed to transition to a low carbon economy. Evolve is led by Joseph de la Plante, CEO, Vincent Metcalfe, CIO, Vincent Cardin-Tremblay, COO and Annie Dutil, CFO, a highly experienced and high-performance management team that have the expertise and relationships to build a world-class royalty company and who previously founded Nomad Royalty Company Ltd. which was acquired by Sandstorm Gold Ltd. (“Sandstorm”) for C\$755 million in 2022.

“Evolve has had a productive year to date during which our team raised just under C\$30 million and concluded two royalty transactions which have allowed us to put together a copper-focused royalty portfolio anchored by our producing royalty on Canada’s largest copper mine, Highland Valley Copper, operated by Teck Resources Limited (“Teck Resources”)” commented Joseph de la Plante, Evolve’s President and Chief Executive Officer.

“Having now received a first royalty payment from Teck Resources, Evolve is in the fortunate position of owning a portfolio of high quality, cash flowing Canadian copper royalties. Our team can now focus on deploying our existing cash reserves into new accretive acquisitions that will favourably position Evolve for its next phase of growth”.

EVOLVE KEY HIGHLIGHTS

- New growth platform with a mandate to pursue acquisitions of metal royalties and streams over commodities required for a sustainable future and with the support of key financial partners in the mining sector
- A highly experienced and high-performance management team that has the expertise and relationships to build a world-class royalty company
- Portfolio consisting of 5 royalties, including 2 cash flowing copper royalties on the world class Highland Valley Copper (Teck Resources) and Copper Mountain mine (Hudbay Minerals Inc. (“Hudbay Minerals”)), and one permitted, construction-ready royalty on a lithium brine project in South America
- Tier 1 operators in Teck Resources and Hudbay Minerals

- Optimized corporate structure with a focus on minimizing G&A expenses and significant management ownership, ensuring full alignment of management with shareholder interests

BUILDING MOMENTUM: RECENT CATALYSTS

Since inception, Evolve has made significant progress towards building a new sustainable royalty and streaming platform:

- Raised a total of ~C\$29 million to fund royalty acquisitions (Sept. 2023 to May 2024)
- Acquired the Sal de Los Angeles royalty (Feb. 2024)
- Acquired a portfolio of producing copper royalties from Sandstorm (May 2024)
- Established \$10 million acquisition financing facility with Orion Resource Partners (May 2024)
- Permit granted for Phase 1 – a first 10ktpa line Lithium Carbonate operation at Sal de Los Angeles (July 2024)
- Received first payment of C\$0.4 million from Teck Resources in connection with the Highland Valley Copper royalty (August 2024)

FIRST PAYMENT FROM HIGHLAND VALLEY COPPER ROYALTY AND PERMITTING PROGRESS

On August 19, 2024, Evolve received its first payment from Teck Resources in connection with its royalty on the Highland Valley Copper mine (“HVC”), located, in British Columbia, Canada.

HVC has been in production since 1962 and is considered today as Canada’s largest copper mine, expected to produce 112-125 kt of copper in concentrate and 1.3-1.6 kt of molybdenum in concentrate in 2024.

Evolve owns a 0.51% net profits interest (NPI) on HVC.

HVC is considered by Teck Resources as a core asset within its copper portfolio and is currently advancing the permitting process for the Highland Valley Mine Life Extension, which would extend existing HVC copper production of ~140ktpa of copper per year to a 17-year life of mine with 1st incremental production expected in 2027. The permitting process is advancing with revised permit application accepted to proceed to next stages, while the engineering and execution plans are expected to be substantially complete by the end of Q2 2025.

Source:

Teck Resources Limited 2023 Production And 2024 Guidance Update.

Teck Resources Limited Supplemental Information July 24, 2024.

Teck Resources Limited Second Quarter 2024 Conference Call Presentation.

SAL DE LOS ANGELES GRANTED ENVIRONMENTAL PERMIT FOR PHASE 1 DEVELOPMENT

On July 1, 2024, the Ministry of Mining and Energy of Salta in Argentina issued the Environmental Impact Statement for Potassium and Lithium Argentina S.A. ("PLASA") to start the construction of the Commercial Plant for lithium carbonate at the Sal de Los Angeles ("SDLA") project, in the Salar de Diablillos. The agency authorized the construction of an industrial plant that, in a first phase, will produce 10,000 tons per year, with a planned investment of around \$500 million. The evaluation process included citizen participation through the program of public hearings, and free and informed prior consultations, within the framework of ILO Convention 169, through the Secretariat of Indigenous Affairs.

SDLA is a permitted construction-stage brine project that covers the vast majority of Salar de Diablillos that is 100% owned by PLASA. The SDLA project is located in the Puna region of northwest Argentina, approximately 145 km southwest of the city of Salta, a few kilometers north of the border between the Provinces of Salta and Catamarca, Argentina. The SDLA project area lies entirely within the Province of Salta.

Evolve owns a 2% NSR royalty on SDLA.

Source:

<https://www.salta.gob.ar/prensa/noticias/con-un-nuevo-proyecto-en-fase-de-construccion-salta-se-posiciona-en-la-mineria-de-litio-96485>.

HUDBAY MINERALS PROGRESSES OPERATIONAL STABILIZATION PLAN AT COPPER MOUNTAIN

Hudbay Minerals delivered solid operating performance during H1 2024 at the Copper Mountain mine in British Columbia, demonstrating the start of stabilization benefits with improvements in copper recoveries, mill throughput and mill availability achieved year-to-date 2024. The mine produced 13,743 tonnes of copper at a cash cost per pound of copper produced, net of by-product credits, of \$3.09 in the first half of 2024.

The current mineral reserve estimates at Copper Mountain support a 21-year mine life with 37k tonnes avg. annual production or 47k tonnes 5-Yr avg. annual production, as disclosed in a NI 43-101 technical report in respect of the Copper Mountain mine filed in December 2023. There exists significant upside potential for reserve conversion and extending mine life beyond 21 years through an additional 140 million tonnes of measured and indicated resources at 0.21% copper, 0.69 g/t silver and 0.10 grams per tonne gold and 370 million tonnes of inferred resources at 0.25% copper, 0.61 g/t silver and 0.13 grams per tonne gold, in each case, exclusive of mineral reserves.

Evolve owns 5% NSR royalty on copper and 2.5% NSR on other metals that covers a portion of the Copper Mountain claims, including the Alabama and Virginia deposits. Evolve will begin receiving royalty payments from Copper Mountain once Sandstorm has received \$10 million in pre-tax royalty payments from May 2, 2024 onward.

Source:

Hudbay Management's Discussion and Analysis of Results of Operations and Financial Condition For the three and six months ended June 30, 2024.

Hudbay Press Release, <https://hudbayminerals.com/investors/press-releases/press-release-details/2023/Hudbay-Releases-Copper-Mountain-Technical-Report-and-Advances-Mine-Stabilization-Plans/default.aspx>

Hudbay NI 43-101 Technical Report, Updated Mineral Resources and Mineral Reserves Estimate, Copper Mountain Mine, Princeton, British Columbia, Canada dated December 1, 2023 [\[](#)

CAPITAL STRUCTURE

The Company is currently well capitalized with approximately C\$4.9 million in cash and cash equivalents, and an undrawn \$10 million acquisition facility from Orion Resource Partners. The Company has approximately 99.9 million fully-diluted shares outstanding.

The Evolve team is continuing to evaluate transactions that would lead to becoming a reporting issuer in Canada.

EVOLVE LAUNCHES A NEW WEBSITE

The Company today launched its new website which can be found at www.evolveroyalties.com.

The Company's updated website features intuitive access to information on the Company, including its press releases and royalty portfolio information.

QUALIFIED PERSON

The technical and scientific information contained in this news release relating to properties and operations on the properties on which the Company holds royalty, stream or other interests has been reviewed and approved in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") by Vincent Cardin-Tremblay, P. Geo., Chief Operating Officer of Evolve, a "qualified person" as defined in NI 43-101.

CONTACT INFORMATION

For more information about Evolve, please visit our website at www.evolveroyalties.com or email us:

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ABOUT EVOLVE

Evolve is a royalty company which was established in early 2024 that aims to be an early mover in applying the proven royalty and streaming model to finance the new mines that will supply future generations with the strategic commodities needed to transition to a low carbon economy. Evolve is led by a highly experienced and high-performance management team that have the expertise and relationships to build a world-class royalty company and who previously founded Nomad Royalty Company Ltd. which was acquired by Sandstorm Gold for C\$755 million in 2022 and which has 15+ years experience in the royalty and streaming sector. For more information please visit: www.evolveroyalties.com.

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FORWARD-LOOKING STATEMENTS

This shareholder update contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively, which may include, but are not limited to, management’s expectations regarding Evolve’s growth, statements with respect to future events or future performance. All statements in this document, other than statements of historical fact, that address events or developments that Evolve expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “scheduled” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although Evolve believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual actions, events or results to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the impact of general business and economic conditions; the absence of control over mining operations from which Evolve will receive royalty payments and risks related to those mining operations, including risks related to international operations, government and environmental regulation, delays in mine construction and operations, actual results of mining and current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined; accidents, equipment breakdowns, title matters, labour disputes or other unanticipated difficulties or interruptions in operations; problems inherent to the marketability of copper, lithium and other metals; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; industry conditions, including fluctuations in the price of the primary commodities mined at such operations, fluctuations in foreign exchange rates and fluctuations in interest rates; government entities interpreting existing tax legislation or enacting new tax legislation in a way which adversely affects Evolve; changes in accounting policies, impact of inflation, global liquidity and credit availability, stock market volatility; regulatory restrictions; liability, competition, loss of key employees, political risks, access to capital, and other related risks and uncertainties. Evolve cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the forward looking statements contained herein should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Evolve believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this

document should not be unduly relied upon. These statements speak only as of the date of this document. Evolve undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.