

MARVEL PROGRESSING CHILALO SPIN-OUT

Marvel Gold Limited (ASX: MVL) (Marvel or the Company) is pleased to provide an update regarding the proposed spin out of its Chilalo Graphite Project (Chilalo Project or Chilalo).

HIGHLIGHTS

- Proposed spin-out (**Spin-out**) and initial public offering (**IPO**) of Marvel's wholly-owned subsidiary Evolution Energy Minerals Limited (**Evolution**) is at an advanced stage, pending final in-country regulatory approvals.
- A Share Exchange Agreement (**SEA**) has been executed under which the Company agrees to sell the Chilalo Project to Evolution in exchange for \$10 million of Evolution shares (representing approximately 31% of Evolution on a post-ASX listing, undiluted basis) and cash of \$2 million, subject to satisfaction of the pre-conditions to the Spin-out and based on the currently targeted Spin-out parameters.
- Following Marvel shareholder approval in June 2021, the official launch of the Spin-out remains conditional on regulatory matters, including Tanzania Fair Competition Commission (**FCC**) approval, and securing cornerstone investor support. Satisfaction of these pre-conditions would see Evolution lodge a prospectus to undertake the Spin-out and seek a listing on the Australian Securities Exchange (**ASX**).
- It is proposed that as part of the Spin-out, Castlelake L.P, which is currently owed approximately \$9.5 million secured against the Chilalo Project (**Lender**), will be repaid in full using proceeds from the IPO and all Lender security over the Project will be removed.

Managing Director, Phil Hoskins, commented: "Signing the SEA is a significant milestone in the spin-out of the Chilalo Graphite Project. To facilitate the repayment of the Lender, receive \$2 million in cash and retain \$10 million of Evolution shares would be a fantastic result for Marvel shareholders. This not only delivers non-dilutionary funding to Marvel, but also provides our shareholders with meaningful exposure to the ongoing development of the world-class Chilalo Graphite Project."

Whilst the launch and completion of the Spin-out remains conditional on a variety of matters, we are confident of securing the cornerstone investor support required to undertake the Spin-out on the parameters currently being contemplated. The proposed IPO is at an advanced stage as we await the consent of Tanzania's Fair Competition Commission."

Share Exchange Agreement

The key terms of the SEA include the following:

- Ngwena Tanzania Limited (the holder of the Chilalo Project) will become an indirect wholly-owned subsidiary of Evolution;

- Evolution will issue to Marvel 50,000,000 Evolution shares (expected to have a value of \$10 million upon IPO) and, subject to completion of the Spin-out on the targeted metrics, pay Marvel \$2 million in cash. On the Spin-out and ASX listing of Evolution, the Evolution shares held by Marvel are expected to be subject to an ASX-imposed, 24-month escrow in accordance with the ASX listing rules; and
- Marvel will have the right to appoint one director to the board of Evolution (for so long as Marvel holds 10% or more of all Evolution Shares or for one year post ASX listing of Evolution, whichever is the longer period). The Marvel appointee to the Evolution board is expected to be Phil Hoskins.

An in-specie distribution of Marvel's future shareholding in Evolution is not currently being proposed in connection with the Spin-out. However, the Board is considering the possibility of an in-specie distribution, amongst the other options available to it, and may in the future seek shareholder approval (and an ASX waiver) to pursue an in-specie distribution of some or all of the Evolution shares that Marvel will ultimately hold following the Spin-out.

Status of the Spin-out

The Spin-out of Chilalo was approved by Marvel shareholders at a general meeting held in June 2021.

Whilst the Spin-out is well-advanced, it remains subject to a number of conditions, both as a function of the terms of the SEA as well as regulatory matters, including:

- Final approval of the Marvel board to proceed with the Spin-out.

The Marvel board has committed to progress the Spin-out and ASX listing of Evolution, with Marvel shareholders approving the spin-out of Chilalo at a general meeting held in June 2021. However, under the terms of the SEA, the Marvel board will take a final decision to proceed with the Spin-out following FCC approval.

- Receipt of FCC approval.

The FCC is a government institution responsible for promoting and protecting effective competition in trade and commerce and protecting consumers from unfair and misleading market conduct. Its functions include assessing transactions that include a change of ownership of a Tanzanian entity to ensure no adverse impact on competition and market power and providing its consent for change of ownership transactions to proceed. As the proposed IPO has no impact on competition and market power, the Company does not anticipate any issue in obtaining the consent of the FCC. It is expected that Evolution will lodge a prospectus with ASIC promptly following the receipt of FCC approval.

- Successful Evolution capital raising of \$22 million (gross proceeds).
- Approval from ASX for the listing of Evolution on ASX.

Whilst Marvel and Evolution are working hard to give effect to the Spin-out as soon as possible, for so long as the Spin-out remains subject to regulatory approvals (including the FCC) and the success of the offer of Evolution shares, there can be no assurances that the Spin-out will successfully complete, nor that the value currently anticipated to be derived by Marvel from the Spin-out will be obtained.

Timetable

If Tanzania FCC approval is secured in mid-August, it is expected Evolution will lodge a prospectus promptly thereafter. Subject to receipt of all necessary regulatory approvals, commencement of trading of Evolution shares on ASX would be anticipated around the end of September or early October 2021.

Joint lead managers

Evolution has appointed Chieftain Securities Pty Ltd and Ashanti Capital Pty Ltd as joint lead managers to the Spin-out.

This announcement has been approved for release by the Board.



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REFERENCE TO PREVIOUS ASX ANNOUNCEMENTS

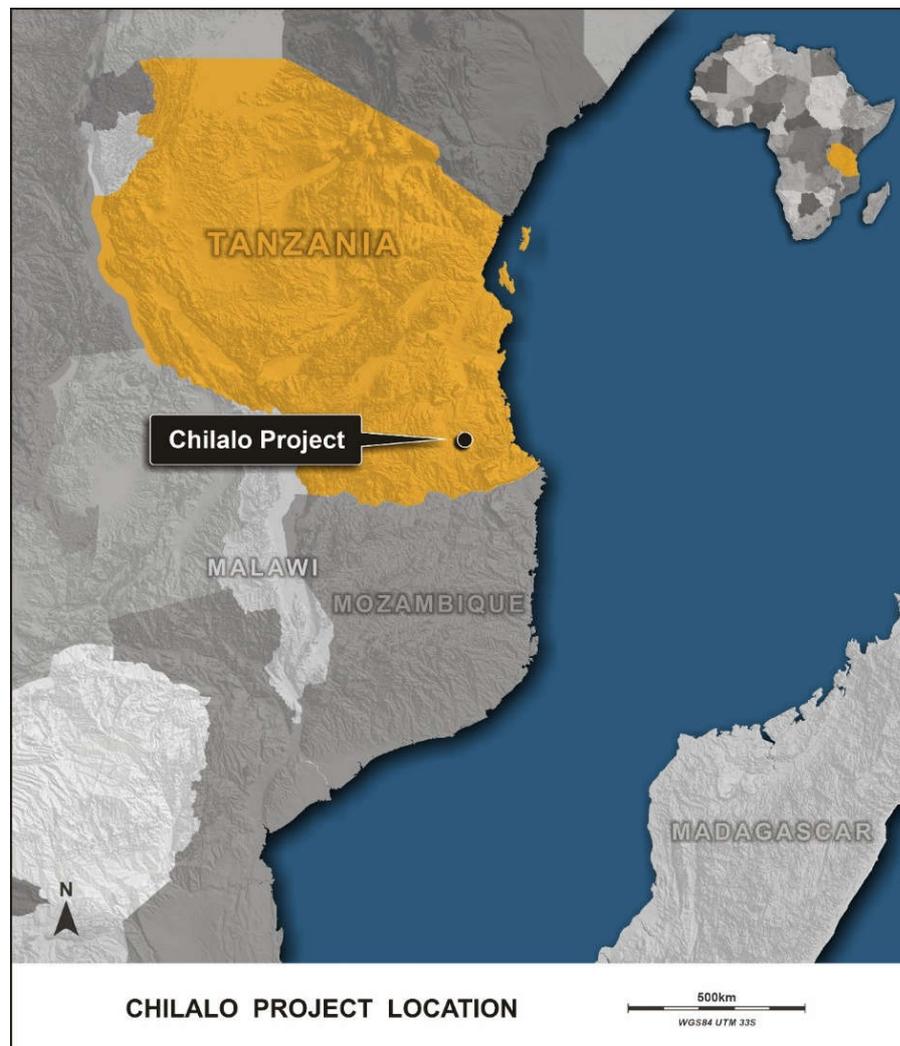
In relation to the announcement of the Tabakorole Mineral Resource estimate on 30 September 2020, the Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource in that announcement continue to apply and have not materially changed.

In relation to the announcement of the Chilalo Project Mineral Resource estimate on 28 August 2019, the Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource in that announcement continue to apply and have not materially changed.

ABOUT THE CHILALO PROJECT

The Chilalo Project is located in south-eastern Tanzania, East Africa, 100 km north of the border with Mozambique, approximately 180 km west of the coastal port city of Mtwara on the Indian Ocean and 400 km south of Tanzania's largest city, Dar es Salaam as shown in Figure 1 below. The property is situated in the Ruangwa District of the Lindi Region.

Figure 1. Location of the Chilalo Graphite Project



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 Table 1. For further information on the mineral resource estimate for the Chilalo Project, see ASX announcement dated 28 August 2019.

Table 1. Chilalo Project Mineral Resource Estimate *

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

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

ABOUT MARVEL GOLD

Marvel Gold Limited is an Australian resources company listed on the Australian Securities Exchange under stock code MVL. Marvel Gold is a Mali-focused gold explorer with advanced gold exploration projects and extensive landholdings in South and West Mali (see Figure 2).

The Tabakorole Gold Project has a JORC Mineral Resource of **910,000oz grading 1.2 g/t gold** (see ASX announcement dated 30 September 2020), with strong growth prospects along strike and via regional prospectivity over an extensive 830km² landholding. Tabakorole is held through 100%-owned licences as well as two separate joint ventures, with Oklo Resources Limited (ASX: OKU) (**Oklo JV**), in which the Company holds an 80% interest) and with Altus Strategies plc (**Altus JV**), in which the Company currently holds a 51% interest.

Marvel also owns 100% of the Chilalo Graphite Project, a world-class fully permitted graphite project in south-east Tanzania. With expenditure to date exceeding A\$21M, a completed DFS and a management team with substantial graphite market knowledge and IP, Chilalo has the potential for near-term development. The Company has announced the intention to spin-out Chilalo into a newly created company, Evolution Energy Minerals Limited.

Marvel Gold has an experienced board and management team with specific skills, and extensive experience, in African based exploration, project development and mining.

Table 2: Tabakorole Mineral Resource Estimate (JORC 2012)

	Indicated			Inferred			Total		
	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)
Oxide	1.0	1.3	40	1.5	1.3	60	2.4	1.3	100
Fresh	6.3	1.2	250	15.1	1.2	560	21.5	1.2	810
Total	7.3	1.2	290	16.6	1.2	620	23.9	1.2	910

Note: Reported at a cut-off grade of 0.6 g/t Au, differences may occur due to rounding.

Figure 2. Mali Gold Projects Location Map

