MARVEL GOLD LIMITED
ACN 610 319 769

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Emerald House, 1202 Hay Street, West Perth on Friday, 11 June 2021 at 10.00am (WST).

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9200 4960.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

MARVEL GOLD LIMITED
ACN 610 319 769

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Marvel Gold Limited (**Marvel** or **Company**) will be held at 10.00am (WST) on Friday, 11 June2021 at Emerald House, 1202 Hay Street, West Perth, Western Australia (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4:00 pm (WST) on Wednesday, 9 June 2021.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined either where first used or in Schedule 1.

AGENDA

1. Resolution – Spin-out of the Chilalo Graphite Project

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That the Proposed Spin-out Transaction, involving the issue of Evolution Shares (and, potentially, Evolution Options) by Evolution Materials Limited (to be renamed Evolution Energy Minerals Limited) (**Evolution**), a wholly-owned subsidiary of Marvel holding 100% of the Chilalo Graphite Project, is approved under and for the purposes of ASX Listing Rule 11.4.1(b) and for all other purposes, on the terms and conditions described in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any of the following persons:

(a) Evolution, and any other person who will obtain a material benefit as a result of the Proposed Spin-out Transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting on the resolution; and

    (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD

Stuart McKenzie
Company Secretary

Dated: 10 May 2021

MARVEL GOLD LIMITED
ACN 610 319 769

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10.00am (WST) on Friday, 11 June 2021 at Emerald House, 1202 Hay Street, West Perth, Western Australia.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the resolutions:

Section	Information item
Section 1:	Introduction
Section 2:	Action to be taken by Shareholders
Section 3:	Resolution – Spin-out of the Chilalo Graphite Project
Schedule 1:	Definitions

1.1 Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am on Friday, 11 June 2021 at Emerald House, 1202 Hay Street, West Perth, Western Australia.

1.2 Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

1.3 Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am WST on Wednesday, 9 June 2021.

1.4 Defined terms

Capitalised terms in this Notice of Meeting and Explanatory Memorandum are defined either in Schedule 1 or where the relevant term is first used.

1.5 Responsibility

This Notice of Meeting and Explanatory Memorandum have been prepared by the Company under the direction and oversight of its Directors.

1.6 ASX

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this document.

1.7 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (https://marvelgold.com.au). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the resolutions.

2.1 Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the enclosed proxy form to the Meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the Meeting to facilitate this registration process.

2.2 Voting by corporate representative

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with section 250D of the *Corporations Act 2001* (Cth). The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed. The appropriate "Appointment of Corporate Representative" form should be completed and produced prior to admission to the Meeting. This form may be obtained from the Company's share registry.

2.3 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited to attend the Meeting or, if they are unable to attend in person, they are encouraged to sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

(i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

(ii) a proxy need not be a member of the Company; and

(iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);

(ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;

(iii) if the proxy is the chair of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

(i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a Meeting of the Company's members;

(ii) the appointed proxy is not the chair of the Meeting;

(iii) at the Meeting, a poll is duly demanded on the resolution; and

(iv) either the proxy is not recorded as attending the Meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of the resolution unless the Shareholder has expressly indicated a different voting intention.

2.5 Lodgement of proxy documents

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on Wednesday, 9 June 2021.

Any proxy form received after that time will not be valid for the scheduled Meeting. Proxies should be returned as follows:

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.6 Voting exclusions

Pursuant to the requirements of the ASX Listing Rules, certain voting exclusions apply in relation to the resolution. Please refer to the Notice and to discussion of the relevant resolutions below for details of the applicable voting exclusions.

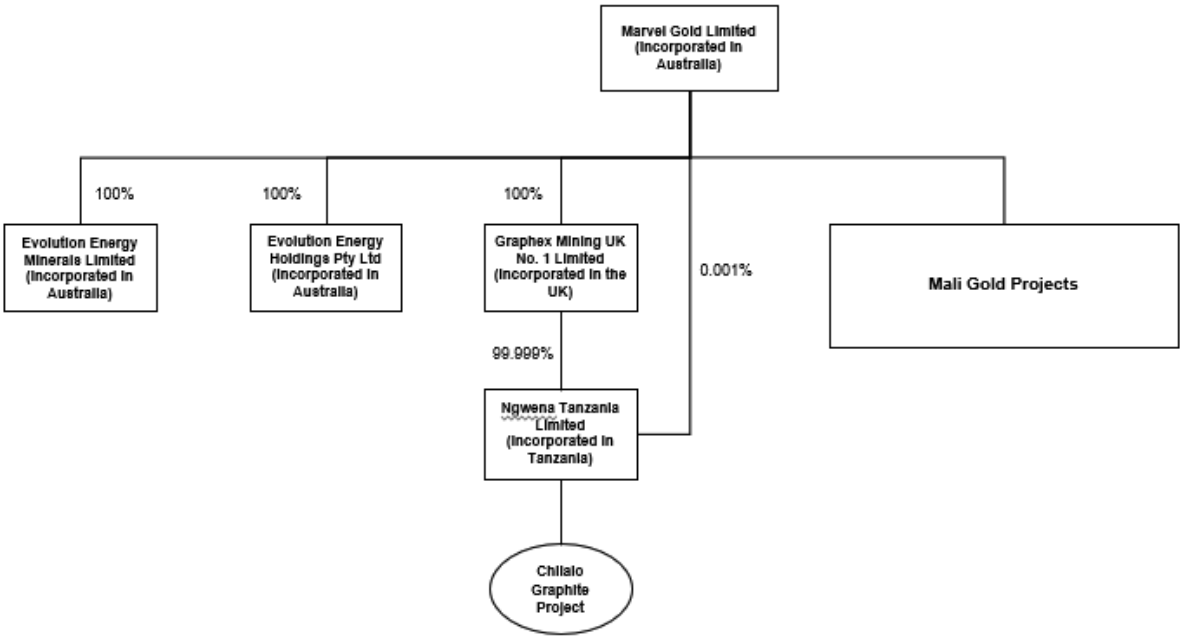
3. Resolution – Spin-out of the Chilalo Graphite Project

3.1 Background

In July 2020, the Company obtained shareholder approval for the acquisition of an earn-in and joint venture interest in respect of the Lakanfla and Tabakorole gold exploration projects in Mali, following which the Company increased its landholdings through incremental tenure acquisitions and joint venture and option arrangements over gold exploration projects (**Mali Gold Projects**).

At that time, Marvel also restructured its financing arrangements with the Lender, which were entered into in connection with the advancement of its Chilalo Graphite Project in Tanzania (**Chilalo Graphite Project**). Under those financing arrangements, the Lender is currently owed approximately $9.5 million (**Loan Note Debt**), which is, in effect, secured against the Chilalo Graphite Project and repayable on 29 October 2022.

Marvel currently holds earn-in and joint venture interests in the Mali Gold Projects and 100% of the Chilalo Graphite Project, as represented in the following corporate structure diagram (which includes a newly incorporated public company, Evolution Materials Limited (to be renamed Evolution Energy Minerals Limited) (**Evolution**), wholly-owned by Marvel):



3.2 Proposed Spin-out Transaction

In order to realise value for the Chilalo Graphite Project with a view to repaying the Loan Note Debt, Marvel is proposing to undertake a "spin-out" of the Chilalo Graphite Project by way of:

1 an internal corporate restructure involving the acquisition of the Chilalo Graphite Project by Evolution; and

2 the issue by Evolution of Evolution Shares (and, if any, Evolution Options) to investors (**IPO Investors**) as part of an initial public offering and listing on ASX (**IPO**),

(the internal corporate restructure and the IPO together comprising the **Proposed Spin-out Transaction**).

Internal corporate restructure

Marvel has incorporated Evolution and Evolution Energy Holdings Pty Ltd (**Evolution HoldCo**) as Australian companies for the purpose of undertaking an internal restructure, following which Evolution will hold (indirectly) all of Marvel's interests in the Chilalo Graphite Project.

To give effect to the internal restructure and to facilitate the Proposed Spin-out Transaction, Marvel and Evolution will enter into a share exchange agreement pursuant to which Marvel will transfer the Chilalo Graphite Project to Evolution (**Share Exchange Agreement**).

Under the terms of the Share Exchange Agreement:

(a) Marvel will transfer all of the shares it holds in Graphex Mining UK No.1 Limited to Evolution HoldCo, after which Marvel will transfer all of the shares it holds in Evolution HoldCo to Evolution, following which Ngwena Tanzania Limited

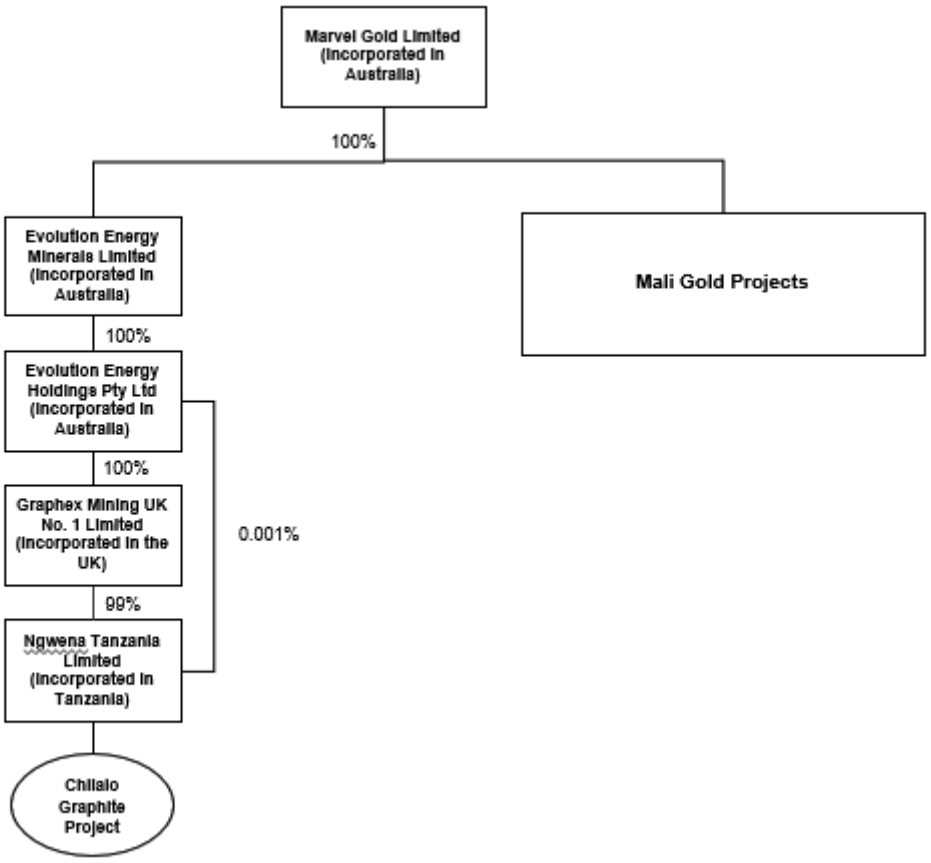
(the holder of the Chilalo Graphite Project) will become an indirect wholly-owned subsidiary of Evolution; and

(b) Evolution will issue to Marvel a to-be-determined number of Evolution Shares (the number of Evolution Shares will be determined by reference to the valuation attributed to the Chilalo Graphite Project in the lead-up to the IPO but, in any event, is expected to be a number that falls within the percentage ownership range set out in the "Indicative capital structure" table below in this Section 3.2).

Completion under the Share Exchange Agreement will occur prior to the issue of the IPO prospectus, provided that the Resolution is approved by Shareholders.

Under the Share Exchange Agreement, 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 1 year post ASX listing of Evolution, whichever is the longer period) and the parties will agree to a customary 'wrong pockets' clause with a view to facilitating the separation of Marvel and Evolution.

On completion of the Share Exchange Agreement, the Marvel corporate group will be as follows:



IPO and proposed use of proceeds

Marvel is currently targeting an IPO to raise a minimum of $13 million (before costs), with the potential to accept over-subscriptions.

Marvel and Evolution are working towards the IPO being underwritten, but at the date of this Notice no lead manager or underwriting arrangements have been confirmed.

On a $13 million raising (before costs) by Evolution:

- $6.5 million will be applied to the repayment of Loan Note Debt, resulting in the outstanding Loan Note Debt being reduced to $3 million (prior to conversion to Evolution Shares – see Section 3.3); and
- $6.5 million (before costs) will be available to Evolution for the advancement of the Chilalo Graphite Project and for working capital purposes.

It is anticipated that proceeds from over-subscriptions under the IPO (if any) will be applied, as a priority, to further pay down the Loan Note Debt in cash.

Indicative capital structure

Evolution's capital structure on completion of the Proposed Spin-out Transaction remains subject to confirmation of (i) the valuation to be ascribed to the Chilalo Graphite Project (to be agreed between Evolution and Marvel) and (ii) the amount of capital to be raised by Evolution as part of the proposed IPO. Subject to the confirmation of these variables, Evolution's indicative capital structure (on the basis of a minimum raising (before costs) of $13 million, or potential higher raisings of $16 million and $20 million, both of which would result in the Loan Note Debt being fully repaid in cash) is set out below. All figures in the following table are indicative only and subject to change:

	Number of Evolution Shares (undiluted %) @ $0.20 issue price					
	$13m raising		**$16m raising**		**$20m raising**	
	Minimum anticipated Chilalo valuation	**Maximum anticipated Chilalo valuation**	**Minimum anticipated Chilalo valuation**	**Maximum anticipated Chilalo valuation**	**Minimum anticipated Chilalo valuation**	**Maximum anticipated Chilalo valuation**
Marvel	40.0m (33.3%)	60.0m (42.9%)	40.0m (33.3%)	60.0m (42.9%)	40.0m (28.6%)	60.0m (37.5%)
Lender	15.0m (12.5%)	15.0m (10.7%)	0.0 (0.0%)	0.0 (0.0%)	0.0 (0.0%)	0.0 (0.0%)
IPO Investors	65.0m (54.2%)	65.0m (46.4%)	80.0m (66.7%)	80.0m (57.1%)	100.0m (71.4%)	100.0m 62.5%)
Total	**120.0m (100.0%)**	**140.0m (100.0%)**	**120.0m (100.0%)**	**140.0m (100.0%)**	**140.0m (100.0%)**	**160.0m (100.0%)**

The indicative capital structure outlined above should be read subject to the following matters:

- The ranges outlined take into account currently anticipated valuation ranges for the Chilalo Graphite Project of $17.5 million – $21.5 million. However, if market conditions change or the minimum anticipated valuation is not ultimately supported in the IPO, Marvel's holding of Evolution Shares may be less than what is represented in the table above.
- If more than $13 million and less than $16 million is raised under the IPO (before costs), the Lender is entitled to receive a cash payment (in lieu of Evolution Shares) by way of repayment of the $3 million balance of the Loan Note Debt. Refer to Section 3.3.

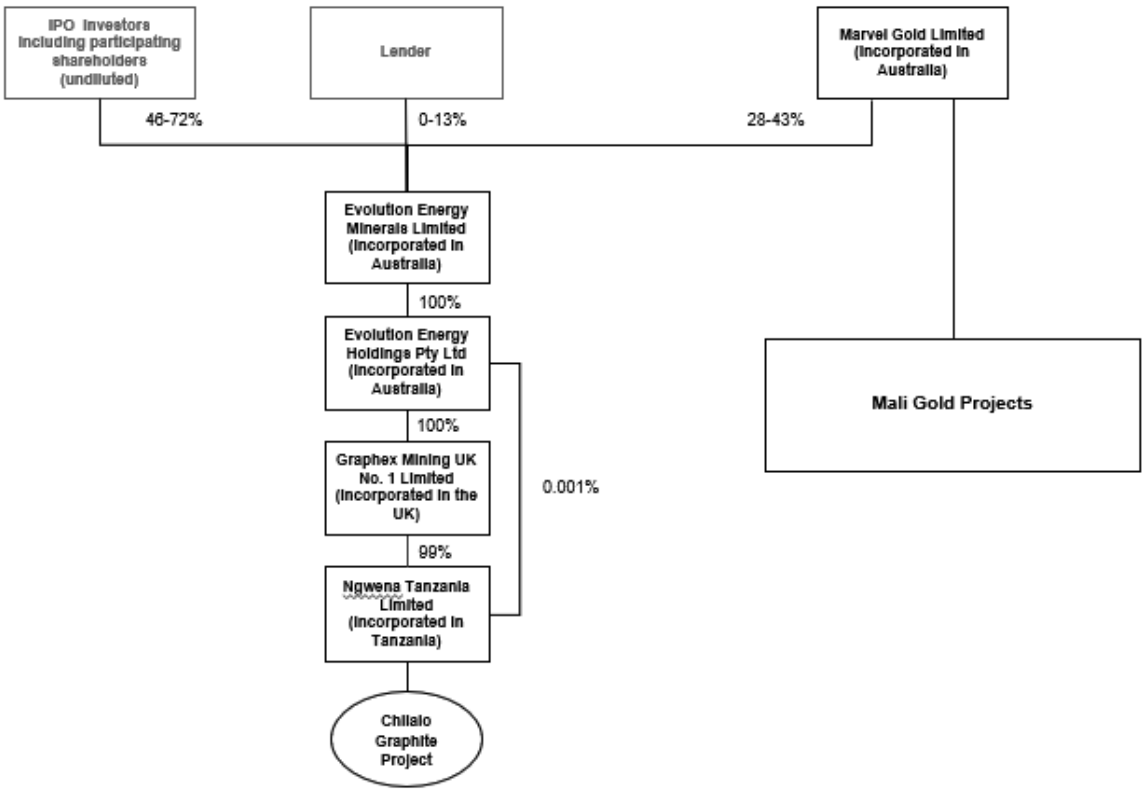
- The indicative capital structure is presented on an undiluted basis, prior to any dilutionary impact that may arise from the future issue of Evolution Shares, including in connection with the following:

  (i) any Evolution Options offered to investors in connection with the IPO;

  (ii) Evolution Shares and/or Evolution Options that may be issued to a lead manager or underwriter under the IPO – these arrangements are yet to be finalised; and

  (iii) the issue of Evolution Options that may be issued by way of equity incentives to Evolution personnel (executives and directors) - these arrangements are yet to be finalised.

On completion of the Proposed Spin-out Transaction, the Marvel and Evolution corporate groups will be as follows (on an undiluted basis):



3.3 Lender arrangements

The Lender has consented to Marvel progressing the Proposed Spin-out Transaction, and has agreed for its security arrangements to be released and then effectively assumed by Evolution HoldCo in consideration for Evolution:

(a) applying $6.5 million of the funds raised under the IPO toward repayment of the Loan Note Debt; and

(b) issuing Evolution Shares to the Lender to the value of $3 million (at the IPO price),

such that the Loan Note Debt will be reduced to nil (and all security held by the Lender will be released) on completion of the Proposed Spin-out Transaction.

If more than $13 million (before costs) is raised under the IPO, unless Evolution and the Lender agree otherwise, the Lender will be paid $1 cash for every $1 raised under the IPO in excess of $13 million, resulting in an equivalent reduction of the obligation to issue Evolution Shares to the Lender. If, for example, $16 million (before costs) is raised under the IPO, no Evolution Shares will be issued to the Lender and the Loan Note Debt will be fully repaid in cash from the proceeds of the IPO.

The Lender has also agreed to a pause in the accumulation of interest on the Loan Note Debt, with effect from 16 February 2021 (**Interest Pause Date**), subject to the IPO being completed by 15 August 2021.

Evolution has granted the Lender the right to appoint one director to the board of Evolution for so long as the Lender (and its affiliates) holds 10% or more of all Evolution Shares.

If the IPO is not completed by 15 August 2021, the Loan Note Debt that remains outstanding at that time will remain payable, the Lender's security will remain in place and interest accruals (with effect from the Interest Pause Date) will resume.

3.4 Potential cornerstone investor

The Company and Evolution are in discussions with institutional investors regarding the potential for cornerstone participation in the IPO. If these discussions are successfully concluded, it may result in one or more investors "corner-stoning" the IPO, and securing a substantial shareholding (potentially of up to approximately 25%) in Evolution.

3.5 IPO of Evolution and Priority Offer to Marvel shareholders

Intention to undertake IPO

In accordance with the ASX Listing Rules and ASX guidance, the Company provides Shareholders with information regarding Evolution's intention to undertake the IPO to facilitate admission to the official list of the ASX. However, Shareholders are advised that Evolution is only in the preliminary stages of the IPO process and all information provided in this Explanatory Memorandum and the Notice regarding the IPO and ASX admission plans is indicative only and, accordingly, is subject to change.

As at the date of this Notice, Evolution proposes to conduct the IPO with a view to listing on ASX by not later than July 2021.

The funds raised under the IPO are expected to be used to repay not less than $6.5 million of the Loan Note Debt, to fund expenditure associated with the advancement of the Chilalo Graphite Project, for working capital as an ASX listed entity (including to cover the costs of the Proposed Spin-out Transaction), and (to the extent possible as a result of subscriptions above the proposed $13 million minimum raising) make a cash payment to the Lender on account of the $3 million balance of the Loan Note Debt.

Priority Offer

Shareholders who are eligible (being Shareholders in Australia and in such other overseas jurisdictions as Evolution will determine) (**Eligible Marvel Shareholders**) will be given the priority opportunity to participate in the IPO of Evolution (**Priority Offer**), up to an aggregate value of $2 million (**Priority Offer**). If Shareholders were to subscribe for the full value available under the Priority Offer, Shareholders would collectively hold between approximately 6% and 7% of Evolution post IPO (on an

undiluted basis, based on a raising of between $13 million and $20 million (before costs)).

To the extent that demand under the Priority Offer exceeds $2 million, Evolution will:

- ensure all Eligible Marvel Shareholders that apply receive a $2,000 parcel of Evolution Shares (even if this means the aggregate value of the Priority Offer will exceed $2 million);[1]
- allocate Evolution Shares under the Priority Offer taking into account the relative value of Evolution Shares applied for and the relative value of the Eligible Marvel Shareholders' holdings of shares in Marvel at the Record Date; and
- treat an application received from an Eligible Marvel Shareholder that is not fully satisfied under the Priority Offer as an application under the general IPO offer.

Other matters

An in-specie distribution to Shareholders of Evolution Shares held by the Company is not currently being proposed in connection with the Proposed Spin-out Transaction. However, the Board is considering this possibility, amongst the other options available to it, and may in the future seek shareholder approval to pursue an in-specie distribution of some or all of the Evolution Shares that Marvel ultimately holds following the IPO.

If the IPO proceeds, it will be undertaken by Evolution. Evolution will be the issuer of Evolution Shares (and, if any, Evolution Options) under the IPO, and a prospectus for the offer of such securities will be issued by Evolution. Anyone wishing to participate in the IPO, including Marvel Shareholders under the proposed priority offer, will need to complete an application form that will accompany the IPO prospectus.

3.6 Indicative timetable

The Proposed Spin-out Transaction is currently expected to proceed in accordance with the following indicative timetable:

Event	Date
Despatch Notice of Meeting	11 May 2021
Evolution lodges prospectus with ASIC and ASX	June 2021
General Meeting to approve the Spin-Out of the Chilalo Graphite Project	11 June 2021
IPO closing date	July 2021
Issue of Evolution Shares pursuant to IPO, commencement of trading on ASX	July 2021

Note: these dates are indicative only and are subject to change.

3.7 Summary of Listing Rule 11.4.1(b)

Under Listing Rules 11.4 and 11.4.1, a listed company can only spin out a major asset if:

[1] Subject to Evolution exercising its discretion where there is evidence or suspicion of manipulation.

(a) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the Company, or in another way that, in ASX's opinion, is fair in all the circumstances; or

(b) the Company's shareholders approve the spin-out.

The Proposed Spin-out Transaction (and each of its parts, being the internal corporate restructure and the IPO) is regarded as a spin-out of a major asset for these purposes and paragraph (a) above does not apply, so it is a pre-condition to the Proposed Spin-out Transaction proceeding that Shareholders approve the Proposed Spin-out Transaction under paragraph (b) above.

The Resolution is an ordinary resolution seeking Shareholder approval for the Proposed Spin-out Transaction under and for the purposes of ASX Listing Rule 11.4.1(b). The Resolution will be passed if it is approved by a simple majority of Shares voted.

If the Resolution is passed:

(a) Marvel will proceed with the Proposed Spin-out Transaction with a view to focussing exclusively on its Mali Gold Projects; and

(b) Evolution will progress the IPO.

If the Resolution is not passed, Marvel will:

(a) continue to advance its Mali Gold Projects;

(b) not be able to proceed with the Proposed Spin-out Transaction in its currently proposed form;

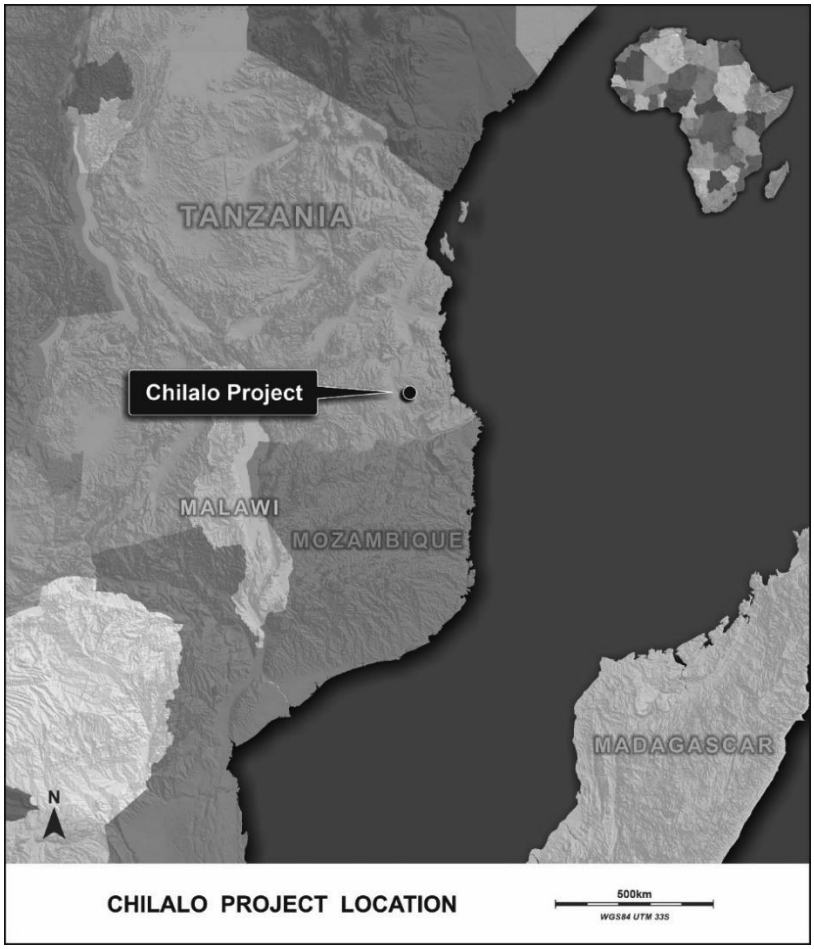
(c) investigate other opportunities to source funds for the repayment of the Loan Note Debt (which is repayable on 29 October 2022); and

(d) have an increasing obligation to the Lender as interest on the Loan Note Debt will resume accruing.

3.8 Chilalo Graphite Project

The Chilalo Graphite 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. The property is situated in the Ruangwa District of the Lindi Region.

Figure 1. Location of the Chilalo Graphite Project



The Chilalo Graphite Projects 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 Graphite Project, see ASX announcement dated 29 January 2020.[2]

Table 1. Chilalo Graphite 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**
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.

[2] The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement of the Chilalo Graphite Project Mineral Resource estimate on 29 January 2020 and that all material assumptions and technical parameters underpinning the Mineral Resource in that announcement continue to apply and have not materially changed.

The Ore Reserve estimate for the Chilalo Graphite Project is summarised in Table 2 below. For further information on the Chilalo Graphite Project Ore Reserve estimate, see ASX announcement dated 29 January 2020.[3]

Table 2: Chilalo Graphite Project Ore Reserve Estimate

Deposit	JORC Code classification	Tonnes (Mt)	Grade TGC (%)	Contained Graphite (Kt)
Chilalo	Proved	-	-	-
	Probable	9.2	9.9	878
Total		**9.2**	**9.9**	**878**

A definitive feasibility study was completed by Marvel in January 2020 (**DFS**) and announced to the ASX on 29 January 2020.

Extensive testwork has confirmed that Chilalo product:

(a) produces a very high proportion of coarse flake graphite at target purity levels;

(b) is capable of achieving a purity level of >99% Loss on Ignition (LOI) through standard flotation with no chemical intervention (not commercially available in current global graphite market); and

(c) is suitable for a multitude of high-value applications.

The DFS positioned the Chilalo Graphite Project as the basis for a vertically integrated manufacturer of high-value graphite products, as opposed to a graphite mining company.

3.9 Value of the Chilalo Graphite Project

Value of the Chilalo Graphite Project

The Chilalo Graphite Project had a carrying value of $5 million in Marvel's half-year financial statements (as at 31 December 2020). In accordance with Marvel's accounting policies, this value represents the cost of acquisition which was capitalised, whereas ongoing exploration and project development expenditure since acquisition has been expensed through the Profit and Loss account.

Estimated current market value of the Chilalo Graphite Project

There are a number of ways to measure the market value of a mineral deposit or resources project, depending on its stage of development, including:

- Historical cost method – This method is generally used for earlier stage assets. Marvel has spent approximately $21 million on the Chilalo Graphite Project.

- "See-through" value method – This method can be used to ascribe a value for the assets within Marvel's market capitalisation of (as at 30 April 2021)

[3] The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement of the Chilalo Graphite Project Ore Reserve estimate on 29 January 2020 and that all material assumptions and technical parameters underpinning the Ore Reserve in that announcement continue to apply and have not materially changed.

approximately $27 million. Adjusting for the Loan Note Debt of $9.5 million and estimated cash of $3.2 million, the market is impliedly valuing Marvel's assets at $33.3 million. If, for illustrative purposes only, a value of $25 million were to be ascribed or allocated to the Mali Gold Projects (by the market or by reference to some other objective valuation metric), this would imply that the market is currently valuing the Chilalo Graphite Project at $8.3 million. The Company's belief that, for a variety of reasons, the full value of Chilalo is not being reflected in Marvel's share price has contributed to the Board's decision to pursue the Proposed Spin-out Transaction.

3.10 Impact of Proposed Spin-out Transaction on Marvel

The indicative financial impact of the Proposed Spin-out Transaction on Marvel is outlined in the following summary table:

	Total assets	Total equity interests	Cash expenditure	Cash expenditure from operating activities
As at 31 December 2020				
Total (all of Company)	$11.99M	$3.97M	$5.62M	$4.51M
Chilalo Graphite Project contribution	$5.06M	N/A	$0.21M *	$0.20M *
Chilalo Graphite Project percentage	42%	N/A	4%	4%

* The Mali Gold Projects were acquired by Marvel in July 2020. These figures are based on Marvel's half yearly report (as at, and for the 6 month period ending on, 31 December 2020) to reflect the impact of the Proposed Spin-Out Transaction on Marvel as a holder of an interest in the Mali Gold Projects and the Chilalo Graphite Project.

The impact to revenue, EBITDA and profit metrics of the Proposed Spin-out Transaction have not been presented given the absence of revenue from the Chilalo Graphite Project operations.

3.11 Impact of Proposed Spin-out Transaction on Shareholders

The Directors have assessed the advantages and disadvantages of the Proposed Spin-out Transaction (as set out below) and are of the view that the advantages outweigh the disadvantages.

Accordingly, the Directors believe the Proposed Spin-out Transaction is in the best interests of the Company.

Advantages

(a) (**Repayment of Loan Note Debt**) completion of the Proposed Spin-out Transaction will result in the Loan Note Debt being repaid in full.

(b) (**Mali Gold Projects**) the Proposed Spin-out Transaction will permit the Company to devote more attention and resources to the Mali Gold Projects, which the Company considers to be its core business with potential to generate future returns for Shareholders.

(c) (**Retain exposure to Chilalo Graphite Project**) the Company will retain a substantial interest in Evolution following the completion of the Proposed Spin-out Transaction, allowing the Company to retain exposure to the future upside in the Chilalo Graphite Project. Marvel will retain influence over Evolution by having the right to appoint a nominee director to the Evolution Board for a period of 1 year following the Proposed Spin-out Transaction (and thereafter for so long as it continues to hold 10% of more of all Evolution Shares).

(d) (**No dilution to Shareholders**) the Proposed Spin-out Transaction will not have any dilutionary effect on the Shareholders (in terms of Marvel's capital) as the Company is not issuing any securities in connection with the Proposed Transaction.

(e) (**No taxation effects on Shareholders**) the Company does not expect the Proposed Spin-out Transaction will have any adverse tax ramifications for Shareholders as it is occurring at the corporate level.

Disadvantages

(a) (**Reduced exposure to Chilalo Graphite Project**) the Company will no longer hold a 100% interest in the Chilalo Graphite Project, though the Company will retain a substantial economic exposure to the asset.

(b) (**Conditional IPO**) a listing on the ASX is subject to various regulatory requirements and conditions. There is no guarantee that the IPO will be successful and/or that Shareholders will ultimately have the opportunity to participate in the IPO, or if Shareholders do participate that they will realise value in any Evolution Shares acquired through the IPO.

(c) (**Costs**) The Company will incur costs (including legal, accounting and advisory costs) in giving effect to the Proposed Spin-out Transaction. In addition, if the Proposed Spin-out Transaction is implemented, 2 separate ASX-listed corporate groups will exist which will involve some duplication of administrative costs.

3.12 Directors' recommendation

After due consideration of the advantages and disadvantages set out above, the Directors unanimously recommend that Shareholders vote in favour of the Resolution.

4. Enquiries

Shareholders are requested to contact Marvel's company secretary, Mr Stuart McKenzie on +61 8 9200 4960 if they have any queries in respect of the matters set out in this Notice.

Schedule 1 – Definitions

$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Chilalo Graphite Project means the Company's flake graphite project located in south-east Tanzania, described in Section 3.8.

Company or **Marvel** means Marvel Gold Limited (ACN 610 319 769).

Corporations Act means the *Corporations Act 2001* (Cth).

DFS means has the meaning set out in Section 3.8.

Directors means the current directors of the Company.

Evolution means Evolution Materials Limited (ACN 648 703 548) (to be renamed Evolution Energy Minerals Limited).

Evolution HoldCo means Evolution Energy Holdings Pty Ltd (ACN 649 155 902).

Evolution Share means an ordinary share in the capital of Evolution.

Evolution Option means an option to acquire an Evolution Share.

Explanatory Memorandum means the explanatory statement accompanying the Notice.

Graphex UK means Graphex Mining UK No.1 Limited, a wholly-owned subsidiary of Marvel as at the date of this Notice.

Interest Pause Date has the meaning set out in Section 3.3.

IPO has the meaning set out in Section 3.2.

IPO Investors has the meaning set out in Section 3.2.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition).

Lender means fund entities managed by Castlelake, L.P.

Listing Rules means the rules of the ASX that apply with respect to the Company's Equity Securities and the Company's conduct.

Loan Note Debt means the amount outstanding, or agreed as being outstanding, under the debt obligations owed by Graphex UK to the Lender from time to time.

Mali Gold Projects has the meaning set out in Section 3.1.

Meeting means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of Meeting including the Explanatory Memorandum and the Proxy Form.

Proposed Spin-out Transaction has the meaning set out in Section 3.2.

Proxy Form means the proxy form accompanying the Notice.

Record Date means the record date set by Directors in accordance with Section 1.3.

Resolution means the proposed resolution set out in the Notice.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Exchange Agreement has the meaning set out in Section 3.2.

Shareholder means a registered holder of Shares.

WST means Western Standard Time as observed in Perth, Western Australia.

Marvel Gold Limited
ABN 77 610 319 769

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST) on Wednesday, 9 June 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 185193

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Marvel Gold Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Marvel Gold Limited to be held at the Emerald House, 1202 Hay Street, West Perth, WA 6005 on Friday, 11 June 2021 at 10:00 AM (AWST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	Spin-out of the Chilalo Graphite Project	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	**Securityholder 2**	**Securityholder 3**	
			/ /
Sole Director & Sole Company Secretary	**Director**	**Director/Company Secretary**	**Date**

Update your communication details *(Optional)*

Mobile Number _____

Email Address _____

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



Computershare