17 October 2025

COMPANY UPDATE

Evolve Power Limited ACN 623 236 831 (“**Company”)** is pleased to announce that its subsidiary Montem Resources Alberta Operations Ltd. (“**Montem**”), pursuant to the Definitive Agreement executed with the Government of Alberta on 26 September 2025, has agreed to discontinue its claim alleging, among other things, the de facto expropriation of its Chinook and Greenfield projects (which comprise all of its coal projects in Alberta save and except its Tent Mountain Project). Pursuant to the Definitive Agreement, HMK will pay Montem **CAD$95,000,000**, and the Company will surrender the Chinook and Greenfield Coal leases to the Government of Alberta, as well as transfer the Chinook Freehold Mineral Rights and all surface rights related to those projects to the Government of Alberta. The Chinook and Greenfield Coal leases and Freehold Mineral Rights to be transferred to Alberta represent all of Montem's Alberta coal assets, save and except for its Tent Mountain Project. The Board of Directors, based on legal advice, believe this settlement is the best possible outcome having regard to the Government’s actions and the impact on Montem.

The Government of Alberta has agreed to pay Montem **CAD$93,500,000** on or before 3 November 2025. It is a term of the Definitive Agreement that the Government of Alberta will retain **CAD$1,500,000** of the payment until reclamation works of exploration activities at the Chinook Project have been completed. These reclamation activities are underway and are scheduled to be completed by the end of 2025.

The Board of Directors has resolved to hold a Shareholder meeting to vote on an initial return of capital of up to **AUD$40,000,000**. This is approximately **AUD$0.1113/share**. This meeting will be held in November, and additional details, including the Notice of Meeting will be sent to shareholders in the coming days.

The Board of Directors has determined the amount of this initial return of capital having regard to other current and anticipated future liabilities that the Company and Montem is legally obligated to pay. These amounts include tax on the settlement proceeds which is or may become payable to Canadian and Australian tax authorities, the agreed payments to our dedicated litigation funders Wahl Citadel, legal and professional fees, and amounts needed to cover reclamation works to satisfy regulatory obligations. The Board of Directors has no current plans to grow the company with the proceeds from the settlement.

In the absence of other funding sources, Wahl Citadel provided the funding needed to litigate our claim against Alberta and Canada. As per their contract, they will receive approximately **AUD$36,500,000** to be paid from the settlement proceeds.

As soon as possible, and once the Board determines that remaining obligations of the company are met, the Board of Directors will update Shareholders on the potential for distribution of either additional or remaining funds to Shareholders.

This Company Update was authorised by the Board of Directors of Evolve Power Limited.

For any questions, please contact Peter Doyle pdoyle@evolvepower.ca