

Action Summary – 30 June 2026 - Analyst Theodore R. O’Neill

We are initiating coverage of Evolution Materials and Technologies with a Buy rating and \$12 PT. EMAT is a U.S.-based critical materials and advanced manufacturing company focused on building a secure supply chain for rare earth permanent magnets, battery materials, and related critical technologies. The company went public on January 6, 2026.

Huge demand for domestic production of rare earth magnets. On the first day of the new year, U.S. defense contractors will be locked out of incorporating products or components from China, North Korea and Russia that contain rare earth magnets. According to a published study by Arthur D. Little, the current demand for neodymium magnets in the U.S. is >50,000 metric tons and domestic production is less than one.

Years long technical and production headstart. EMAT has a huge technological moat because it has proven production and that can be brought to the U.S. There are competitive startups in the U.S. also going after these markets, however EMAT has been commercially producing magnets for 18+ years, has a certified product and sells to world class OEMs.

Large market opportunity. McKinsey forecasts the global Li-ion battery market will expand from 1,700 GWh in 2025 to 4,700 GWh by 2030 and 6,800 GWh by 2035. This translates into global pCAM demand of approximately 2.35 million tons by 2030 and 3.40 million tons by 2035. Against this backdrop, EMAT is positioning itself as one of the few large-scale ex-China producers of battery salts and pCAM, targeting a significant supply gap as OEMs increasingly localize critical battery material supply chains.

Rapid growth projections. The company has announced ambitious growth plans to meet a large portion of proven needs in the U.S., reaching 55,000 metric tons of different types of magnets and 78,000 metric tons of lithium battery cathode materials by 2029 from 660 metric tons today. Under our assumptions, the company would be profitable well before reaching those objectives, allowing for flexibility in expansion.

Attractive valuation. Considering the capital/share dilution needed to outfit its U.S. Technological Campus, the shares still appear attractive, and we show this in comparison to the discounted value of future earnings and their peers. Were it to trade to the average of peers on EV/EBITDA, the shares would trade closer to \$30.

6/29 price: \$6.70	Market cap: \$4.01B	2028 EV / EBITDA: 1.95x	2029 EV / EBITDA: 1.34x
Shares outstanding: 593.3MM	Insider ownership: 92%	3-mo. avg. trading volume: >100,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in \$ – Revenue in \$millions)

Period	EPS	Revenue	Op. Margin
1Q26A	(\$0.72)	\$1.88	NMF
2Q26E	(\$0.03)	\$2.10	NMF
3Q26E	(\$0.03)	\$2.40	NMF
4Q26E	(\$0.03)	\$3.50	NMF
FY26E	(\$0.81)	\$9.88	(710%)
FY27E	(\$0.09)	\$106.0	(56.0%)
FY28E	\$0.06	\$510.0	9%

Note: Numbers may not add due to rounding. See our full model at the back of this report.

Cash balance (in \$millions)

• 2025A	• \$11,685
• 2026E	• \$7,378
• 2027E	• \$92,941
• 2028E	• \$69,361

Short and long-term debt (in \$millions)

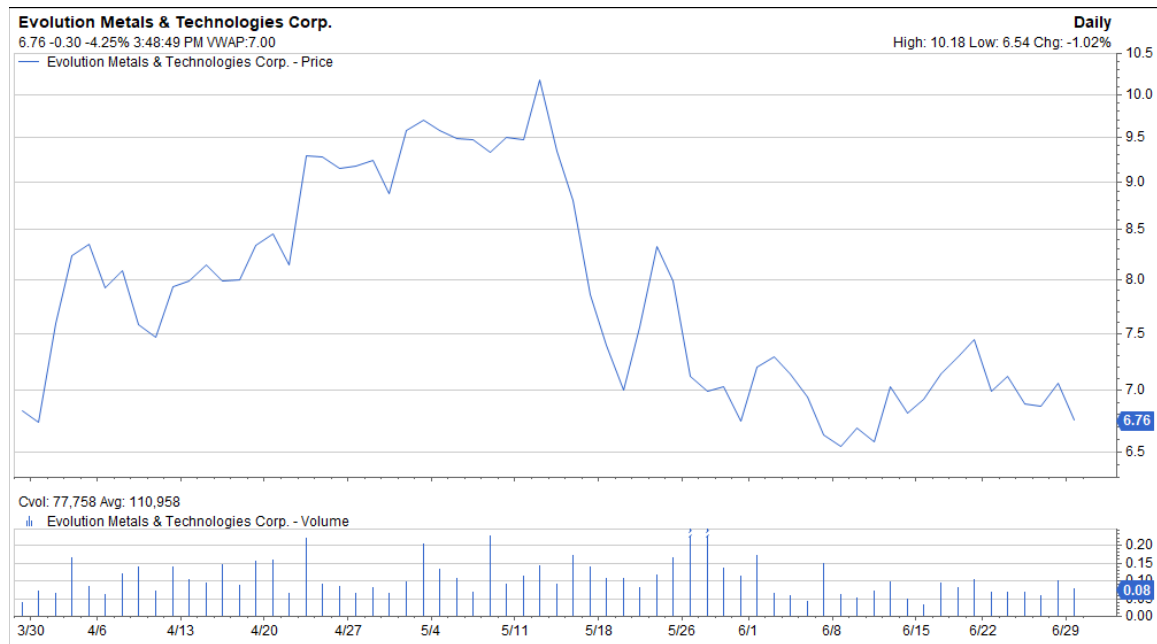
• 2025E	• \$0.5
• 2026E	• \$16.0
• 2027E	• \$16.0
• 2028E	• \$22.0

Risks/Valuation

- Risks include competition, state and federal government regulations, ability to buildout its U.S. campus, will need additional funding.
- Our \$12 target is derived using a discounted future earnings model.

Company description: Evolution Metals & Technologies Corp. is a U.S. based critical materials and advanced manufacturing company listed on Nasdaq. EMAT is focused on building a secure supply chain for rare earth permanent magnets, battery materials, and related critical technologies, leveraging proven commercial-scale operations, advanced processing technologies, and strategic partnerships. EM&T operates what it believes is the only known vertically stacked critical materials supply chain spanning from end-of-life electronics and batteries, as well as high-grade concentrates, through the manufacture of finished rare earth magnets, including high-performance rare earth magnets, and battery materials.

Figure 1 – Evolution Metals & Technologies Corp. – One-Year Trading snapshot



Source: FactSet

Investment Thesis

- 1) **We are initiating coverage of Evolution Metals and Technologies** with a Buy rating and \$12 PT. EMAT is a U.S. based critical materials and advanced manufacturing company focused on building a secure supply chain for rare earth permanent magnets, battery materials, and related critical technologies. The company went public Jan 6, 2026.
- 2) **Huge demand for domestic production of rare earth magnets.** U.S. government restrictions on imports from China will begin January 1, 2027. On the first day of the new year, U.S. defense contractors will be barred from incorporating products or components from China, North Korea and Russia that contain rare earth magnets unless they cannot find a domestic producer (Defense Federal Acquisition Regulation Supplement, DFARS 252.225.7052). According to a published study by Arthur D. Little, the current demand for neodymium magnets in the U.S. is >50,000 metric tons and domestic production is less than one.
- 3) **Years long technical and production headstart.** EMAT has a huge technological moat because it has proven production and that can be brought to the U.S. We believe competitors are years behind and here's why. The nature of making RE magnets and urban mining is extremely difficult to do profitably. To understand the difficulties in production, consider a car versus a semiconductor. Cars are made one at a time and if there is a problem along the way, production can stop and the problem can be corrected so that at the end, there is a finished car. Making a rare earth magnet is more like making

semiconductors. These are made in a batch with 1000s at the same time in a vacuum chamber. You don't know until the process is complete if any or all are unusable. The process requires tight production controls and is more art than science. There are competitive startups in the U.S. also going after these markets, however EMAT has been commercially producing magnets for 18+ years, has a certified product and sells to world class OEMs (see Figure 2). There is possibly no other viable competitor here outside of China already in commercial production.

Figure 2 – Evolution Metals & Technologies– Customers



Source: Company presentation

- 4) **Large market opportunity.** McKinsey forecasts the global Li-ion battery market will expand from 1,700 GWh in 2025 to 4,700 GWh by 2030 and 6,800 GWh by 2035, with more than 85% of incremental demand driven by Li-ion batteries for electric vehicles, energy storage systems, and industrial applications. This translates into global pCAM demand of approximately 2.35 million tons by 2030 and 3.40 million tons by 2035. Against this backdrop, EMAT is positioning itself as one of the few large-scale ex-China producers of battery salts and pCAM, targeting a significant supply gap as Western governments and OEMs increasingly localize critical battery material supply chains.
- 5) **National security issues.** China is using its dominance of rare earth elements to hold the rest of the world hostage. China has been ratcheting up export restrictions on both materials and finished goods containing Chinese sourced rare earth elements. This has become a national security issue in the U.S. as these materials and finished goods are used in many advanced civilian and military products. Specifically, China banned exports of terbium and dysprosium-bearing feedstock above 0.1% concentration in October 2025. This restricts ex-Chinese producers to low-temperature magnet applications and effectively forecloses access to high-performance traction-motor magnets, the highest-value segment of the market. Separately, management notes that Chinese-sourced rare earth oxide (e.g., neodymium/praseodymium) carries an embedded 13% VAT, a structural cost disadvantage for buyers outside China that does not apply to EMAT's recycled-feedstock model.
- 6) **Rapid growth projections.** The company has announced ambitious growth plans to meet a large portion of proven needs in the U.S., reaching 55,000 metric tons of different types

of magnets and 78,000 metric tons of lithium battery cathode materials by 2029 from 660 metric tons today. Under our assumptions, the company would be profitable well before reaching those objectives, allowing for flexibility in expansion. The sooner the company reaches its stated target, the better, but we don't find that rapid expansion is needed to reach breakeven.

- 7) **Attractive valuation.** Considering the capital/share dilution needed to outfit its U.S. Technological Campus, the shares still appear attractive. Were it to trade to the average of peers on EV/EBITDA, the shares would trade closer to \$30.

Business and Company Background

Evolution Metals & Technologies Corp. is a fully integrated critical materials and technology company focused on building a secure, reliable, and self-sustaining U.S.-aligned supply chain for critical minerals and materials (CMM), including rare earth elements (REE), primarily through the recycling of end-of-life materials aka urban mining. The technology, engineering teams, and production lines have operated at commercial scale for 18 years and we believe this gives EMAT a real execution advantage over every other Western competitor using established processes, not experimental technology.

The challenge facing the U.S. is that modern defense systems, electric motors, AI infrastructure, and energy technologies rely on rare earth magnets and battery materials. Yet global supply chains remain heavily concentrated overseas, creating exposure to export controls, geopolitical risk, and supply disruption. The United States lacks sufficient midstream processing and manufacturing capacity to meet growing demand.

EMAT's Solution: EMAT solves this bottleneck with a closed-loop, vertically integrated model that converts recycled materials into finished, high-value products. Its platform combines urban mining, advanced processing, and domestic manufacturing to rebuild critical materials capacity at a commercial scale.

Core Operations

- **Urban Mining:** Extracts valuable resources (oxides, metals, and battery-grade carbonates) through the closed-loop recycling of discarded electronics, batteries, and other waste products.
- **Manufacturing:** Produces high-performance rare earth permanent magnets and battery feedstocks for the defense, aerospace, automotive, and renewable energy sectors.
- **Global Footprint:** Integrates long-standing operating subsidiaries (over 18 years of commercial manufacturing experience) spanning the US and South Korea [Evolution Metals & Technologies Consummates

Technological Moat

At present, EMAT appears to be our best shot at solving a supply chain problem. Urban mining and conversion to end use products, such as rare earth magnets, are extremely difficult to do profitably. Speaking as an electrical engineer and someone who has covered the batch materials business, such as the making of semiconductors, thin-films and lithium-ion batteries, the

process has to be precise and repeatable. The advantage that EMAT has over, as far as we can see, every Western competitor is that it has already proved the process with qualified products being sold to tier-1 OEM customers from its manufacturing locations in Korea.

By bringing the technology to the U.S., it both jumpstarts the supply chain here and at the same time satisfies a U.S. government mandate that by the beginning of 2027, to not buy competing products from China and several other nations.

Their two-year production goals are to meet the demand domestically by:

- Replicate its operating magnet-manufacturing plants in South Korea to the U.S. using modular, already-validated technologies.
- Expand current capacity to 55,000 metric tons per year (tpa) of U.S. magnet capacity, representing ~30% of global demand outside China.
- Build 78,000 tpa capacity of battery-grade carbonates, sulfates, and precursor cathode active materials (pCAM) to support EV and energy-storage markets in the U.S.

For comparison, we list the competitors in Figure 3 and what government programs are partially funding them, and we believe that Noveon Magnetics is the closest comparable in that it has tier-one supply agreements, but none of these has 18 years' experience producing commercial magnets, the majority of these are smaller and government funding isn't enough to succeed in this industry – I cite the U.S. Government support of Solyndra as an example of technology that worked in small scale but couldn't achieve industrial production. Astropower is another relevant example.

Figure 3 – Evolution Metals & Technologies – Competing in the U.S. magnet industry

MAGNET MANUFACTURERS	SUPPORTING ENTITY	SUPPORT FORM	SUPPORT AMOUNT (US \$)	PROGRAM/SUPPORT FRAMEWORK
MP Materials	DoD	Capital participation (preferred stock) + warrant	\$400 M	PPP
		Loan	\$150 M	PPP (HREE separation expansion)
		Price guarantee	-	10-year price guarantee at \$110/kg
		Offtake agreement	-	10-year purchase guarantee for 100% of magnet production after 10x facility operation
USA Rare Earth	DoC	Grant LOI	Up to \$277 M	CHIPS program office LOI
		Senior secured loan LOI	Up to \$1.3 B	CHIPS program office LOI
Vulcan Elements	DoD	Conditional financing	\$620 M	OSC direct loan
	DoC	Capital participation	\$50 M	CHIPS-related package
		Grant LOI	\$50 M	CHIPS program office LOI
Noveon Magnetics	DoD	Grant	\$28.8 M	MCEIP
eVAC Magnetics	DoD	Grant	\$94.1 M	MCEIP

Source: Arthur D. Little, *Demand Surging for Rare Earth Magnets*, Viewpoint 2026

U.S. Industrial Campus Strategy

EMAT is developing a large-scale, integrated industrial campus in the United States designed to co-locate recycling, refining, and manufacturing operations across the rare earth magnet and battery materials value chain. This U.S. industrial campus is intended to serve as the Company's primary domestic manufacturing and processing hub, enabling tight operational integration between feedstock intake, hydrometallurgical and pyrometallurgical processing, oxide and metal production, pCAM, and finished magnet manufacturing. EMAT's U.S. industrial campus enables operational synergies across the full lifecycle of its products, including feedstock intake; hydrometallurgical and pyrometallurgical processing; production of oxides, metals, alloys, and powders; metallics; manufacturing of pCAM and finished bonded and sintered magnets; recovery and refining of battery materials; and the extraction of precious and base metals from end-of-life materials.

By consolidating these activities within a single industrial campus, EMAT believes it can reduce logistics complexity and inefficiencies, shorten production cycles, improve quality control, and enhance cost efficiency, while supporting secure domestic production for strategic end markets. The campus is designed to process multiple feedstock streams, including magnets, lithium-ion batteries, electronic scrap, and other secondary materials, and to produce finished products suitable for direct delivery to giga factories, defense suppliers, OEM customers, and smelters/refineries.

As part of its U.S. industrial campus strategy, EMAT plans to develop a large-scale hydrometallurgical processing facility in the United States designed to process recycled feedstock from magnets, batteries, and electronic scrap. EMAT intends for this facility to serve as a core component of its domestic midstream processing platform, supporting oxide production and downstream magnet manufacturing. EMAT believes that establishing domestic hydrometallurgical capacity is essential to reducing reliance on foreign processing infrastructure and enabling a closed-loop supply chain. EMAT's internal engineering team includes personnel with decades of experience in the design, construction, and operation of large commercial-scale hydrometallurgical facilities. EMAT believes that leveraging this operational experience reduces development and scale-up risk relative to first-time or greenfield entrants.

We believe EMAT is uniquely positioned to address structural supply constraints in U.S. rare earth magnet manufacturing and battery materials processing with lower execution risk and within a shorter timeframe than alternative approaches, due to its existing commercial operations, vertically integrated platform, and experienced management team.

We believe few, if any, companies outside of China possess comparable real-world, commercial-scale operating experience across both rare earth magnet manufacturing and critical battery midstream processing, including hydrometallurgical conversion of recycled materials into battery-grade intermediates.

Significant milestones

2007 — First Magnet Plant with 400 tpa capacity in South Korea.

2008 — Began selling Magnets to Ford, Hyundai, LG, Samsung and other global OEMs.

- 2021 — First NdPr Metal (144tpa) and NdPr Alloy (216tpa) plant in South Korea.
- 2022 — Began selling NdPr Alloy Powder to Mate (Japan), Kolektor (Slovenia), NS World (South Korea).
- 2024 — Second Magnet Plant with 260 tpa capacity in South Korea.
- 2026 — EMAT completes merger and acquisition of Korean magnet companies with listing on Nasdaq.
- 2026 – 2027 — EMAT Replicates Operating South Korea Magnet Plants in the U.S.

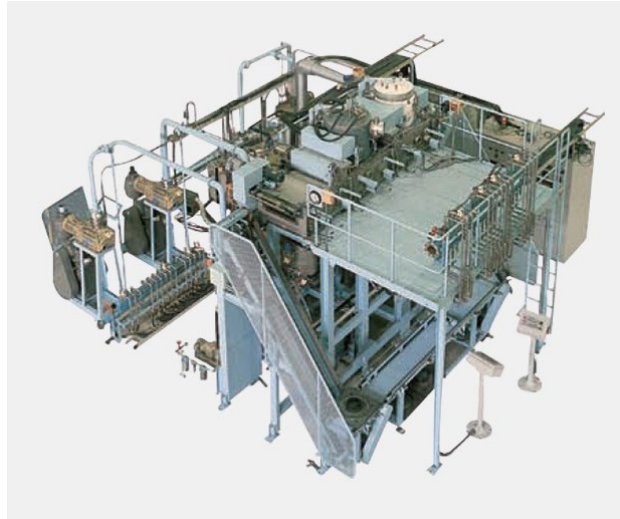
On May 13, 2026, EMAT entered into eight separate equipment supply contracts with ULVAC Korea, Ltd. for the purchase of vacuum induction melting furnaces and continuous vacuum sintering furnaces. The equipment is intended for use in the Company's rare earth metal and rare earth permanent magnet production operations. A summary of the equipment to be supplied under the eight Contracts with delivery by November 30, 2026, is shown in Figures 4-6.

Figure 4 – Evolution Metals & Technologies - Ulvac Vacuum heat treatment furnace



Source: Ulvac

Figure 5 – Evolution Metals & Technologies - Ulvac Vacuum Sintering Furnace



Source: Ulvac

Figure 6 – Evolution Metals & Technologies - Ulvac Magcaster/FMI Vacuum melting furnace



Source: Ulvac

Lithium-Ion Battery Materials Recycling Operations

EMAT's lithium-ion battery operations focus on the recycling of batteries and battery production scrap into intermediate materials suitable for reuse in battery manufacturing. Feedstock is processed into black mass, which is subsequently refined into battery-grade sulfates, carbonates, and precursor cathode active materials ("pCAM"). These materials are designed for direct sale to battery manufacturers and giga factories.

EMAT believes that integrating battery recycling with rare earth magnet processing creates operational synergies at the midstream level, particularly in hydrometallurgical processing, materials handling, and automation. The Company's battery materials operations are intended to support domestic battery supply chains while reducing dependence on imported critical battery inputs.

Feedstock Strategy: End-of-Life Electronic Scrap and Urban Mining

EMAT plans to source a significant portion of its rare earth feedstock from electronic scrap ("e-scrap"), including classified and unclassified materials generated by the U.S. government agencies and commercial markets. EMAT believes that classified e-scrap generated by U.S. government and defense-related agencies represents a long-duration, recurring source of end-of-life materials, driven by regular equipment refresh and replacement cycles. EMAT further believes that substantial quantities of such materials have historically been stockpiled or disposed of due to limited domestic recycling and processing solutions.

By focusing on end-of-life materials, EMAT believes its feedstock strategy reduces dependence on primary mining and avoids certain challenges associated with upstream extraction, including radioactive ore handling and waste management. EMAT believes that processing recycled feedstock simplifies downstream conversion into rare earth magnets and supports the retention of critical materials within the United States that would otherwise be exported or disposed of.

In addition to classified materials, EMAT plans to source feedstock from unclassified U.S. government e-scrap, domestic commercial e-scrap markets, and selected international recycling partners. EMAT believes the commercial e-scrap market is diversified, mature, and supported by a broad supplier base. As commercial rare earth recycling markets continue to develop, EMAT expects to be a significant purchaser of such feedstock, supported by anticipated scale and processing capacity. EMAT believes that scale purchasing power may provide cost and supply advantages relative to smaller processors.

Management and Engineering Capabilities

EMAT's operations and growth strategy are led by an experienced management and engineering team with extensive technical and operational expertise across the rare earth magnet and critical materials value chain. EMAT's Chief Executive Officer, Mr. Frank Moon, leads the Company's engineering and technical functions and is responsible for overseeing the design, construction, and operation of EMAT's processing and manufacturing facilities, including its planned U.S. industrial campus.

We believe that Mr. Moon and the engineering team he leads possess significant real-world, commercial-scale experience across the full rare earth magnet supply chain. Over the course of their careers, members of EMAT's engineering team have been involved in the design, engineering, construction, commissioning, and operation of facilities spanning feedstock receiving, crushing, shredding, and separation; hydrometallurgical and pyrometallurgical processing, including solvent extraction; and downstream metal making, alloy production, and rare earth magnet manufacturing.

EMAT's engineering organization consists of approximately 42 engineers, including approximately 11 individuals holding doctoral degrees. EMAT believes this team reflects a depth of technical capability that is uncommon among Non-Chinese rare earth magnet manufacturers. The team's educational backgrounds include leading academic institutions in the Republic of Korea, and their professional experience includes prior roles at global industrial and technology companies, including LG, Samsung, Apple, ASM, Santoku, Magnequench, and Neo Performance Materials. EMAT believes that this combination of academic training and industrial experience supports disciplined execution, operational reliability, and scalability as the Company expands its manufacturing and processing footprint in the United States.

Frank Moon, CEO

Frank Moon serves as Co-Chief Executive Officer for EMAT, overseeing operations in Asia and magnet midstream processing and downstream production. With over 35 years of experience in critical minerals and materials, Mr. Moon has held leadership roles in various prominent companies, including Australia Strategic Metals Ltd (ASM:AX), ASM Korea, KSM Technologies, KSM Metals Co., Ltd., and Alkane Resources. He has also contributed his expertise to Kay Tech in Hong Kong, Samwha Group's Steel Division, Hydro Tech Korea, and Kyung Dong Group Global. Mr. Moon's extensive career in the sector is underscored by his ability to manage complex projects and drive operational success in the processing of critical minerals and magnet materials. Mr. Moon holds a Bachelor of Science degree from the University of Sydney.

Andrew F. Knaggs, Esq., President

Andrew F. Knaggs, Esq. serves as President of EMAT, bringing over 25 years of experience in government, military, and manufacturing sectors. He founded Knaggs Law PLLC and was previously CEO of PACEM Solutions International. Prior to PACEM, he served as the Presidentially appointed Deputy Assistant Secretary of Defense. Mr. Knaggs also led research and engineering at a USG DoD agency, overseeing a \$1 billion R&D portfolio and a \$300 million budget. He is also a former U.S. Army Special Forces Green Beret officer. Mr. Knaggs holds a Bachelor of Science degree from West Point and a Juris Doctorate from William & Mary Law School. He is a member of the D.C. Bar and holds FINRA Series 65 certification.

Christopher Clower, CFO / COO

Christopher Clower serves as Chief Financial Officer and Chief Operating Officer of EMAT. Mr. Clower was appointed as the COO and a Director of WTMA upon inception in December 2021 and has been an executive director and COO of Welsbach Holdings Pte Ltd since March 2021. From 2014–2024, Mr. Clower was an independent director of Malacca Trust Pte Ltd, which owns the leading asset management firm in Indonesia. Mr. Clower was Managing Director and Head of Corporate Finance Southeast Asia for Merrill Lynch and raised over \$4 billion of capital for his

clients. Prior to his career as an investment banker, Mr. Clower served as an intelligence officer for the United States Air Force, serving at Clark Air Base in the Philippines with the 90th Tactical Fighter Squadron. Mr. Clower holds a Bachelor of Science degree in Nuclear Engineering from Northwestern University and an MBA with Honors from the University of Chicago.

Guidance and Financial Model Assumptions

The company does not provide financial guidance. It has provided capital expenditure goals of \$2.5 billion over the next three years. Our model assumes \$1 billion in capex through 2028. To fund that expansion, we have assumed it would all be in the form of equity, although it doesn't have to be and could be funded with grants, partnerships, debt, etc. To fund that expansion, it would need both \$1 billion in new equity (if it went that way) plus a little more to fund working capital. Since this is the most dilutive to shareholders, we wanted to prove to ourselves that the discounted future value of diluted earnings would still exceed the present value of the stock, and it does by more than 50% as we show in our valuation section. Our estimates assume the company reaches breakeven in mid-2028.

Valuation Methodology

We believe EMAT is undervalued, and we support that belief with an absolute and relative valuation. To determine our price target, we use a discounted future earnings model. The following valuation techniques are used:

- 1) The discounted value of all future earnings was used for our price target (see Figure 7)
- 2) Valuation relative to peers (see Figure 8)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$12.00 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 10%, which we feel adequately addresses the risk. Our valuation model is shown in Figure 7 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$12.43, which we round to \$12.00.

Figure 7 – Evolution Metals & Technologies Corp. – Price Target Calculation

Value of discounted future earnings		\$12.43
Year	EPS	Discounted EPS
2026	(0.81)	(0.81)
2027	(0.09)	(0.08)
2028	0.06	0.05
2029	0.20	0.15
2030	0.40	0.27
Terminal Value:		12.84

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

Figure 8 is a summary of our EMAT peer comparison. The shares sell at a discount to our discounted earnings driven price target and to their peers. Given the capital intensity of the business, we believe EV/EBITDA is an appropriate measure. Comparisons beginning in 2028 are relevant and show the shares selling at a discount to peers. Were it to trade to the average EV/EBITDA to its peers, the stock would trade closer to \$30.

Figure 8 – Evolution Metals & Technologies Corp. – Comp Tables

Rare earth product manufacturers					EV/EBITDA	
FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2027	2028
TTDKY-US	TDK Corp. (Adr)	\$22.10	42,967	40,679	10.24	9.13
600111-CN	China Northern Rare Earth (Group) High-Tech Co Ltd (Class A)	\$6.95	25,123	181,950	21.54	16.94
LYC-AU	Lynas Rare Earths Limited (AU Listing)	\$12.79	12,877	17,407	16.27	11.24
MP-US	MP Materials Corp	\$53.90	9,595	9,318	23.32	16.74
600259-CN	China Rare Earth Nonferrous Metals Co Ltd (Class A)	\$14.63	4,923	35,959	32.02	
USAR-US	USA Rare Earth, Inc.	\$20.47	4,678	2,284	13.42	4.26
NEO-CA	Neo Performance Materials, Inc. (CA Listing)	\$25.47	1,069	1,669	10.36	9.83
301622-CN	Baotou INST Magnetic New Materials Co., Ltd. Class A	\$7.28	844	5,671		
NB-US	NioCorp Developments Ltd. (US Listing)	\$4.55	662	198		
MKA-CA	Mkango Resources Ltd (CA Listing)	\$0.54	210	272		
AVERAGE					18.17	11.35
EMAT-US	Evolution Metals & Technologies Corp.	\$7.06	4,189	4,209	35.38	1.95
EMAT-US Premium/(Discount) to peers:					95%	-83%

Source: Litchfield Hills Research LLC and FactSet

Figure 9 – Evolution Metals & Technologies Corp. – Income Statement (\$'000)

December ending year	2026E					2027E					2028E				
	Q1A	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
Total Revenue	\$1,879	\$2,100	\$2,400	\$3,500	\$9,879	\$8,000	\$18,000	\$30,000	\$50,000	\$106,000	\$80,000	\$100,000	\$130,000	\$200,000	\$510,000
YoY growth	-87%	-84%	-83%	-73%	-82%	326%	757%	1150%	1329%	973%	900%	456%	333%	300%	381%
Total cost of revenue	1,434	1,365	1,536	2,100	6,435	4,800	9,900	16,500	27,500	58,700	44,000	55,000	71,500	110,000	280,500
Gross profit	445	735	864	1,400	3,444	3,200	8,100	13,500	22,500	47,300	36,000	45,000	58,500	90,000	229,500
Gross profit %	24%	35%	36%	40%	35%	40%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Operating expenses:															
Selling, general and administrative	16,100	18,000	19,000	20,000	73,100	21,000	21,000	22,000	23,000	87,000	24,000	24,000	25,000	26,000	99,000
Depreciation and amortization	0	0	0	500	500	2,000	3,000	5,000	10,000	20,000	18,000	20,000	20,000	25,000	83,000
Professional fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Advanced projects and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Operating Expenses	16,100	18,000	19,000	20,500	73,600	23,000	24,000	27,000	33,000	107,000	42,000	44,000	45,000	51,000	182,000
Operating income	(15,655)	(17,265)	(18,136)	(19,100)	(70,156)	(19,800)	(15,900)	(13,500)	(10,500)	(59,700)	(6,000)	1,000	13,500	39,000	47,500
Operating income %	-833%	-822%	-756%	-546%	-710%	-248%	-88%	-45%	-21%	-56%	-8%	1%	10%	20%	9%
EBITDA	(14,635)	(16,245)	(17,116)	(17,600)	(65,596)	(16,800)	(11,900)	(7,500)	500	(35,700)	13,000	22,000	34,500	65,000	134,500
Total other income/(expense)	(424,659)	(20)	(20)	(20)	(424,719)	(20)	(20)	(20)	(20)	(80)	(20)	(20)	(20)	(20)	(80)
Earnings before taxes	(440,314)	(17,285)	(18,156)	(19,120)	(494,875)	(19,820)	(15,920)	(13,520)	(10,520)	(59,780)	(6,020)	980	13,480	38,980	47,420
Tax expense/(benefit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net income incl. non-controlling interest	(\$440,314)	(\$17,285)	(\$18,156)	(\$19,120)	(\$494,875)	(\$19,820)	(\$15,920)	(\$13,520)	(\$10,520)	(\$59,780)	(\$6,020)	\$980	\$13,480	\$38,980	\$47,420
Net income att. to common stockholders	(\$440,314)	(\$17,285)	(\$18,156)	(\$19,120)	(\$494,875)	(\$19,820)	(\$15,920)	(\$13,520)	(\$10,520)	(\$59,780)	(\$6,020)	\$980	\$13,480	\$38,980	\$47,420
GAAP EPS	(\$0.72)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.81)	(\$0.03)	(\$0.02)	(\$0.02)	(\$0.01)	(\$0.09)	(\$0.01)	\$0.00	\$0.02	\$0.05	\$0.06
Diluted Shares Outstanding	611,904	611,914	611,924	611,934	611,919	636,934	661,934	686,934	711,934	674,434	721,934	731,934	741,934	751,934	736,934

Source: Company reports and Litchfield Hills Research LLC

Figure 10 – Evolution Metals & Technologies Corp. – Balance Sheet (\$000)

December ending year	FY2028E	FY2027E	FY2026E	FY2025A
Balance sheet				
Current Assets				
Cash and S.T.I.	\$69,361	\$92,941	\$7,378	\$11,685
Accounts receivable	80,000	20,000	10,000	1,493
Inventories	40,000	15,000	3,000	0
Other assets	<u>2,000</u>	<u>1,000</u>	<u>500</u>	<u>48</u>
Total Current Assets	191,361	128,941	20,878	13,226
Net PP&E	1,000,000	500,000	20,000	0
Intangible and goodwill	60,000	64,000	66,000	0
Other non-current	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>9,265</u>
Total Assets	<u>\$1,252,361</u>	<u>\$693,941</u>	<u>\$107,378</u>	<u>\$22,491</u>
Current Liabilities				
Accounts payable and accrued	\$200,000	\$120,000	\$84,000	\$4,990
Notes payable and due related party	12,000	6,000	6,000	484
Lease obligations and other	0	0	0	0
Other current liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,885</u>
Total current liabilities	212,000	126,000	90,000	677,359
Long-term debt	10,000	10,000	10,000	0
Lease liability - non-current	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Liabilities	224,000	138,000	102,000	677,359
Stockholders' Equity				
Preferred stock	190,000	190,000	190,000	0
Common stock	3	3	60	45
Additional paid-in-capital	2,025,000	1,600,000	990,000	(2,374)
Retained earnings	(1,186,042)	(1,233,462)	(1,173,682)	(678,807)
Cum. trans. adj. and treasury stock	<u>(600)</u>	<u>(600)</u>	<u>(1,000)</u>	<u>26,268</u>
Total stockholders' equity	<u>1,028,361</u>	<u>555,941</u>	<u>5,378</u>	<u>(654,868)</u>
Total Liabilities and equity	<u>\$1,252,361</u>	<u>\$693,941</u>	<u>\$107,378</u>	<u>\$22,491</u>

Source: Company reports and Litchfield Hills Research LLC

Figure 11 – Evolution Metals & Technologies Corp. – Cash Flow (\$'000)

	FY28E	FY27E	FY26E
Net Income	\$47,420	(\$59,780)	(\$494,875)
Receivables	(\$60,000)	(\$10,000)	(\$8,507)
Inventories	(\$25,000)	(\$12,000)	(\$3,000)
Other assets	(\$1,000)	(\$500)	(\$452)
Net PP&E	(\$500,000)	(\$480,000)	(\$20,000)
Intangible and goodwill	\$4,000	\$2,000	(\$66,000)
Other non-current	\$0	(\$500)	\$8,765
Accounts payable and accrued	\$80,000	\$36,000	\$79,010
Notes payable and due related party	\$6,000	\$0	\$5,516
Lease obligations and other	\$0	\$0	\$0
CPU Share allocation and other	\$0	\$0	(\$671,885)
Long-term debt	\$0	\$0	\$10,000
Lease liability - non-current	\$0	\$0	\$2,000
Equity classified CPU share allocation	\$0	\$0	\$190,000
Common stock	\$0	(\$57)	\$15
Additional paid-in-capital	\$425,000	\$610,000	\$992,374
Accumulated other comp. loss & other	\$0	\$400	(\$27,268)
Dividends and transition adjustments			
Total Cash Flow	(\$23,580)	\$85,563	(\$4,307)

Source: Litchfield Hills Research LLC

Disclosures:

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