

EVERGREEN LITHIUM LIMITED
ACN 656 722 397

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 13 January 2023 (**Prospectus**) issued by Evergreen Lithium Limited (ACN 656 722 397) (**Company**).

This Supplementary Prospectus is dated 2 March 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at <https://evergreenlithium.com.au/>.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

2. REASONS FOR THE SUPPLEMENTARY PROSPECTUS

The Supplementary Prospectus has been prepared to provide investors with additional information in relation to the Performance Securities the Company proposes to issue to Consultants and certain Directors of the Company. The content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors.

3. AMENDMENTS TO THE PROSPECTUS

The Prospectus is amended as set out below.

3.1 Section 9.3.1 is retained and amended to include the following information:

3.2 9.3.1 Non-executive Director appointments

(a) Pursuant to the appointment letters with Simon Lill and Peter Marks and as set out in Section 8.4, the Company has agreed to issue Simon Lill and Peter Marks, subject to the satisfaction of vesting conditions, 3,000,000 zero exercise price options (ZEPOs), the purpose of which is to:

(i) link part their remuneration to specific performance criteria, namely the achievement of specific milestones;

- (ii) include a market-linked incentive component to their remuneration packages;
 - (iii) motivate and reward Simon Lill and Peter Marks in their respective roles in managing the operations and strategic direction of the Company; and
 - (iv) further align the goals of the Directors with creating value for Shareholders.
- (b) The Company considers Simon Lill and Peter Marks will play a significant role in meeting the milestones attaching to the ZEPOs given each will be involved and responsible for:
 - (i) establishing and implementing the business strategy for organic and inorganic growth of the Company;
 - (ii) identifying and assisting the sales team with new opportunities;
 - (iii) subscribing new clients to the Company's services;
 - (iv) expanding subscribed services to existing customers; and
 - (v) seeking new opportunities that will fit into the Company's strategy and with the support of the Board, completing any transactions and integrating the new business or product into the Company's operations.
- (c) In consideration of the Company granting the ZEPOs to Simon Lill and Peter Marks, each will reasonably provide additional corporate services as agreed between themselves and the Company.
- (d) The Company considers the issue of ZEPOs to Simon Lill and Peter Marks in exchange for further corporate services will be highly beneficial for the Company given both Directors have extensive experience in the management and growth of exploration companies.
- (e) In determining the number of ZEPOs to be granted to Simon Lill and Peter Marks, the Company considered the:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of Simon Lill and Peter Marks; and
 - (iii) the incentives to attract and retain the service of Simon Lill and Peter Marks who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- (f) Should Simon Lill and Peter Marks satisfy all vesting conditions of the ZEPOs, then each ZEPO will convert to one fully paid ordinary Share in the capital of the Company. Upon conversion, Simon Lill and Peter Marks will each hold an additional 3,000,000 shares, which when combined with their existing

interests (each holding 10,000,000 Shares and 5,000,000 Options) in the Company will provide each with a 6.06% interest in the Company on a fully diluted basis.

- (g) Refer to Section 10.5 for additional information on the terms and conditions of the ZEPOs to be issued to Simon Lill and Peter Marks.

3.3 Section 10.5 is retained, with the following terms included or amended (as applicable):

(a) **Entitlement**

Each zero exercise price option (**ZEPO**) entitles the holder to acquire one ordinary fully paid share in the capital of the Company on achievement of the relevant Vesting Condition.

(b) **Quotation**

The ZEPOs will not be quoted.

(c) **Transferability**

The ZEPOs are not transferable.

(d) **Voting Rights**

Unless otherwise required by law, the ZEPOs do not confer any right to vote.

(e) **Participation in winding up**

The ZEPOs do not permit the holder the right to participate in a return of capital, whether in a winding up, upon a reduction of capital, or otherwise.

(f) **Surplus Profit**

The ZEPOs do not carry any entitlement of the holder to participate in the surplus profit or asset of the Company upon the winding up of the Company.

3.4 Section 9.4 contains the following information:

9.4 Consultancy Agreements

- (a) The Company has entered into Consultancy Agreements as detailed further in this Section 9.4.
- (b) The Company has agreed to issue ZEPOs to certain consultants to:
 - (i) link part of the remuneration and fees paid to those consultants to specific performance criteria, namely the achievement of specific milestones;
 - (ii) include a market-linked incentive component in the Consultants remuneration packages;

- (iii) motivate and reward the successful performance of the Consultants in their respective roles in business development, and geological expansion and evaluation (as applicable); and
 - (iv) further align the goals of the Consultants with creating value for Shareholders.
- (c) In determining the number of ZEPOs to be issued to the Consultants, the Company considered:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of each of the Consultants; and
 - (iii) the incentives to attract and retain the service of each of the Consultants who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

3.5 Sections 9.4.1, 9.4.2, 9.4.3 and 9.4.5 are retained and amended as follows:

9.4.1 Head of Exploration and General Manager

Further information

Mr Jason Ward indirectly holds 11,340,912 fully paid ordinary Shares in the capital of the Company through Condor Prospecting Pty Ltd (**Condor**). The Shares were issued to Condor to satisfy the Company's consideration and completion liability obligations pursuant to the Acquisition Agreement. The Acquisition Agreement also entitles Condor up to 11,557,852 Shares in the capital of the Company if grade and tonnage milestones are met on the Bynoe Lithium Project (the Deferred Milestone Shares).

The Company considers it appropriate to further reward Bayview through the issue of ZEPOs to encourage retention of experienced technical personnel. Bayview's consultant, Mr Jason Ward has over 25 years' global experience as an exploration geologist, and the Company believes his geological knowledge and experience will greatly assist the Company to achieve its exploration goals. The ZEPOs issued to Bayview are subject to continuous service vesting conditions.

If Bayview satisfies all vesting conditions of the ZEPOs, then each ZEPO will convert to one fully paid ordinary Share in the capital of the Company. Upon conversion, Bayview will hold an additional 2,500,000 Shares and a further 3,333,333 Shares if it converts its Options. These Shares combined with Mr Jason Ward's existing 22,898,764 Shares (which include the Deferred Milestone Shares) indirectly held through Condor, will provide Mr Jason Ward with an indirect holding of 28,732,097 Shares in the Company (9.67% interest in the Company on a fully diluted basis).

Refer to the terms and conditions of Bayview's ZEPOs in Section 10.6.

9.4.2 Consulting Technical Geologist

Further information

Mr Bruce Smith does not hold any Securities in the Company.

The Company considers it appropriate to further reward Mr Bruce Smith through the issue of ZEPOs to encourage retention of experienced technical personnel. Mr Bruce Smith is a professional geologist with 28 years' global experience working in public companies as CEO, president, director, and exploration manager. Mr Bruce Smith has also participated in and led exploration teams to multiple precious and base metal discoveries. The Company believes Mr Smith's geological knowledge and management experience will greatly assist the Company to achieve its goals. The ZEPOs issued to Mr Smith are subject to continuous service vesting conditions.

If Mr Smith satisfies all vesting conditions of the ZEPOs, then each ZEPO will convert to one fully paid ordinary Share in the capital of the Company. Upon conversion, Mr Smith will hold 2,500,000 Shares. If Mr Smith exercises his Options, then he will hold an additional 3,333,333 Shares, amounting to a total of 5,833,333 Shares in the capital of the Company (1.96% interest in the Company on a fully diluted basis).

Refer to the terms and conditions of Mr Smith's ZEPOs in Section 10.6.

9.4.3 Consulting Geologist

Further information

Neither Mr Jason Keys nor Geokeys hold Securities in the Company.

The Company considers it appropriate to further reward Geokeys through the issue of ZEPOs to encourage retention of experienced technical personnel. Geokeys primary consultant, Mr Jason Keys, a well-respected geoscientist and technical specialist, has over 30 years of experience in natural resources management, exploration and project development. Mr Keys also has experience in economic feasibility studies and geological evaluation and has also held executive positions in exploration and mining services companies. The Company believes Geokeys geological knowledge and management experience will greatly assist the Company to achieve its goals. The ZEPOs issued to Geokeys are subject to continuous service vesting conditions.

If Geokeys satisfies all vesting conditions of the ZEPOs, then each ZEPO will convert to one fully paid ordinary Share in the capital of the Company. Upon conversion, Geokeys will hold 2,500,000 Shares. If Geokeys exercises its Options, then it will hold an additional 3,333,333 Shares, amounting to a total of 5,833,333 Shares in the capital of the Company (1.96% interest in the Company on a fully diluted basis).

Refer to the terms and conditions of Geokeys ZEPOs in Section 10.6

9.4.5 Business Development Services – Silvis Capital Pty Ltd

Further information

Mr Michael Woods indirectly holds 10,000,000 Shares and 5,000,000 Options (each Option with an exercise price of \$0.30 on or before 24 January 2027) through Michael Woods <Silvis A/C> (**Silvis A/C**). Silvis A/C is a founding shareholder of the Company.

The Company considers it appropriate to further reward Silvis through the issue of ZEPOs to encourage retention of personnel with business development services. Mr Michael Woods, Silvis primary consultant, has demonstrated experience spanning more than twenty years in the areas of corporate advisory, project and fund management, and strategic advice. Mr Woods has also worked on a large range of infrastructure and resource-based projects over a period of 13 years with Macquarie Group Ltd. The Company believes Silvis offers broad and extensive experience to assist the Company with its business development needs. The ZEPOs issued to Silvis are subject to continuous service vesting conditions.

If Silvis satisfies all vesting conditions of the ZEPOs, then each ZEPO will convert to one fully paid ordinary Share in the capital of the Company. Upon conversion, Silvis will hold 2,000,000 shares. These Shares combined with Mr Michael Woods existing Securities held by <Silvis A/C> , will provide Mr Michael Woods with an indirect holding of 12,000,000 Shares and 5,000,000 Options in the Company (5.72% interest in the Company on a fully diluted basis).

Refer to the terms and conditions of Silvis's ZEPOs in Section 10.7

3.6 Section 10.6 and 10.7 are retained, with the following terms included or amended (as applicable):

(a) **Entitlement**

Each zero exercise price option (**ZEPO**) entitles the holder to acquire one ordinary fully paid share in the capital of the Company on achievement of the relevant Vesting Condition.

(b) **Quotation**

The ZEPOs will not be quoted.

(c) **Transferability**

The ZEPOs are not transferable.

(d) **Voting Rights**

Unless otherwise required by law, the ZEPOs do not confer any right to vote.

(e) **Participation in winding up**

The ZEPOs do not permit the holder the right to participate in a return of capital, whether in a winding up, upon a reduction of capital, or otherwise.

(f) **Surplus Profit**

The ZEPOs do not carry any entitlement of the holder to participate in the surplus profit or asset of the Company upon the winding up of the Company.

4. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Mr Simon Lill

Non-executive Chairman

For and on behalf of
EVERGREEN LITHIUM LIMITED