

ASX Announcement



5 April 2023

PRE-QUOTATION DISCLOSURE

Evergreen Lithium Limited (ASX:EG1) (**Company** or **Evergreen**) provides the following pre-quotations disclosures and confirmations to ASX to satisfy the conditions for the Company's admission to the Official List of the ASX and quotation of the Company's fully paid ordinary shares (**Shares**).

Capitalised terms in this announcement have the corresponding meaning as given in the Company's prospectus dated 13 January 2023 and supplementary prospectus dated 2 March 2023 (**Prospectus**), unless otherwise specified.

1. COMPLETION OF THE OFFER

The Company confirms that the Offer under the Prospectus has closed and that the Company has completed the issue of 28,000,000 Shares under the Offer at an issue price of \$0.25 per Share to raise \$7,000,000 (before associated costs). The Shares were issued to shareholders on 28 March 2023.

2. CONFIRMATION OF FULLY PAID SECURITIES

The Company confirms it has received cleared funds for the complete amount of the issue price for every fully paid security issued to every successful applicant for fully paid shares under the Prospectus. The Company has provided ASX with the appropriate bank statements to confirm payment of the fully paid securities.

3. RESTRICTED SECURITIES

The Company confirms that the following securities will be subject to restrictions pursuant to the ASX Listing Rules for the periods outlined below:

Class of Security	Number	Restriction Period
Fully paid ordinary shares ¹	124,848,300	24 months from the date of official quotation
Options ²	45,499,999	24 months from the date of official quotation
Zero Exercise Price Options ³	15,500,000	24 months from the date of official quotation

Notes:

1. Comprising of:

- 70,000,000 founders Shares issued to founding shareholders, comprising of 10,000,000 Shares each to Ferkel 4 Pty Ltd, Super Grover 2 Pty Ltd, Shanti Capital Pty Ltd, Royal Flux Pty Ltd, Ledger Holdings Pty Ltd, Doblar Investments Pty Ltd and Michael Woods.
- 1,828,300 Shares issued to satisfy outstanding invoices at completion under the Acquisition Agreement;

- c. 50,250,000 Shares issued to the Vendor Shareholders as consideration under the Acquisition Agreement;
 - d. 250,000 Shares issued to Parkway Trading Pty Ltd;
 - e. 2,500,000 Shares issued to Nasdaq Securities Pty Ltd; and
 - f. 20,000 Shares issued to Riveck Nominees Pty Ltd.
2. Comprising of:
- a. 35,000,000 founders Options issued to the founding shareholders comprising of 5,000,000 Options each to Ferkel 4 Pty Ltd, Super Grover 2 Pty Ltd, Shanti Capital Pty Ltd, Royal Flux Pty Ltd, Ledger Holdings Pty Ltd, Doblar Investments Pty Ltd and Michael Woods. Each Option has an exercise price of \$0.30 on or before 24 January 2027; and
 - b. 500,000 Options issued to Taylor Collison in connection with the Offer. Each Option has an exercise price of \$0.40 on or before that date which is three years from the date of the Company's admission;
 - c. 3,333,333 Options each to be issued to Bayview P.M.F Pty Ltd, Perkey Pty Ltd and Bruce Smith pursuant to the terms of their respective consultancy agreements with the Company. Each option has an exercise price of \$0.30 expiring on or before 24 January 2027.
3. Comprising of:
- a. 3,000,000 zero exercise price options (**ZEPOs**) each to be granted to Mr Simon Lill and LAMPAM Pty Ltd (an entity controlled by Mr Peter Marks) pursuant to the respective director letter of appointments with the Company;
 - b. 2,500,000 ZEPOs each to be granted to Bayview P.M.F. Pty Ltd, Perkey Pty Ltd and Bruce Smith pursuant to the terms of their respective consultancy agreements with the Company; and
 - c. 2,000,000 ZEPOs to be granted to Silvis Capital Pty Ltd pursuant to the terms of its consultancy agreement with the Company

The Company confirms that it has provided executed copies of all executed Restriction Deeds to ASX.

The Company also confirms that no Restriction Notices have been issued or despatched.

4. WRITTEN UNDERTAKING REGARDING RESTRICTED SECURITIES

Automic Pty Ltd (trading as Automic Registry Services) has provided undertakings pursuant to ASX Listing Rules 9.1(f) and 9.1(h) that it will comply with ASX Listing Rule 9.1(e) and 9.1(g) respectively in relation to the Company's restricted securities. A copy of Automic's undertaking has been provided to ASX.

5. CONDITIONS PRECEDENT, COMPLETION AND ISSUE OF SECURITIES PURSUANT TO THE ACQUISITION AGREEMENT

The Company confirms the satisfaction of all conditions precedent pursuant to the Acquisition Agreement. The Acquisition Agreement completed on 27 June 2022. On that date, the Company issued 50,250,000 Shares to the Vendor Shareholders pro rata to their holding in Lithium Technologies Pty Ltd and Lithium Supplies Pty Ltd.

The Company has provided ASX with appropriate documentation as evidence of the above.

6. CONDUCT OF ACTIVITIES ON EL31774 AND E63/1888

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to EG1 entering EL31774 (located in the Northern Territory) and E63/1888 (located in Western Australia) and carrying out the exploration activities, such that EG1 will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

Refer to Section 5.4 of the Prospectus for a summary of the Company's proposed exploration budget by activity for each of the Projects, and for that of the Fortune Lithium Project once granted.

7. STATUS OF PENDING EXPLORATION LICENCE APPLICATION – EL31828

The Company confirms that meetings were held with representatives of the Central Land Council (**CLC**) in early March 2023 to provide advice on the process involved in progressing EL31828 to grant. The CLC advised what information is required to be presented to the Traditional Owners at any meetings.

The CLC representatives have subsequently suggested the Company meet with the Traditional Owners to provide additional information relevant to the Company's proposed activities on the land, encourage open discussion with the Traditional Owners, and develop a clear process towards progressing EL31828 to grant. The meeting with the Traditional Owners was held on the 28th of March 2023. The Company is now awaiting comments from CLC as to the next steps.

8. RESTRICTION OF DEFERRED CONSIDERATION SHARES

The Company confirms that if the milestone conditions are met within the 24 months after the Company is admitted to the Official List, that any Deferred Consideration Shares will be subject to an escrow period that is the balance of the 24 months from the date of admission.

The Company confirms that it has entered into Restriction Deeds with the parties to which the Deferred Consideration Shares apply and those deeds have been provided to ASX.

The Company has provided ASX with:

- (a) an undertaking from Automic Registry Services that any Deferred Consideration Shares will comply with Listing Rule 9.1(f); and
- (b) a Deed of Undertaking entered into by the Company with respect to the restriction of the Deferred Consideration Shares.

9. CAPITAL STRUCTURE

The Company's capital structure as at the date of admission to the Official List of the ASX is set out below:

Class of Security	Number
Fully paid ordinary shares	181,078,300
Options ¹	45,499,999
ZEPOs ²	15,500,000
Deferred Milestone Shares ³	55,000,000

Notes:

1. Unlisted Options comprising:

- a. 44,999,999 Options to the founding shareholder, Bayview P.M.F Pty Ltd, Perkey Pty Ltd and Bruce Smith, exercisable at \$0.30 each on or before 24 January 2027; and

- b. 500,000 Options issued to Taylor Collison with each Option exercisable at \$0.40 on or before the date which is three years from the date of the Company's admission on the ASX following completion of the Offer.
2. Zero Exercise Priced Options (ZEPOs) comprising:
 - a. 3,000,000 ZEPOs to Simon Lill;
 - b. 3,000,000 ZEPOs to LAMPAM Pty Ltd;
 - c. 2,500,000 ZEPOs to Bayview P.M.F Pty Ltd;
 - d. 2,500,000 ZEPOs to Perkey Pty Ltd;
 - e. 2,500,000 ZEPOs to Bruce Smith; and
 - f. 2,000,000 ZEPOs to Silvis Capital Pty Ltd .

The ZEPOs are subject to certain vesting conditions as detailed in the respective Director Letters of Appointment and Consultancy Agreements.

3. The number of deferred shares to be issued is not fixed and is calculated by reference to a future volume weighted average price (VWAP), however a floor price of \$0.20 price per share has been set, meaning a maximum number of 55,000,000 shares would be issued.

10. ISSUE OF UNQUOTED SECURITIES

The Company confirms that no unquoted securities have been issued since the Company lodged its Prospectus with the ASIC and ASX. The Company does not intend to issue any unquoted securities prior to the commencement of official quotation.

11. STATEMENT OF COMMITMENTS

The Company provides a statement of commitments based on the actual amount raised under the Offer:

Funds available	\$	Percentage of Funds (%)
Source of funds		
Existing cash reserves ¹	\$3,667,693	34.38
Funds raised from the Offer	\$7,000,000	65.62
Total	\$10,667,693	100%
Allocation of funds		
Exploration Budget for the Projects	\$5,200,000	48.75
Expenses of the Offer ³	\$865,275	8.11
Administration and Compliance Costs	\$2,200,000	20.62
Working capital	\$1,402,418	13.15
Project Identification/Acquisition	\$1,000,000	9.37
Total	\$10,667,693	100%

Notes:

1. Refer to the Financial Information set out in Section 6 of the Prospectus for further details.
2. Refer to Section 5.4 of the Prospectus and the Independent Geologist's Report in Annexure A of the Prospectus for further details with respect to the Company's proposed work programs for the Project.
3. Refer to Section 10.14 of the Prospectus for further details.
4. Corporate and administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

The above table is a statement of current intentions as of the date of this announcement. It should be noted that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration and development activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

Refer to Section 5.6 of the Prospectus for further details of Evergreen's intended use of funds.

12. UPDATED PRO-FORMA STATEMENT OF FINANCIAL POSITION

The Company provides the updated pro-forma statement of financial position for year ended 31 December 2022 in Annexure A.

13. WAIVERS AND CONFIRMATIONS

In connection with the Acquisition Agreement and the Public Offer, the Company was granted the following waivers and confirmations from ASX as set out below:

Waiver - Listing Rule 1.1 (Condition 12)

Listing Rule 1.1 (Condition 12) provides that if an entity has options on issue, the exercise price for each underlying security must be at least 20 cents in cash.

The Company was granted a waiver from the requirement of Listing Rule 1.1 (Condition 12) to the extent necessary to permit the Company to have on issue 15,500,000 zero exercise price options issued to directors and consultants of the Company (ZEPOs) for a nil exercise price on the condition that the material terms and conditions of the ZEPOs are clearly disclosed in the Company's Prospectus.

Confirmation – Listing Rule 6.1 (ZEPOs)

The Company has received confirmation from ASX that the terms of the 15,500,000 zero exercise price options (**ZEPOs**) to be issued by the Company to Simon Lill, Peter Marks (together, the Directors), Bayview P.M.F Pty Ltd, Bruce Smith, Perkey Pty Ltd and Silvis Capital Pty Ltd (together, the Consultants) are appropriate and equitable for the purposes of Listing Rules 6.1 subject to the conditions detailed in the Prospectus.

Confirmation – Listing Rule 6.1 (Deferred Milestone Shares)

The Company has received confirmation from ASX that the terms of up to 55,000,000 Deferred Consideration Shares proposed to be issued by the Company to the vendors of Lithium Supplies Pty Ltd and Lithium Technologies Pty Ltd are appropriate and equitable for the purposes of Listing Rule 6.1 subject to the conditions detailed in the Prospectus.

14. ADDITIONAL INFORMATION FOR RELEASE TO THE MARKET

The Company has separately provided ASX with copies of the following documents for release to the market:

- (a) the Company's Appendix 1A and Information Form and Checklist;

- (b) the Prospectus;
- (c) the Company's constitution;
- (d) audited accounts for the Company ended 30 June 2022, and its reviewed accounts for the half year ended 31 December 2022;
- (e) the Company's Securities Trading Policy;
- (f) full terms and conditions of the employee share option plan;
- (g) Corporate Governance Statement;
- (h) a shareholder distribution schedule; and
- (i) a list of the Top 20 shareholders.

This announcement was authorised for release by the Board of Directors of Evergreen Lithium Limited.



Simon Lill
Chairman
Evergreen Lithium Limited

Evergreen Lithium Limited

Suite 205, 9-11 Claremont Street, South Yarra VIC 3141
+61 1300 288 664

admin@evergreenlithium.com.au

www.evergreenlithium.com.au

ANNEXURE A – PRO-FORMA STATEMENT OF FINANCIAL POSITION

As at 31 December 2022	Evergreen Lithium Limited Reviewed	Subsequent event transactions ¹	Pro forma transactions	Pro forma balance sheet
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents	3,515,797	(527,797)	6,109,000	9,097,000
Other receivables	184,005	(165,000)	31,500	50,505
Prepayments	180,186	-	-	180,186
Total current assets	3,879,988	(692,797)	6,140,500	9,327,691
Non-current assets				
Property, plant and equipment	125,008	-	-	125,008
Total non-current assets	125,008	-	-	125,008
Total assets	4,004,996	(692,797)	6,140,500	9,452,699
Current liabilities				
Trade and other payables	942,590	(242,590)	-	700,000
Total current liabilities	942,590	(242,590)	-	700,000
Total liabilities	942,590	(242,590)	-	700,000
Net assets	3,062,406	(450,207)	6,140,500	8,752,699
Equity				
Issued capital	16,250,070	365,600	7,000,000	23,615,670
Costs of capital raise	-	-	(565,200)	(565,200)
Share-based payments reserve	-	-	3,517,097	3,517,097
Accumulated losses	(13,187,664)	(815,807)	(3,811,397)	(17,814,868)
Total equity	3,062,406	(450,207)	6,140,500	8,752,699

Notes

- Subsequent event transactions relate to transactions following the end of the financial period but prior to the IPO and capital raising.