

Quarterly Activities and Cash Flow Report for the Period Ending 30 June 2023

## Highlights

- EverGreen Lithium (ASX:EG1) commenced trading on the ASX under the code ASX:EG1 on 11 April 2023 following completion of \$7.0m Initial Public Offering (IPO).
- Auger sampling has identified initial lithium and rare earth element (“REE”) targets at Kenny Project (WA).
- Soil geochemistry and Ambient noise tomography (“ANT”) survey has resulted in large scale lithium pegmatite targets at Bynoe project.

EverGreen Lithium Limited (ASX:EG1) (“EverGreen Lithium” or “the Company”) is pleased to announce its quarterly activities report for the period ending 30 June 2023.

## IPO & Capital Raising

EverGreen commenced trading on the Australian Securities Exchange (ASX) on 11 April 2023, under the ticker “EG1”, following the oversubscribed initial public offering (IPO) led by Taylor Collison Limited. \$7.0 million was raised at an issue price of 0.25c, resulting in the issue of 28.0m ordinary shares.

## Bynoe Project (Northern Territory)

EverGreen’s Bynoe project is its Flagship asset.

The Bynoe project is located contiguous to Core Lithium’s producing Finnis hard rock lithium project situated in the strongly lithium endowed Litchfield pegmatite province in the Northern Territory.

EverGreen’s tenure is 231km<sup>2</sup> in size, providing the Company and its shareholders with a regional scale project area, and in the event of exploration success, significant scope to achieving a regional scale discovery.

Across the western border to EverGreen’s project, Core Lithium has a mineral resource estimate of 30.6mt @ 1.31% Li<sub>2</sub>O.

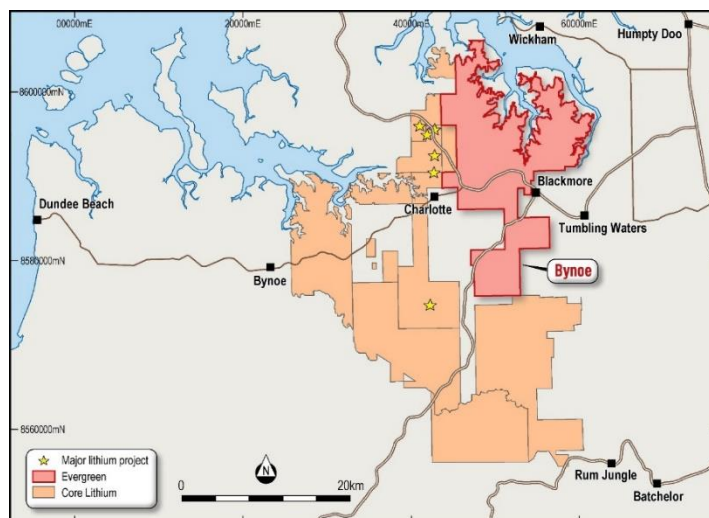


Figure 1: EverGreen’s Bynoe project contiguous to Core Lithium’s producing Finnis project.

## Geochemical Sampling

Phase 2 soil sampling assays were integrated with existing geochemistry data. This highlighted the potential for a significant and large pegmatite system to exist within EverGreen's Bynoe Project.

Large geochemical anomalies exist that potentially represent the continuation of the Finnis lithium mineralisation into the Company's Bynoe Lithium Project, evidenced by elevated lithium in soil results which, in the Company's view form drill ready targets.

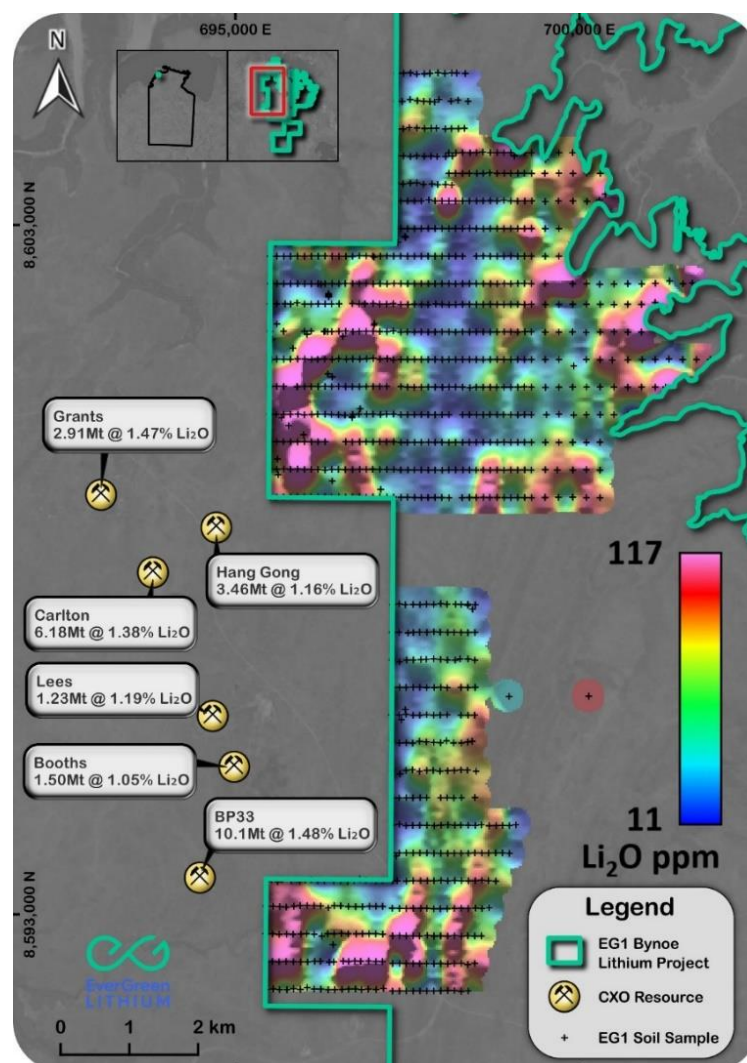


Figure 2: Bynoe Gridded  $\text{Li}_2\text{O}$  assay values

Phase 3 geochemical sampling is currently underway at Bynoe seeking to better define existing and identify new targets for drill testing.

## Ambient Noise Tomography (ANT) Geophysics

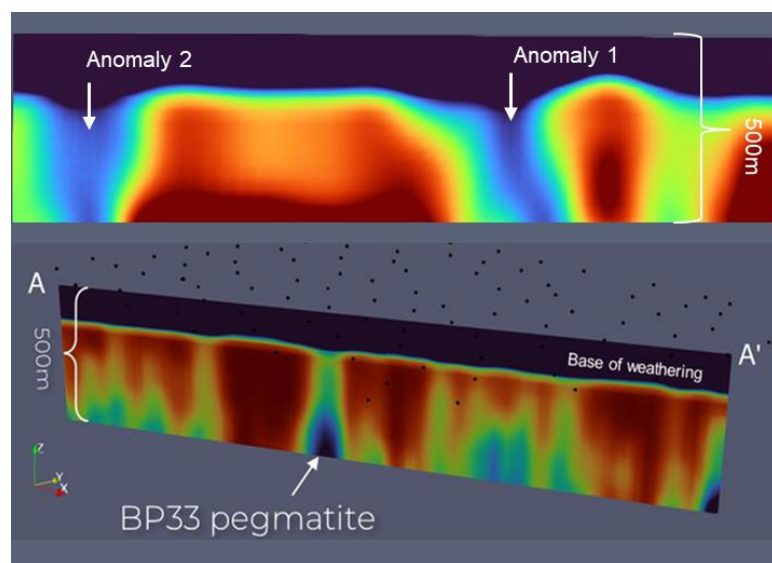
Pre-IPO, EverGreen undertook an Ambient Noise Tomography program. Analysis undertaken at survey area 1, located at Core Lithium's border has identified initial high priority geophysical targets.

**Fleets Director of planetary geophysics Dr Gerrit Oliver commented** *"The data we recorded at EverGreen's Bynoe Project was exceptional. The proximity to the coast and the nearby mining and exploration activities provided abundant low and high frequency seismic noise, which in turn enabled us to image the subsurface down to 500m depth with high resolution. From these results, and our earlier work at Core Lithium's BP33 pegmatite, it is becoming clear that the method is well suited to imaging potential pegmatites in this region due to the favourable noise conditions and the velocity contrast between the pegmatites and the host rock."*

BP33 is one of Core Lithium's major lithium deposits, located contiguous, and along strike to EverGreen's Bynoe Project.

On 6 March 2023, Core reported "BP33 Mineral Resource More Than Doubled". The BP33 MRE is now 10.1MT @ 1.48% Li<sub>2</sub>O<sub>2</sub>. World class drilling intercepts exist at BP33 including 107m @ 1.70% Li<sub>2</sub>O, as announced by Core on 16 January 2020 "World Class High-Grade Lithium Intersections of 107m @ 1.70% Li<sub>2</sub>O at Finniss".

The EverGreen survey results showed similar low velocity features as the BP33 survey occurring along strike to Core Lithium's Carlton and Hang Gong resources.



**Figure 3a top:** ANT section through 3D velocity model highlighting EverGreen Anomaly 1 & 2 in Area 1 of the EverGreen survey (top).

**Figure 3b bottom:** Similar section through 3D velocity model through the southern part of Core Lithium's BP33 showing low Vs pegmatite response (CXO, 1/8/22 – BP33 Drilling Delivers Outstanding Results).

Geophysical ANT analysis is currently underway for the remainder of the survey areas and a further report will be made in the near term.

## Permitting

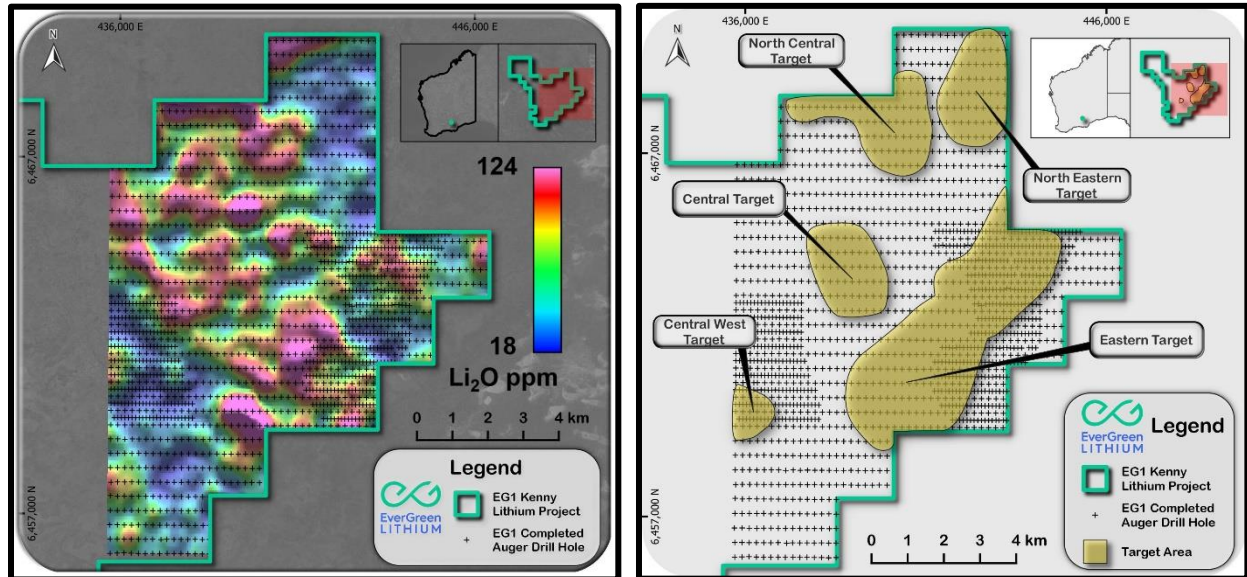
Prior to commencing our maiden drilling program, EverGreen is focused on methodically and efficiently undertaking target generation activities which currently include ongoing geochemical and geophysical works. In tandem, and in line with its ESG initiatives, the Company is currently in consultation with the Aboriginal Areas Protection Authority (AAPA), in relation to an application for an Authority Certificate over the Bynoe tenement. The process was initiated in March this year, and the company will provide further updates in due course. In addition, EverGreen is currently working on compiling its maiden Mine Management Plan (MMP), which is being tailored based on EverGreen's geochemical and geophysical work undertaken. The MMP, once ready will be lodged with the Northern Territory, Department of Industry Tourism and Trade (DITT) and once granted, will act as an approved program of works.



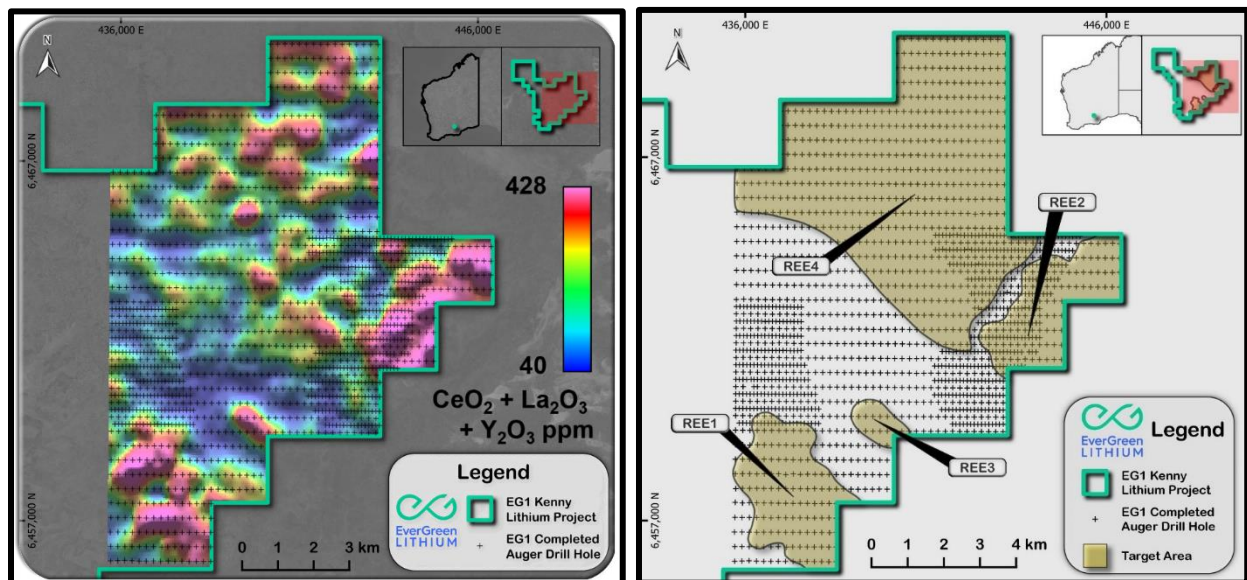
### Kenny Project (Western Australia)

Geochemical results were received for the Kenny project's auger program. Assays resulted in each lithium and rare earth element (REE) anomalies.

Four priority REE target zones were identified with CeO<sub>2</sub> assay results showing maximum values up to 451ppm CeO<sub>2</sub> and five priority lithium target zones were identified with Li<sub>2</sub>O assay results showing maximum values up to 250 ppm Li<sub>2</sub>O.



**Figure 4:** Bynoe gridded Li<sub>2</sub>O assay values and priority target zones prospective for lithium at Kenny



**Figure 5:** Bynoe gridded REE assay values and priority target zones prospective for REE's at Kenny

Based on the encouraging REE assays subsequent laboratory analysis was undertaken to assay for the full suite of REE's, the results which are due in the near term. In addition, mapping and rock chip sampling is currently being undertaken at Kenny.



#### Fortune Project (Northern Territory)

##### **Tenement Application Progression**

A meeting with the Traditional Owners was held earlier in the year. EverGreen has since been advised by the Central Land Council (CLC) that the traditional owners have consented to exploration and mining on the tenement. The Company and the Traditional Owners are currently negotiating an exploration agreement to progress the tenure to grant status. Further updates will be made in relation to this as the process progresses.

## Corporate

### Financial

Cash and cash equivalents as at 30 June 2023 was \$8.68million compared with \$9.9 million at 31 March 2023. Cash movements during the quarter included exploration and evaluation costs of \$0.6 million, staff costs of \$0.2 million, administration and corporate costs of \$0.2 million and transaction costs related to issues of shares of \$0.2 million.

Directors, being related parties of the Company, were remunerated to the amount of \$162k in directors fees during the quarter. An additional \$4.4k was paid to a related entity of a Director as settlement of rent expenses for the quarter. \$54k in consulting fees was paid to a key management personnel who is not an employee.

Refer to the Appendix 5B for an overview of the Company's financial activities during the quarter.

The Company provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 11 April 2023 against the 'Use of Funds' statement in its Prospectus dated 5 April 2023. Estimated expenditure for each quarter is calculated by pro-rating the Use of Funds statement across the 2-year period post-IPO, unless otherwise stated in the notes below. Going forward, it is expected that, barring any unforeseen circumstances, the Use of Funds will be in line with that set out in the Company's Supplementary Prospectus.

Funds available	Note	Use of funds statement (\$000s)	Actual (\$000s)	Variance (\$000s)
Existing cash reserves	1	3,668	2,908	(760)
Funds raised from the public offer		7,000	7,000	-
<b>Total</b>		<b>10,668</b>	<b>9,908</b>	<b>(760)</b>

Allocation of funds		Estimated expenditure to 30 June 2023 (\$000s)	Actual expenditure to 30 June 2023 (\$000s)	Variance (\$000s)
Granted Tenement Exploration		650	586	64
Expenses of the Offer	2	865	230	635
Administration, Compliance costs and Working Capital	3	450	403	47
Project Identification/Acquisition	4	125	-	125
<b>Total</b>		<b>2,090</b>	<b>1,219</b>	<b>871</b>

#### Notes:

1. The cash balance as of 11 April 2023 was lower than the balance stated in the prospectus due to the delay in the IPO timing, resulting in the forecasted expenditure occurring prior to the IPO date.
2. Expenses of the Offer of \$555k (ex GST) were paid out of pre-IPO cash reserves, contributing to the lower than estimated cash balance described in note 1 above. The Company does not expect the Expenses of the Offer to materially increase subsequent to the current quarter. Note that Expenses of the Offer disclosed above will not align to those in the Appendix 5B as the table contains non-IFRS information.
3. 'Administrative and Compliance Costs' and 'Working Capital' were separately disclosed in the prospectus, however these categories have been combined for the purpose of estimated vs actual expenditure comparison. This more accurately reflects the spend's nature and aligns with internal reporting to those charged with governance.



**Tenement Schedule  
(Australia)**

License	Location	License Type	Ownership
EL31774	Northern Territory	Exploration Licence	Synergy Prospecting Pty Ltd (100%)
EL31828	Northern Territory	Exploration Licence Application	Synergy Prospecting Pty Ltd (100%)
E63/1888	Western Australia	Exploration Licence	Synergy Prospecting Pty Ltd (100%)

**For further information, please contact:**

**EverGreen Lithium Limited**

E: [admin@evergreen.com.au](mailto:admin@evergreen.com.au)

**Forward looking Statements:**

This announcement may contain certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with exploration, estimation of resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to EverGreen Lithium or not currently considered material by the company. EverGreen Lithium accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

**About EverGreen Lithium (ASX:EG1)**

EverGreen Lithium (ASX:EG1) is an exploration company which owns 100% of three highly prospective lithium spodumene projects in Australia. The Bynoe, Kenny and Fortune Projects are located in areas of known lithium pegmatite occurrences within the Northern Territory and Western Australia. EverGreen's flagship Bynoe Lithium Project comprises a 231km<sup>2</sup> land position contiguous to Core Lithium's (ASX:CXO) producing Finniss Project. EverGreen's objective is to achieve exploration success with the goal of identifying a world class discovery utilising the latest in exploration techniques while maintaining an ESG focus with a view to contributing to a clean and green future.

To learn more, please visit: [www.evergreenlithium.com.au](http://www.evergreenlithium.com.au)

This ASX announcement has been authorised by the Board of EverGreen Lithium (ASX:EG1)

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Evergreen Lithium Limited

ABN

17 656 722 397

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(586)	(1,877)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(234)	(265)
	(e) administration and corporate costs	(216)	(1,932)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,034)</b>	<b>(4,072)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(130)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(130)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(187)	(311)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(50)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(187)</b>	<b>6,639</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,909	6,251
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,034)	(4,072)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(130)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(187)	6,639

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>8,688</b>	<b>8,688</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,688	9,909
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,688</b>	<b>9,909</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	220
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

*Directors, being related parties of the Company were remunerated to the amount of \$162k in director fees during the quarter. An additional \$4.4k was paid to a related entity of a Director as settlement of rent expenses for the quarter. \$54k in consulting fees was paid to a key management personnel who is not an employee.*

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,034)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,034)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,688
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	8,688
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.4
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2023

Date: .....

By Order of the Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.