

ASX Announcement/Press Release | 31 October 2023

EverGreen Lithium Limited (ASX:EG1)

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

Highlights

- Ambient Noise Tomography (ANT) survey identifies 9 priority pegmatite targets at Bynoe.
- Soil geochemistry has been ramped up and is ongoing at Bynoe. First batch of assays from phase 3 have been recently received and is pending analysis and integration with existing database.
- An additional 2050 soil samples have also been dispatched to the laboratory, with soil geochemistry to remain ongoing.
- Thus far, soil geochemistry and ANT survey has resulted in the identification of large-scale lithium pegmatite targets at Bynoe.
- Field activities are currently underway to confirm maiden drill targets.
- Internal review of sacred sites is complete at Bynoe, and EverGreen has no reasonable basis to suspect that an Aboriginal sacred site exists in the area subject to entry and initial works. EverGreen will continue to progress its AAPA certificate.
- EverGreen currently in preparation for its maiden drilling program at Bynoe, which it currently intends on commencing later in Q4 this year / earlier in Q1 next year, depending on MMP permitting and wet season conditions.
- Contractor selection for the maiden drill program is under way.

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

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 231km² 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% Li₂O.

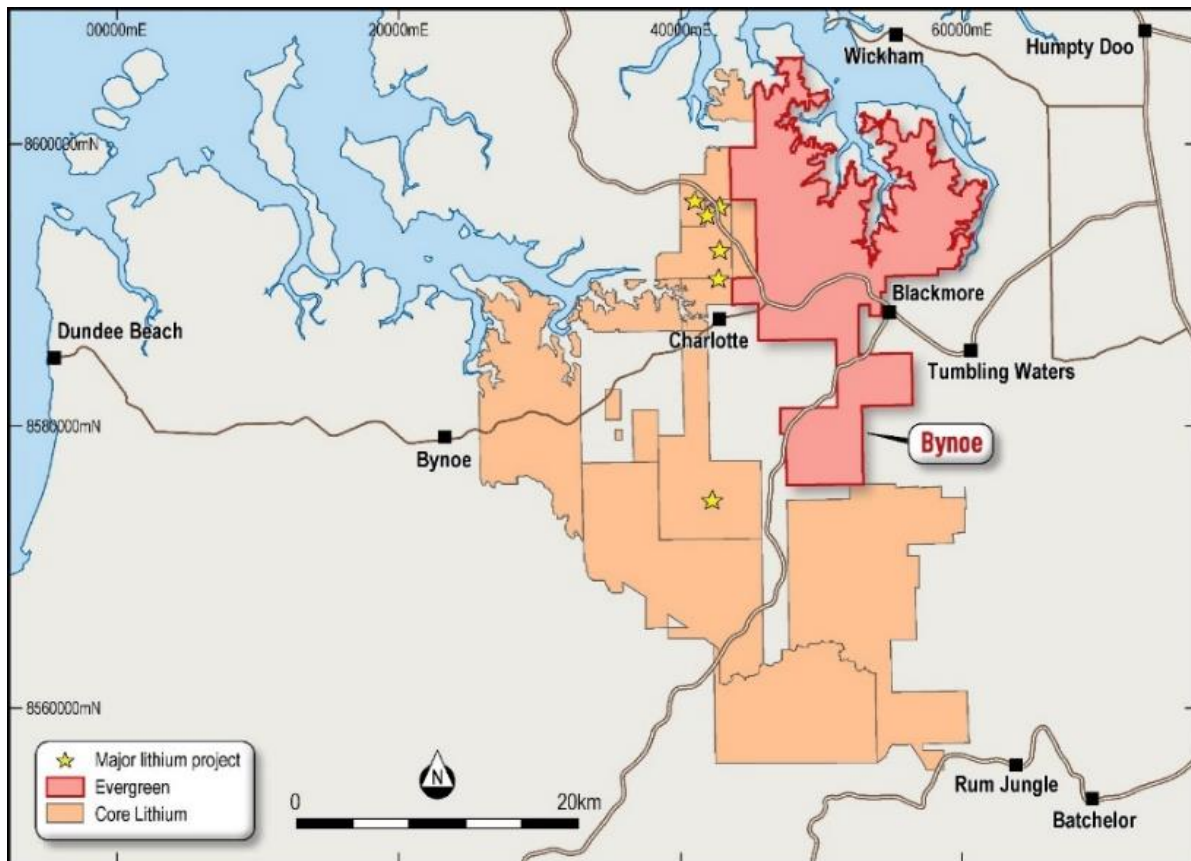


Figure 1: EverGreen's Bynoe project contiguous to Core Lithium's producing Finniss project.

Bynoe ANT Survey

ANT is a ground geophysics method that uses natural or man-made seismic noise as a signal source to measure the seismic velocity of the subsurface in three dimensions. The key objective of the survey was to identify potential lithium-bearing pegmatites at depth, **otherwise known as blind pegmatites**. Lithium pegmatites in the Bynoe Pegmatites Field have been shown to be indicated by zones of slower velocities than the surrounding metamorphic host rocks of the Burrell Creek Formation.

Results Analysis of the results from the four surveys and additional geoscience datasets including airborne magnetics, ground gravity and soil geochemistry, has led to the identification and classification of **nine priority anomalies or target areas**.

Areas exhibiting a low velocity beneath the depth of weathering are interpreted as potentially fresh pegmatite dykes.

See announcement 18 September 2023 "ANT Survey Identifies 9 Priority Pegmatite Targets at Bynoe" for details regarding targets identified by the ANT survey.

Table 1 below provides a summary of the nine target areas:

Name	Dimensions	Depth	Structural Association
ANT A1-1	400m x200m	Weathering to 600m	NW
ANT A1-2	600m x 300m	Weathering to 1,125m	NE
ANT A4-1	500m x 1,500m	Weathering to 870m	NE
ANT A4-2	1,500m	Weathering to 870m	NE
ANT A2-1	200m x 100m	Weathering to 870m	NW
ANT A3-1	800m x 300m	Weathering to 660m	NW
ANT A3-2	400m x 200m	Weathering to 660m	NW
ANT A3-3	800m x 600m	Weathering to 660m	NW
ANT A3-4	400m x 200m	Weathering to 660m	NW

Table 1: Overview of ANT Anomalies

Bynoe Soil Geochemistry

Phase 2 soil sampling activities highlighted the potential for a significant and large-scale pegmatite system to exist within EverGreen's Bynoe Project.

Soil sampling activities during the quarter have been ramped up with both in-fill and regional programs being conducted.

A further 2050 samples have recently been collected and dispatched to the laboratory with assay results pending.



Figure 2: Soil sampling crew taking samples using a hand held auger drill.

Bynoe Site Field Activities

A regional mapping program was recently completed across high priority areas within the Bynoe lease, results of which are being compiled for analysis.

Additional geological mapping and site studies are on-going across the various priority areas to further delineate targets for drill testing in the near future. This work includes outcrop mapping targeting quartz veins and pegmatite occurrences, structural measurements, geomorphological and soil type studies.



Figure 3: Assessing the prospectivity of a quartz vein during the regional mapping program.

Bynoe Maiden Drill Program

Planning is currently underway for the commencement of EverGreen's maiden drill program.

An internal review of sacred sites is complete, and EverGreen has no reasonable basis to suspect that an Aboriginal sacred site exists in the area that is subject to entry and initial works. The AAPA consultation process will continue.

EverGreen's maiden drill program will require the granting of a Mine Management Plan (MMP), which thereafter permits the exploration activities to commence. Timing of the drill program is also dependent on ground conditions which will be affected by the upcoming wet season (December to March).

The maiden drill program will consist of between 5000m to 10,000m of RAB/Aircore drilling across a number of target areas. The target areas were generated from the ANT geophysical survey, geochemical soil sample result analysis and ground mapping work. RC drilling is intended to follow.

Kenny Project (Western Australia)

Based on the initial encouraging REE assays, subsequent laboratory analysis was undertaken to assay for the full suite of REE's. Assays confirmed the initial results, however nothing of additional significance was identified through the process of assaying for the full suite of REE's.

In addition, two mapping programs were undertaken at Kenny to better understand the pegmatite distribution and respective country host rock units. Pegmatites were identified in the east of the lease hosted by a granitic intrusive unit.

Desktop studies have identified the potential for pegmatites in the west of the lease which has seen limited geochemical assessment and geological mapping.

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.

Financial

Cash and cash equivalents as at 30 September 2023 was \$7,707k compared with \$8,689k at 30 June 2023. Cash movements during the quarter included corporate and administration costs of \$309k compared to \$216k from the previous quarter, primarily due to the timing of working capital payments. Staff costs of \$450k rose in the quarter from \$234k in the previous quarter primarily due to payment of \$125k of short term incentives in the period, relating to the IPO and the timing of working capital payments. Payments for exploration and evaluation costs of \$294k in the period were down from \$586k in the previous quarter primarily driven by the timing of working capital payments.

Directors, being related parties of the Company, were remunerated to the amount of \$316k in directors and consulting fees during the quarter. An additional \$4k was paid to a related entity of a Director as settlement of rent expenses for the quarter.

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 prorating 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 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	-
Total		10,668	9,908	(760)
Allocation of funds		Estimated expenditure to 30 Sep 2023 (\$000s)	Actual expenditure to 30 Sep 2023 (\$000s)	Variance (\$000s)
Granted Tenement Exploration	2	1,300	881	419
Expenses of the Offer		216	187	29
Administration, Compliance costs and Working Capital	3	900	1,136	(236)
Total		2,417	2,205	212

1. The actual opening cash balance as at 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. Actual granted tenement exploration of \$881k was lower than estimated expenditure primarily due to timing of exploration activity which is expected to reverse in the upcoming quarters.
3. Actual administration, compliance costs and working capital of \$1,136k was \$236k higher than estimated primarily due to timing of working capital payments and short-term incentives.

Tenement Schedule (Australia)

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

For further information, please contact:

EverGreen Lithium Limited
E: admin@evergreen.com.au

Listing Rule 5.23 Disclosure:

The exploration results reported in this ASX Announcement have been independently reviewed and verified by Chris Connell a Competent Person who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and Technical Exploration Manager to EverGreen Lithium Limited and were first reported in the following ASX releases:

1. 18 September 2023: "ANT Geophysical Survey Interpretation Identifies 9 Priority Pegmatite Targets at Bynoe".

Together "Prior ASX Releases".

The exploration results in the Prior ASX Releases were prepared in accordance with the definitions and guidelines outlined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code, 2012 Edition).

Chris Connell is an exploration geologist with over 25 years' experience including sufficient experience in the styles of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the JORC Code, 2012 Edition.

EG1 confirms that it is not aware of any new information or data that materially affects the exploration results included in the Prior ASX Releases and set out in this ASX Announcement and that all the material assumptions and technical parameters underpinning the exploration results in the Prior ASX Releases (and set out in this ASX Announcement) continue to apply and have not materially changed.

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 231km² 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

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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(450)	(450)
	(e) administration and corporate costs	(309)	(309)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	72	72
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)	-	-
1.9	Net cash from / (used in) operating activities	(687)	(687)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) exploration & evaluation	(294)	(294)
	(e) investments	-	-
	(f) other non-current assets	-	-

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 (3 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(298)	(298)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,688	8,688
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(687)	(687)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(298)	(298)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,703	7,703

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	2,703	1,688
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)*	5,000	7,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,703	8,688

*Comprises term deposits held with a short-term maturity. The previous quarter bank balance has been reclassified in the current Appendix 5B to present the term deposit as a separate item.

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	320
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 \$316k in director and consulting 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.

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(687)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(294)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(981)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,703
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,703
7704 / 8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.85
	<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	

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

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 October 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.