

Evergreen Lithium Limited

ABN 17 656 722 397

Annual Report - 30 June 2023

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Evergreen Lithium Limited
Corporate directory
30 June 2023

Directors	Simon Lill Peter Marks Tal Paneth Christopher Connell
Company secretary	David Franks
Registered office	Suite 205, 9-11 Claremont Street South Yarra VIC 3141
Principal place of business	Suite 205, 9-11 Claremont Street South Yarra VIC 3141
Share register	Automic Pty Ltd
Auditor	William Buck (Vic) Pty Ltd
Solicitors	Steinepreis Paganin
Bankers	Westpac Banking Corporation
Stock exchange listing	Evergreen Lithium Limited shares are listed on the Australian Securities Exchange (ASX code: EG1)
Website	https://evergreenlithium.com.au/

Evergreen Lithium Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Evergreen Lithium Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

The company was incorporated on 21 January 2022 and hence, the comparative financial information is for the period 21 January 2022 to 30 June 2022.

Directors

The following persons were directors of Evergreen Lithium Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Simon Lill
Peter Marks
Tal Paneth
Christopher Connell

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of the preparation activities required to undertake a listing on the Australian Securities Exchange ('ASX'). After listing, the consolidated entity's main business undertaking has been the exploration for, and development of, mineral deposits at the following projects:

- the Bynoe Lithium Project located in the Northern Territory (granted);
- the Fortune Lithium Project, located in the Northern Territory (application pending grant); and
- the Kenny Lithium Project, located in Western Australia (granted).

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$5,135,653 (30 June 2022: \$1,180,539).

Significant changes in the state of affairs

On 20 February 2023, the company issued 1,828,300 ordinary shares at \$0.20 per share as payment for related party invoices totalling \$365,660 pursuant to the Sale of Shares Agreement between the company and the Vendors and Directors of Lithium Technology Pty Ltd and Lithium Supplies Pty Ltd.

On 5 April 2023, the company was admitted to the Official List of ASX. The securities of the company commenced trading on 11 April 2023. The company raised \$7,000,000 pursuant to the offer under its prospectus dated 13 January 2023 as varied by the supplementary prospectus dated 2 March 2023 by the issue of 28,000,000 shares at an issue price of \$0.25 per share.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

In the 2024 financial year, the consolidated entity primarily intends to focus on the exploration and evaluation of its Bynoe and Kenny Lithium Projects, while pursuing its pending grant application for the Fortune Lithium Project.

Further details can be located in Evergreen Lithium Limited's recent prospectus, as released on the ASX dated 5 April 2023.

The consolidated entity will also continue to look for other complementary opportunities that will create value for its shareholders.

Risks and uncertainties

The consolidated entity is subject to general risks as well as risks that are specific to the consolidated entity and the consolidated entity's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the consolidated entity's business, however, this is not a complete list of all risks that the consolidated entity is or may be subject to.

Company specific risks

Restricted securities reducing liquidity

Certain securities on issue prior to the public offer have been classified by the Australian Securities Exchange ('ASX') as restricted securities and are required to be held in escrow for 24 months from the date of official quotation. During the period in which these securities are prohibited from being transferred, trading in shares may be less liquid which may impact on the ability of a shareholder to dispose of his or her shares in a timely manner.

Title

Notwithstanding that the exploration licences the subject of the Bynoe Lithium Project and Kenny Lithium Project have been granted, if the application for the exploration licences the subject of the Bynoe Lithium Project and Kenny Lithium Project did not strictly comply with the application requirements (such as where required reports were not lodged or were lodged late), there is a risk that the tenements the subject of the Bynoe Lithium Project and/or the Kenny Lithium Project could be deemed invalid. However, for any tenements the company acquired as a result of the acquisition agreement with Lithium Supplies Pty Ltd and Lithium Technologies Pty Ltd, the indefeasibility of title provisions under the Mining Act 1978 (WA) (Mining Act) and the Mineral Titles Act 2010 (NT) may provide some protection.

Vacant Crown land (Northern Territory)

The land the subject of the Bynoe Lithium Project overlaps vacant crown land in the Northern Territory. Vacant crown land is land which no person is recorded in the land register as a registered owner or registered proprietor. While there are no known licences currently registered against the Bynoe Lithium Project, the company cannot confirm that a licence on the vacant crown land will not be granted in the future. Should a licence be granted, the company will be required to take all reasonable steps to provide the licence holder with notice of its intention to conduct any preliminary exploration on that portion of the vacant crown land that is subject to the licence. Further, any such licence holder may be construed as a person who has an interest in the land, and therefore be entitled to compensation from the company for damage to the land, and any damage suffered because of that damage. The company may need to enter a written agreement with a licence holder regarding the matter requiring compensation. If the parties cannot reach agreement on the appropriate compensation, the licence holder may apply to the Tribunal for a decision about the claim.

Freehold Land (private land)

The Bynoe Lithium Project overlaps a significant number of private land parcels in the Northern Territory. Prior to commencing exploration activities on the Bynoe Lithium Project, the company will be required to obtain the written consent of the respective landholder of the private land parcel. If that consent is given, the landholder may impose reasonable conditions on the entry and use of the land for conducting preliminary exploration. Where consent is withheld by the landholder, the company may be required to initiate proceedings in the Tribunal. The company cannot confirm that it will be successful in obtaining landholder consent in the first instance, and neither can it anticipate the decisions of the Tribunal. There is a risk that the company may not obtain landholder consent over those portions of the Bynoe Lithium Project which overlap private land, and this will reduce the company's effective exploration area.

Aboriginal freehold land

The application for the Fortune Lithium Project wholly encroaches upon Aboriginal Freehold Land in the Northern Territory and is therefore subject to the provisions of the Aboriginal Land Rights (Northern Territory) Act 1976 (NT). The company's wholly owned subsidiary, Synergy has submitted a proposal to the Central Land Council ('CLC') for assessment, which has now been accepted. An on country meeting has been held to determine if the traditional Aboriginal owners' consent to enter negotiations, with a view to reaching agreement. The company cannot confirm if its negotiations with the traditional Aboriginal owners will be successful. If the company cannot reach agreement with the traditional Aboriginal owners, then the tenement application the subject of the Fortune Lithium Project will not proceed to grant, and the company will be unable to realise the exploration potential of the Fortune Lithium Project.

Overlapping Extractive Mineral Exploration Licence Application

On 18 October 2022, four extractive mineral exploration licence ('EMEL') applications were lodged with the Department of Industry, Tourism and Trade ('DITT'). The EMELs encroach upon the company's held EL31774 (the Bynoe Lithium Project). An EMEL, upon grant, provides the holder with rights to occupy the title area and to conduct exploration for extractive minerals. If the EMELs are granted, there is a risk the activities on the EMELs could adversely affect how the company conducts its exploration activities on EL31774.

Co-existence with Extractive Mineral Permit

An extractive mineral permit ('EMP') is located within the boundary of the Bynoe Lithium Project. The EMP covers an area of 13.54 hectares and will expire on 24 October 2023. An EMP provides the holder with the right to occupy the area specified in the EMP and an exclusive right to remove extractive minerals. The holder of the EMP also has the exclusive right to apply for an extractive mineral lease ('EML') over all or part of the area the subject of the EMP. There is a risk that the company may not have access to the area the subject of the EMP, or any subsequent EML granted, for the duration of the term of the tenement, the subject of the Bynoe Lithium Project.

Co-existence with Geothermal Exploration Permit

A geothermal exploration permit ('GEP') partially overlaps the northern most portion of the Bynoe Lithium Project. The GEP holder must consult with the company with respect to any proposed activities on the land the subject of the GEP and must compensate the company for any loss or damage to the company's interests in the Bynoe Lithium Project caused by the GEP holder's activities. The company cannot confirm the extent to which the GEP will impact the company's exploration work plan.

Applications and renewals

Applications

The projects are at various stages of application and grant. Specifically, the tenement forming the Fortune Lithium Project is currently under application. There can be no assurance that the Fortune Lithium Project tenement will be granted. There also can be no assurance that if the Fortune Lithium tenement is granted, it will be granted in its entirety, that is, some of the tenement areas applied for may be excluded. The company is unaware of any circumstances that would prevent Application from being granted. If the Application is not granted or is only granted for part of the area applied for, the company will lose the benefit of certain areas of the Fortune Lithium Project tenement for its exploration activities.

Renewals

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the company. The company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the Northern Territory and the ongoing expenditure budgeted for by the company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the company could be significant.

Industry specific risks

Resource and reserves and exploration targets

The company does not presently have any JORC Code compliant resources on the tenements in which it is earning an interest. The company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the company intends to undertake additional exploration works with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

Grant of future authorisations to explore and mine

Prior to, and if the company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the company's operational and financial performance may be materially adversely affected.

Regulatory compliance

Regulatory risks

The company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and Aboriginal heritage matters, protection of endangered and protected species and other matters. The company requires permits from regulatory authorities to authorise the company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the company believes that it will operate in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the company or its properties, which could have a material adverse impact on the company's current operations or planned activities. Obtaining necessary permits can be a time-consuming process and there is a risk that company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the company's activities or forfeiture of one or more of the tenements, the subject of the Projects.

Climate

There are a number of climate-related factors that may affect the operations and proposed activities of the company. The climate change risks particularly attributable to the company include:

- (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the company and its business viability. While the company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the company will not be impacted by these occurrences; and
- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the company operates.

General risks

Future funding requirements and the ability to access debt and equity markets

The funds raised under the offer are considered sufficient to meet the exploration and evaluation objectives of the company. Additional funding may be required in the event exploration costs exceed the company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the company may incur, additional financing will be required. In addition, should the company consider that its exploration results justify commencement of production on any of its projects, additional funding will be required to implement the company's development plans, the quantum of which, remain unknown at the date of the prospectus. The company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the company and might involve substantial dilution to shareholders.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the company if one or more of these employees cease their employment. The company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the company.

Competition

The industry in which the company will be involved is subject to domestic and global competition. Although the company will undertake all reasonable due diligence in its business decisions and operations, the company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the company's projects and business.

Market conditions

Share market conditions may affect the value of the company's shares regardless of the company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) global health epidemics or pandemics;
- (e) currency fluctuations;
- (f) changes in investor sentiment toward particular market sectors;
- (g) the demand for, and supply of, capital;
- (h) political tensions; and
- (i) terrorism or other hostilities.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the company nor the Directors warrant the future performance of the company or any return on an investment in the company. Potential investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the company's performance. In addition, after the end of the relevant escrow periods affecting shares in the company, a significant sale of then tradeable shares (or the market perception that such a sale might occur) could have an adverse effect on the company's share price.

Commodity price volatility and exchange rate

If the company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the company will be taken into account in Australian currency, exposing the company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the company. It is possible that the current system of exploration and mine permitting in Western Australia and the Northern Territory may change, resulting in impairment of rights and possibly expropriation of the company's properties without adequate compensation.

Insurance

The company intends to insure its operations in accordance with industry practice. However, in certain circumstances the company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the company. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

Force majeure

The company's existing projects or projects acquired in the future may be adversely affected by risks outside the control of the company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Dilution

In the future, the company may elect to issue shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time. While the company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), shareholder interests may be diluted as a result of such issues of shares or other securities.

Taxation

The acquisition and disposal of shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the company are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for shares under the prospectus.

Litigation

The company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the company's operations, reputation, financial performance and financial position. The company is not currently engaged in any litigation.

Environmental regulation

The operations and proposed activities of the company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the company's ongoing compliance with environmental legislation, regulations, and licences. Significant liabilities could be imposed on the company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

Information on directors

Name:	Simon Lill
Title:	Non-Executive Chair
Experience and expertise:	Simon has extensive experience since the 1980's with ASX listed companies, spanning small cap companies to larger concerns, involving restructuring, corporate, compliance, marketing, company secretarial and management activities. Current Chairman of De Grey Mining Ltd., an ASX 300 gold exploration/development company with 100% ownership of one of Western Australia's largest greenfields discoveries, Hemi, in the Pilbara region of Western Australia.
Other current directorships:	De Grey Mining Ltd., Purifloh Limited, Nimy Resources Limited, IRIS Metals Limited
Former directorships (last 3 years):	Finexia Financial Group Limited
Interests in shares:	10,000,000 fully paid ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Royal Flux Pty Ltd.
Interests in options:	5,000,000 unlisted options, escrowed 24 months from quotation, held indirectly through Royal Flux Pty Ltd. 3,000,000 zero exercise price options, escrowed 24 months from quotation.

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Name: Peter Marks
Title: Non-Executive Director
Qualifications: MBA, Bachelor of Economics, Bachelor of Law, and Grad Dip in Commercial Law
Experience and expertise: Peter has over 35 years' experience in corporate advisory and investment banking. Over the course of his long career, he has specialised in capital raisings, IPOs, cross border, M&A transactions, corporate underwriting and venture capital transactions for companies in Australia, the United States and Israel. He has been involved in a broad range of transactions with a special focus in the life sciences, biotechnology, medical technology and high tech segments. Peter has served as both an Executive and Non-Executive Director of a number of different entities which have been listed on the ASX, NASDAQ, and AIM markets.

Other current directorships: Alterity Therapeutics Limited, Noxopharm Limited, IRIS Metals Limited
Former directorships (last 3 years): Fluence Corporation Limited, Elsie Limited, Nyrada Inc.
Interests in shares: 10,000,000 fully paid ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Shanti Capital Pty Ltd.

Interests in options: 5,000,000 unlisted options escrowed for 24 months from the date of quotation, held indirectly through Shanti Capital Pty Ltd.
Interests in rights: 3,000,000 zero exercise price options escrowed for 24 months from the date of quotation, held indirectly through Lampam Pty Ltd.

Name: Tal Paneth
Title: Non-Executive Director
Experience and expertise: Tal has over a decade of multidisciplinary business experience including exposure to the diverse facets of the equity and debt markets. Tal specialises in identifying strategic mineral projects, financing, and project operations management.

Other current directorships: IRIS Metals Limited
Former directorships (last 3 years): None
Interests in shares: 10,000,000 fully paid ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Ferkel 4 Pty Ltd.
Interests in options: 5,000,000 unlisted options escrowed for 24 months from the date of quotation, held indirectly through Ferkel 4 Pty Ltd.

Name: Christopher Connell
Title: Non-Executive Director
Experience and expertise: Chris is the former Regional Exploration Manager of SolGold Plc and has a successful track record in discovering economic deposits both in Australia and worldwide. He leads the exploration team that recently discovered the large copper-gold Porvenir project in southern Ecuador.

Other current directorships: IRIS Metals Limited
Former directorships (last 3 years): None
Interests in shares: 10,000,000 fully paid ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Doblar Investments Pty Ltd.
Interests in options: 5,000,000 unlisted options escrowed for 24 months from the date of quotation, held indirectly through Doblar Investments Pty Ltd.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

David Franks from the Automic Group (appointed 18 August 2022).

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David Franks is a Principal at the Automic Group. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 20 years' experience in finance, governance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. Mr Franks is currently the Company Secretary for the following ASX Listed entities: Applyflow Limited, COG Financial Services Limited, Cogstate Limited, Exopharm Limited, Iris Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, White Energy Company Limited and ZIP Co Limited. He was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

Meetings of directors

During the period, the Board passed 12 circular resolutions. There were no meetings of directors held during the year ended 30 June 2023.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum is made by the Board having regard to the inputs and value to the consolidated entity of the respective contributions by each non-executive Director. The amount has been set at an amount not to exceed \$750,000 per annum. Prior to 14 September 2023, the date of the annual general meeting, the amount was not to exceed \$500,000 per annum.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other benefits where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the consolidated entity with the performance of executives. STI payments are granted to executives based on specific targets and key performance indicators ('KPI's') being achieved. KPI's include leadership contribution, capital management and project management.

Use of remuneration consultants

During the current and prior financial period, the consolidated entity did not employ the services of a remuneration consultant.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Evergreen Lithium Limited:

- Simon Lill
- Peter Marks
- Tal Paneth
- Christopher Connell

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	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus****	Non-monetary	Super-annuation	Long service leave	Equity-settled*****	Total
	\$	\$	\$	\$	\$	\$	\$
2023							
<i>Non-Executive Directors:</i>							
Simon Lill	100,251	25,000	-	10,526	-	276,205	411,982
Peter Marks*	122,750	25,000	-	13,873	-	276,205	437,828
Tal Paneth**	169,510	25,000	-	14,799	-	-	209,309
Christopher Connell***	104,040	25,000	-	8,820	-	-	137,860
	<u>496,551</u>	<u>100,000</u>	<u>-</u>	<u>48,018</u>	<u>-</u>	<u>552,410</u>	<u>1,196,979</u>

* Cash salary and fees includes \$38,750 of corporate consulting fees.

** Cash salary and fees includes \$72,760 of corporate consulting fees.

*** Cash salary and fees includes \$20,040 of geological consulting and corporate consulting fees.

**** Cash bonus payments were for work performed during the IPO process.

***** Equity settled remuneration is a non-cash item. During the financial year, no shares were granted or issued on the exercise of options.

Consulting fees and the cash bonus for the financial year ended 30 June 2023 were deemed by the directors as special exertion in accordance with clause 15.9 of the constitution and ASX listing rule 10.17 and therefore, are excluded from the total maximum remuneration of non-executive Directors. Share-based payments are non-cash in nature and are subject to the achievement of specific milestones and are therefore, also deemed by the directors to be excluded from the total maximum remuneration of non-executive directors.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
For the period 21 January 2022 to 30 June 2022							
<i>Non-Executive Directors:</i>							
Simon Lill	-	-	-	-	-	-	-
Peter Marks	80,000	-	-	8,400	-	-	88,400
Tal Paneth	80,000	-	-	8,400	-	-	88,400
Christopher Connell	80,000	-	-	8,400	-	-	88,400
	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>25,200</u>	<u>-</u>	<u>-</u>	<u>265,200</u>

All fees paid and payable to Directors for the period ended 30 June 2022 related to consultancy fees and superannuation. Entitlement to Director fees commenced from 1 July 2022.

Amounts owing to directors are disclosed in note 10.

Evergreen Lithium Limited
Directors' report
30 June 2023

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Simon Lill
Title: Non-Executive Director
Details: From 1 July 2022 through to 31 March 2023, salary of \$84,000 per annum, exclusive of superannuation.
From 1 April 2023, salary of \$125,000 per annum, exclusive of superannuation.
Director is not entitled to annual or long service leave.

Name: Peter Marks
Title: Non-Executive Director
Details: Salary of \$84,000 per annum, exclusive of superannuation.
Director is not entitled to annual or long service leave.

Name: Tal Paneth
Title: Non-Executive Director
Details: From 1 July 2022 through to 31 March 2023, salary of \$84,000 per annum, exclusive of superannuation.
From 1 April 2023, salary of \$135,000 per annum, exclusive of superannuation.
Director is not entitled to annual or long service leave.

Name: Christopher Connell
Title: Non-Executive Director
Details: Salary of \$84,000, exclusive of superannuation.
Director is not entitled to annual or long service leave.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Simon Lill*	1,000,000	11-Apr-23	11-Apr-25	11-Apr-25	\$0.00	\$0.194
Peter Marks*	1,000,000	11-Apr-23	11-Apr-25	11-Apr-25	\$0.00	\$0.194
Simon Lill**	1,000,000	11-Apr-23	11-Apr-25	11-Apr-25	\$0.00	\$0.250
Peter Marks**	1,000,000	11-Apr-23	11-Apr-25	11-Apr-25	\$0.00	\$0.250
Simon Lill***	1,000,000	11-Apr-23	11-Apr-25	11-Apr-25	\$0.00	\$0.250
Peter Marks***	1,000,000	11-Apr-23	11-Apr-25	11-Apr-25	\$0.00	\$0.250

* Vesting date is equal to grant date as there are no service conditions. However, the options are exercisable only upon achievement of a VWAP of equal or greater than \$0.50 for 20 days prior to the expiry date.

** Subject to a 1 year continuous service condition

*** Subject to a 2 year continuous service condition

Options granted carry no dividend or voting rights.

Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

30 June 2023

Share price at financial year end (\$)	0.33
Basic earnings per share (cents per share)	(3.24)
Diluted earnings per share (cents per share)	(3.24)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Simon Lill	10,000,000	-	-	-	10,000,000
Peter Marks	10,000,000	-	-	-	10,000,000
Tal Paneth	10,000,000	-	-	-	10,000,000
Christopher Connell	10,000,000	-	-	-	10,000,000
	<u>40,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000,000</u>

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Simon Lill	5,000,000	3,000,000	-	-	8,000,000
Peter Marks	5,000,000	3,000,000	-	-	8,000,000
Tal Paneth	5,000,000	-	-	-	5,000,000
Chris Connell	5,000,000	-	-	-	5,000,000
	<u>20,000,000</u>	<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>26,000,000</u>

Repayment of founder loans

During the year, \$50,000 of initial founders loans were repaid. Refer to note 18.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Evergreen Lithium Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
24/01/2022	24/01/2027	\$0.30	35,000,000
11/04/2023	11/04/2026	\$0.40	500,000
11/04/2023	24/01/2027	\$0.30	3,333,333
11/04/2023	24/01/2027	\$0.30	3,333,333
11/04/2023	24/01/2027	\$0.30	3,333,333
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,250,000
11/04/2023	11/04/2025	\$0.00	1,250,000
11/04/2023	11/04/2025	\$0.00	1,250,000
11/04/2023	11/04/2025	\$0.00	1,250,000
11/04/2023	11/04/2025	\$0.00	1,250,000
11/04/2023	11/04/2025	\$0.00	1,250,000
11/04/2023	11/04/2025	\$0.00	1,000,000
11/04/2023	11/04/2025	\$0.00	1,000,000
			<u>60,999,999</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Evergreen Lithium Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

Evergreen Lithium Limited
Directors' report
30 June 2023

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of William Buck (Vic) Pty Ltd

There are no officers of the company who are former partners of William Buck (Vic) Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

The appointment of William Buck (Vic) Pty Ltd as auditor was ratified at the AGM held on the 14 September 2023 in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Tal Paneth
Director

27 September 2023



Peter Marks
Director

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EVERGREEN LITHIUM LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck
William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director
Melbourne, 27 September 2023

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Evergreen Lithium Limited

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General information

The financial statements cover Evergreen Lithium Limited as a consolidated entity consisting of Evergreen Lithium Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Evergreen Lithium Limited's functional and presentation currency.

Evergreen Lithium Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 205, 9-11 Claremont Street
South Yarra VIC 3141

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2023. The directors have the power to amend and reissue the financial statements.

Evergreen Lithium Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

		Consolidated	Restated Consolidated
			For the
			period 21
			January 2022
			to 30 June
	Note	2023	2022
		\$	\$
Revenue			
Other income		28,351	-
Expenses			
Corporate and administrative costs	5	(4,789,945)	(244,514)
Exploration and evaluation costs	6	(23,917)	(810,272)
Depreciation and amortisation expense		(15,212)	-
Transaction costs		(334,890)	(125,752)
Finance costs		(40)	(1)
Loss before income tax expense		(5,135,653)	(1,180,539)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Evergreen Lithium Limited		(5,135,653)	(1,180,539)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Evergreen Lithium Limited		(5,135,653)	(1,180,539)
		Cents	Cents
Basic earnings per share	23	(3.24)	(1.68)
Diluted earnings per share	23	(3.24)	(1.68)

Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Evergreen Lithium Limited
Statement of financial position
As at 30 June 2023

			Restated Consolidated 30 June 2023	Consolidated 30 June 2022
	Note		\$	\$
Assets				
Current assets				
Cash and cash equivalents	7		8,688,891	6,251,212
Other receivables	8		163,415	13,154
Prepayments			44,001	-
Total current assets			<u>8,896,307</u>	<u>6,264,366</u>
Non-current assets				
Property, plant and equipment			114,506	-
Capitalised exploration and evaluation	9		11,998,788	10,056,226
Total non-current assets			<u>12,113,294</u>	<u>10,056,226</u>
Total assets			<u>21,009,601</u>	<u>16,320,592</u>
Liabilities				
Current liabilities				
Trade and other payables	10		772,947	1,201,061
Borrowings			-	50,000
Employee benefits			6,307	-
Total current liabilities			<u>779,254</u>	<u>1,251,061</u>
Non-current liabilities				
Employee benefits			385	-
Total non-current liabilities			<u>385</u>	<u>-</u>
Total liabilities			<u>779,639</u>	<u>1,251,061</u>
Net assets			<u>20,229,962</u>	<u>15,069,531</u>
Equity				
Issued capital	11		23,331,265	16,250,070
Reserves	12		3,214,889	-
Accumulated losses			(6,316,192)	(1,180,539)
Total equity			<u>20,229,962</u>	<u>15,069,531</u>

Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Evergreen Lithium Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 21 January 2022	-	-	-
Adjustment for change in accounting policy (note 3)	-	-	-
Balance at 21 January 2022 - restated	-	-	-
Loss after income tax expense for the year (restated*)	-	(1,180,539)	(1,180,539)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year (restated*)	-	(1,180,539)	(1,180,539)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 11)	16,250,070	-	16,250,070
Balance at 30 June 2022	<u>16,250,070</u>	<u>(1,180,539)</u>	<u>15,069,531</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	16,250,070	-	(1,180,539)	15,069,531
Loss after income tax expense for the year	-	-	(5,135,653)	(5,135,653)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,135,653)	(5,135,653)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	6,715,535	-	-	6,715,535
Vesting charge for share-based payments (note 24)	-	3,214,889	-	3,214,889
Issue of ordinary shares to vendors (note 11)	365,660	-	-	365,660
Balance at 30 June 2023	<u>23,331,265</u>	<u>3,214,889</u>	<u>(6,316,192)</u>	<u>20,229,962</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Evergreen Lithium Limited
Statement of cash flows
For the year ended 30 June 2023

		Consolidated	For the
			period 21
			January 2022
			to 30 June
			2022
	Note	2023	\$
		\$	\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		-	-
Payments to suppliers and employees (inclusive of GST)		(2,196,697)	-
Payments for exploration and evaluation		(23,917)	-
Receipts to be reimbursed		-	100
		(2,220,614)	100
Interest received		2,238	-
Interest and other finance costs paid		(40)	(1)
Net cash (used in)/from operating activities	22	(2,218,416)	99
Cash flows from investing activities			
Payments for property, plant and equipment		(129,718)	-
Payments for exploration and evaluation (inclusive of GST)	9	(1,852,700)	(84)
Cash acquired on purchase of subsidiary		-	1,197
Net cash (used in)/from investing activities		(1,982,418)	1,113
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of transaction costs	11	6,688,513	6,200,000
(Repayment of)/proceeds from borrowings	18	(50,000)	50,000
Net cash from financing activities		6,638,513	6,250,000
Net increase in cash and cash equivalents		2,437,679	6,251,212
Cash and cash equivalents at the beginning of the financial year		6,251,212	-
Cash and cash equivalents at the end of the financial year	7	8,688,891	6,251,212

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The company was incorporated on 21 January 2022 and hence, the comparative financial information is for the period 21 January 2022 to 30 June 2022.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Evergreen Lithium Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Evergreen Lithium Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the consolidated entity measures, presents and discloses any resulting impairment loss in accordance with AASB 136.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Evergreen Lithium Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The directors have concluded that these or future financial statements of the consolidated entity are unlikely to be materially impact by these Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and carry-forward losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Presently the consolidated entity has incurred losses from its operations in all tax jurisdictions that may be potentially available to be applied against assessable income in the future. Given the uncertainty as to when or if this occurs, the directors have decided not to recognise any deferred tax assets that may be represented by those losses.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial, Black-Scholes or Monte Carlo model/s taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Contingent consideration on acquisition of subsidiaries

A contingent liability has been disclosed in relation to the contingent shares agreed upon within the prior year sale and purchase of the subsidiaries Lithium Supplies Pty Ltd and Lithium Technology Pty Ltd, which have been treated as a share-based payment. The consideration is contingent upon the conditions established in each the Share Sale Agreement being met. Refer to note 17 for the disclosure of the contingent liability.

Mine rehabilitation provision

The consolidated entity has considered whether a provision for rehabilitation of any tenements is required. The directors do not consider that such a provision is necessary due to the fact that rehabilitation is being undertaken on a progressive basis. Whilst the consolidated entity is in exploration phase it cannot reliably estimate the scope and costs of rehabilitation work that will need to be undertaken.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Initial Public Offering ('IPO') Costs

In connection with the IPO, the consolidated entity incurred costs, which are treated as follows:

- Incremental costs that are directly attributable to issuing new shares are deducted from equity (net of any income tax benefit).
- Costs that relate to the ASX listing, or are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the consolidated statement of profit or loss and other comprehensive income.
- Costs that relate to both share issuance and listing are allocated between those functions based on the proportion of new shares issued to the total number of new and existing shares listed.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Restatement of comparatives

During the year ended 30 June 2023, the directors concluded that given the early stage of the development of its projects, in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, it is more appropriate to capitalise all costs associated with the exploration and evaluation activities undertaken.

The directors believe that capitalising its exploration and evaluation assets better reflects its activity to date in relation to exploration and evaluation activity. The company has heavily invested and has committed to heavily invest in exploration and evaluation projects in the Northern Territory and Western Australia through acquisition of licenses, drilling (Auger), surveying (ANT) and other exploration activities. This is and will continue to be a material investment and one that the directors strongly believe will more than be recouped through successful development and exploitation or alternatively by its sale. The directors believe that to continue treating these investments as an expense greatly undervalues the strategic importance of these assets which is reflected in the company's market price and recent successful capital raise and is common practise among exploration companies subject to IFRS accounting standards. Further to this, all assets capitalised to date have right to tenure and due to limited exploration and evaluation activities to date, the company has not reached a stage which would permit a reasonable assessment of the existence or otherwise of economically recoverable reserves and exploration activities are planned and continuing at some stage in all Area of interest.

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the consolidated entity has retrospectively applied the aforementioned change in accounting policy and therefore, comparative information presented herein has been restated.

Note 3. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

Extract	Consolidated		
	For the period 21 January 2022 to 30 June 2022 \$ Reported	\$ Adjustment	For the period 21 January 2022 to 30 June 2022 \$ Restated
Expenses			
Exploration and evaluation costs	(10,866,498)	10,056,226	(810,272)
Loss before income tax expense	(11,236,765)	10,056,226	(1,180,539)
Income tax expense	-	-	-
Loss after income tax expense for the year attributable to the owners of Evergreen Lithium Limited	(11,236,765)	10,056,226	(1,180,539)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year attributable to the owners of Evergreen Lithium Limited	<u>(11,236,765)</u>	<u>10,056,226</u>	<u>(1,180,539)</u>
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	(15.95)	14.27	(1.68)
Diluted earnings per share	(15.95)	14.27	(1.68)

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 21 January 2022. However, as this was the date of incorporation, there are only two statements of financial position presented.

Note 3. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	30 June 2022	Consolidated	30 June 2022
	\$	\$	\$
Extract	Reported	Adjustment	Restated
Assets			
Non-current assets			
Capitalised exploration and evaluation	-	10,056,226	10,056,226
Total non-current assets	-	10,056,226	10,056,226
Total assets	6,264,366	10,056,226	16,320,592
Net assets	5,013,305	10,056,226	15,069,531
Equity			
Accumulated losses	(11,236,765)	10,056,226	(1,180,539)
Total equity	5,013,305	10,056,226	15,069,531

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into a single operating segment. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews capitalised assets and net losses. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 5. Corporate and administrative costs

	2023	Consolidated
	\$	For the period 21 January 2022 to 30 June 2022
	\$	\$
Administration expenses	263,400	5,276
Employee benefits expense	614,001	-
Marketing and promotion expenses	43,564	-
Other expenses	44,144	-
Professional fees	684,665	239,238
Share-based payment expense - Directors*	552,409	-
Share-based payment expense - consultants*	2,587,762	-
	4,789,945	244,514

*Refer note 24 for disclosure on share-based payment transactions.

Note 6. Exploration and evaluation costs

	Consolidated For the period 21 January 2022 to 30 June 2022	
	2023 \$	2022 \$
Exploration and evaluation costs	23,917	810,272

The consolidated entity have not yet been granted a permit for the Fortune area of interest, with the license currently in the application phase. Therefore, management have expensed the costs of the Fortune area of interest as per the accounting policy. Refer to note 6.

Note 7. Cash and cash equivalents

	Consolidated 30 June 2023 30 June 2022	
	\$	\$
<i>Current assets</i>		
Restricted cash	-	6,200,000
Cash at bank	1,688,891	51,212
Term deposit	7,000,000	-
	8,688,891	6,251,212

Restricted cash in the comparative period comprised the proceeds from the completed capital raising held within a trust account. No conditions other than the passage of time at the balance date required fulfilment prior to the funds being transferred into the operating account.

The consolidated entity holds a term deposit with a financial institution. The term deposit has a maturity of three months and bears an annual interest rate of 3.68%. The term deposit is classified as cash and cash equivalents in the statement of financial position as the consolidated entity intends to utilise funds for short-term exploration, evaluation and operating cash flows if required. The term deposit is considered readily convertible to known amounts of cash and is subject to a short-term 3-month expiry.

Note 8. Other receivables

	Consolidated 30 June 2023 30 June 2022	
	\$	\$
<i>Current assets</i>		
Other receivables	70	70
Interest receivable	26,113	-
GST receivable	137,232	13,084
	163,415	13,154

Evergreen Lithium Limited
Notes to the financial statements
30 June 2023

Note 9. Capitalised exploration and evaluation

	Consolidated 30 June 2023 \$	Restated Consolidated 30 June 2022 \$
<i>Non-current assets</i>		
Exploration and evaluation - Bynoe	9,839,640	8,420,031
Exploration and evaluation - Kenny	2,159,148	1,636,195
	<u>11,998,788</u>	<u>10,056,226</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Bynoe \$	Kenny \$	Total \$
Balance at 21 January 2022	-	-	-
Additions through acquisition of subsidiaries	7,962,897	1,509,750	9,472,647
Expenditure during the year	457,134	126,445	583,579
Balance at 30 June 2022	8,420,031	1,636,195	10,056,226
Expenditure during the year	1,419,609	522,953	1,942,562
Balance at 30 June 2023	<u>9,839,640</u>	<u>2,159,148</u>	<u>11,998,788</u>

Note 10. Trade and other payables

	Consolidated 30 June 2023 \$	30 June 2022 \$
<i>Current liabilities</i>		
Trade payables	137,231	623,281
Accrued expenses	337,825	306,870
Amounts payable to Directors	280,580	265,200
Other payables	17,311	5,710
	<u>772,947</u>	<u>1,201,061</u>

Refer to note 14 for further information on financial instruments.

Note 11. Issued capital

	30 June 2023 Shares	30 June 2022 Shares	Consolidated 30 June 2023 \$	30 June 2022 \$
Ordinary shares - fully paid	<u>181,078,300</u>	<u>151,250,000</u>	<u>23,331,265</u>	<u>16,250,070</u>

Note 11. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	21 January 2022	-		-
Issue of ordinary shares*	28 January 2022	70,000,000	\$0.00	70
Issue of ordinary shares on acquisition of subsidiaries	27 June 2022	50,250,000	\$0.20	10,050,000
Issue of ordinary shares	27 June 2022	31,000,000	\$0.20	6,200,000
Balance	30 June 2022	151,250,000		16,250,070
Issue of ordinary shares to settle outstanding accounts payable in acquired subsidiaries	20 February 2023	1,828,300	\$0.20	365,660
Issue of ordinary shares on Initial Public Offering	5 April 2023	28,000,000	\$0.25	7,000,000
Cost of issuing capital				(284,465)
Balance	30 June 2023	<u>181,078,300</u>		<u>23,331,265</u>

(*) Issue price of 0.0001c per share.

On 28 January 2022, the company issued 70,000,000 ordinary shares at 0.0001c per share to the founders of the company. The founders also received attaching options at a ratio of 1 option for every 2 ordinary shares issued, for a total of 35,000,000 options. The key terms of these attaching options are as follows:

- Expiry date: 24 January 2027
- Exercise price \$0.30

The options were subject to no performance conditions and therefore, vested on issuance and are valued at \$nil.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets to achieve this.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 12. Reserves

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Share-based payments reserve	<u>3,214,889</u>	<u>-</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. Refer to share-based payments disclosure in note 24.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments reserve \$	Total \$
Balance at 21 January 2022	-	-
Balance at 30 June 2022	-	-
Vesting charge for share-based payments (note 24)	3,214,889	3,214,889
Balance at 30 June 2023	<u>3,214,889</u>	<u>3,214,889</u>

Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 14. Financial instruments

Financial risk management objectives

The consolidated entity's finance function provides services to the business and monitors and manages the financial risks relating to the operations of the consolidated entity in accordance with the decisions of the directors.

In the reporting period, the consolidated entity was not exposed to material financial risks of changes in foreign currency exchange rates.

Accordingly, the consolidated entity did not employ derivative financial instruments to hedge currency risk exposures. There also was no material exposure to any price risk or credit risk.

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Financial assets		
Cash and cash equivalents	8,688,891	6,251,212
Other receivables	163,415	13,154
	<u>8,852,306</u>	<u>6,264,366</u>
Financial liabilities		
Trade and other payables	772,947	1,201,061
Borrowings	-	50,000
	<u>772,947</u>	<u>1,251,061</u>

Note 14. Financial instruments (continued)

Market risk

Interest rate risk

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

As at the reporting date, the consolidated entity had the following fixed rate term deposit outstanding:

	30 June 2023
	Weighted average interest rate %
Consolidated	Balance \$
Cash and cash equivalents - term deposits	3.68% 7,000,000
Net exposure to cash flow interest rate risk	<u>7,000,000</u>
	Impact on post- tax profit 30 June 2023
Interest rates – increase by 50 basis points*	3,548
Interest rates – decrease by 50 basis points*	(3,548)

* Holding all other variables constant

Liquidity risk

Liquidity risk is the risk that the consolidated entity is unable to meet its financial obligations as they fall due.

All financial liabilities were payable within 30 day terms or less.

Ultimate responsibility for liquidity risk management rests with the board of directors, which periodically reviews the consolidate entities short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities where possible.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 15. Key management personnel disclosures

Directors

The following persons were directors and management of Evergreen Lithium Limited during the financial year:

Directors

Simon Lill
Peter Marks
Tal Paneth
Christopher Connell

Note 15. Key management personnel disclosures (continued)

	2023	Consolidated For the period 21 January 2022 to 30 June 2022
	\$	\$
Short-term employee benefits	596,551	240,000
Post-employment benefits	48,018	25,200
Share-based payments	552,410	-
	<u>1,196,979</u>	<u>265,200</u>

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck (Vic) Pty Ltd, the auditor of the company:

	2023	Consolidated For the period 21 January 2022 to 30 June 2022
	\$	\$
<i>Audit services - William Buck (Vic) Pty Ltd</i>		
Audit or review of the financial statements	<u>40,500</u>	<u>10,000</u>
<i>Other services - William Buck (Vic) Pty Ltd</i>		
Investigative accountants report in connection with IPO	54,500	-
Tax advisory	<u>14,500</u>	<u>-</u>
	<u>69,000</u>	<u>-</u>
	<u>109,500</u>	<u>10,000</u>

Note 17. Commitments and contingencies

In connection with the comparative period sale and purchase of the subsidiaries Lithium Supplies Pty Ltd and Lithium Technologies Pty Ltd (together, the Subsidiaries) (the Agreement), the following commitments and contingencies were identified:

- (a) deferred milestone shares, the issue of which is subject to meeting specific production milestones
- (b) minimum expenditure requirements on Evergreen tenements

Each contingency is explained in further detail below:

Deferred milestone shares

The following contingent shares ('deferred milestone shares') were issued in connection with the Agreement. The terms of the deferred milestone shares are as follows, to be paid to the vendors in proportion to their respective shareholdings in the Subsidiaries:

Note 17. Commitments and contingencies (continued)

Condition in agreement	Shares to be issued
Delimitation by the company or a Related Body Corporate of the company of a JORC Resource of not less than 4 million tonnes (in aggregate, and in one or more locations) at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.	12,500,000
Delimitation by the company or a Related Body Corporate of the company of a JORC Resource of not less than 8 million tonnes (in aggregate, and in one or more locations) at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.	12,500,000
Delimitation by the company or a Related Body Corporate of the company of a JORC Resource of not less than 12 million tonnes (in aggregate, and in one or more locations) at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.	15,000,000
Completion by the company or a Related Body Corporate of the company of Bankable Feasibility Study in respect of a project comprised within the Litchfield Project Site.	15,000,000

Minimum expenditure requirements

The consolidated entity has minimum expenditure requirements on its tenements that amount to \$855,000 for the year ended 30 June 2023. Note that each tenement has a different anniversary in which to meet minimum expenditure. The consolidated entity has met its minimum expenditure requirements for the year ended 30 June 2023.

There are no other contractual commitments or contingent liabilities at 30 June 2023 (30 June 2022: none).

Note 18. Related party transactions

Parent entity

Evergreen Lithium Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

During the prior period, Peter Marks paid expenses on behalf of the company for \$6,975 for ASX fees, accounting fees and bank fees that were reimbursed after the period end.

Receivable from and payable to related parties

Amounts owing to directors are disclosed in note 10.

As above, \$6,975 was owed to Peter Marks at 30 June 2022.

There were no further trade payables to or trade receivables from related parties at the reporting date.

Note 18. Related party transactions (continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
<i>Current borrowings:</i>		
Loan from Dobler Investments Pty Ltd - related entity to Christopher Connell	-	8,335
Loan from Royal Flux Pty Ltd - related entity to Simon Lill	-	8,335
Loan from Ferkel 4 Pty Ltd - related entity to Tal Paneth	-	8,335
Loan from Shanti Capital Pty Ltd - related entity to Peter Marks	-	8,335

The initial founder loan of \$50,000 was repaid during the year. The remaining \$16,660 not disclosed above was provided by and repaid to unrelated parties.

Terms and conditions

Borrowings from related parties were non-interest bearing, unsecured, repayable on demand and contain no equity conversion rights.

Note 19. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	For the period 21 January 2022 to 30 June 2022	
	2023	2022
	\$	\$
Loss after income tax	(5,171,407)	(1,143,778)
Total comprehensive loss	(5,171,407)	(1,143,778)

Note 19. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2023	30 June 2022
	\$	\$
Total current assets	9,214,320	6,335,719
Total assets	20,798,693	15,863,023
Total current liabilities	567,340	706,731
Total liabilities	567,724	756,731
Equity		
Issued capital	23,331,265	16,250,070
Share-based payments reserve	3,214,889	-
Accumulated losses	(6,315,185)	(1,143,778)
Total equity	20,230,969	15,106,292

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 (30 June 2022: none).

Contingent liabilities

The parent entity had no contingent liabilities, other than as disclosed in note 17 as at 30 June 2023 (30 June 2022: as per current year, refer note 17).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 (30 June 2022: none).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 20. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2023	2022
		%	%
Lithium Supplies Pty Ltd	Australia	100.00%	100.00%
Lithium Technologies Pty Ltd	Australia	100.00%	100.00%
Synergy Prospecting Pty Ltd	Australia	100.00%	100.00%
Argo Mining S.A.*	Argentina	-	95.00%
Mining and Metals S.A.*	Argentina	-	95.00%

* On 29 November 2022, the consolidated entity sold its 95% holding in both Argo Mines S.A. and Mining and Metals S.A. (the 'subsidiaries') for nil consideration to its original vendor (the 'vendor'), as part of the compliance process of the Initial Public Offering ('IPO').

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 22. Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated	For the
	2023	period 21
	\$	January 2022
		to 30 June
		2022
	\$	\$
Loss after income tax expense for the year	(5,135,653)	(1,180,539)
Adjustments for:		
Depreciation and amortisation	15,212	-
Share-based payments	3,140,171	-
Other	3,090	-
Change in operating assets and liabilities:		
Increase in other receivables	(150,261)	(13,154)
Increase in prepayments	(44,001)	-
(Decrease)/increase in trade and other payables	(53,664)	1,193,792
Increase in employee benefits	6,690	-
Net cash (used in)/from operating activities	<u>(2,218,416)</u>	<u>99</u>

Note 23. Earnings per share

	Consolidated	For the
	2023	period 21
	\$	January 2022
		to 30 June
		2022
	\$	\$
Loss after income tax attributable to the owners of Evergreen Lithium Limited	<u>(5,135,653)</u>	<u>(1,180,539)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>158,580,157</u>	<u>70,466,957</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>158,580,157</u>	<u>70,466,957</u>
	Cents	Cents
Basic earnings per share	(3.24)	(1.68)
Diluted earnings per share	(3.24)	(1.68)

Note 23. Earnings per share (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. Options held over ordinary shares would decrease the loss per share reported above and hence, have been treated as antidilutive.

Total options held over ordinary shares at 30 June 2023 is 60,999,999 (30 June 2022: 35,000,000).

Note 24. Share-based payments

An employee incentive securities plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

During the period, the following options were issued:

- On 11/04/2023, 500,000 options were granted to the Lead Manager as costs of capital raising with an exercisable price of \$0.40, expiring 3 years from the Initial Public Offering ('IPO'), being 11/04/2026. These vested on the IPO date for the provision of advisory services.

- On 11/04/2023, 9,999,999 options were granted to 3 geological consultants (3,333,333 each) as share-based payment expense - consultants with an exercisable price of \$0.30, expiring 24/01/2027. These were not subject to service or performance conditions and therefore, vested on grant date.

- On 11/04/2023, 4,000,000 options were granted to Directors as share-based payment expense - Directors with an exercisable price of \$nil, expiring 2 years from the IPO, being 11/04/2025. These will vest in two equal tranches, upon continuous service to the company for 1 and 2 years from IPO date.

- On 11/04/2023, 2,000,000 options were granted to Directors as share-based payment expense - Directors with an exercisable price of \$nil, expiring 2 years from the IPO, being 11/04/2025. These will vest upon achievement of a volume weighted average price ('VWAP') share price equal or greater than \$0.50 for 20 days at any time on or before the date which is two years from the IPO date.

- On 01/11/2022, 7,500,000 options were granted to 3 geological consultants (2,500,000 each) as share-based payment expense - consultants with an exercisable price of \$nil, expiring 2 years from the IPO, being 11/04/2025. These will vest in two equal tranches, upon continuous service to the company for 1 and 2 years from IPO date.

- On 01/11/2022, 2,000,000 options were granted to a consultant as share-based payment expense - consultants with an exercisable price of \$nil, expiring 2 years from the IPO, being 11/04/2025. These will vest in two equal tranches, upon continuous service to the company for 1 and 2 years from IPO date.

Evergreen Lithium Limited
Notes to the financial statements
30 June 2023

Note 24. Share-based payments (continued)

Set out below are summaries of options granted and on issue at 30 June 2023:

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year*	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/01/2022	24/01/2027	\$0.30	35,000,000	-	-	-	35,000,000
11/04/2023	11/04/2026	\$0.40	-	500,000	-	-	500,000
11/04/2023	24/01/2027	\$0.30	-	3,333,333	-	-	3,333,333
11/04/2023	24/01/2027	\$0.30	-	3,333,333	-	-	3,333,333
11/04/2023	24/01/2027	\$0.30	-	3,333,333	-	-	3,333,333
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,250,000	-	-	1,250,000
11/04/2023	11/04/2025	\$0.00	-	1,250,000	-	-	1,250,000
11/04/2023	11/04/2025	\$0.00	-	1,250,000	-	-	1,250,000
11/04/2023	11/04/2025	\$0.00	-	1,250,000	-	-	1,250,000
11/04/2023	11/04/2025	\$0.00	-	1,250,000	-	-	1,250,000
11/04/2023	11/04/2025	\$0.00	-	1,250,000	-	-	1,250,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
11/04/2023	11/04/2025	\$0.00	-	1,000,000	-	-	1,000,000
			35,000,000	25,999,999	-	-	60,999,999

* Balance at the start of the year relates to options issued as attaching options to founder shares during 30 June 2022 and therefore, are not issued under the employee incentive securities plan noted above.

Weighted average exercise price	\$0.30	\$0.12	\$0.00	\$0.00	\$0.22
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30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/01/2022	24/01/2027	\$0.30	-	35,000,000	-	-	35,000,000
			-	35,000,000	-	-	35,000,000

Weighted average exercise price	\$0.00	\$0.30	\$0.00	\$0.00	\$0.00
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The weighted average share price during the financial year was \$0.43.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.11 years.

Note 24. Share-based payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/04/2023	11/04/2026	\$0.25	\$0.40	100.00%	-	3.04%	\$0.149
11/04/2023	24/01/2027	\$0.25	\$0.30	100.00%	-	3.41%	\$0.172
11/04/2023	11/04/2025	\$0.25	\$0.00	100.00%	-	3.30%	\$0.194
11/04/2023	11/04/2025	\$0.25	\$0.00	100.00%	-	3.30%	\$0.250
11/04/2023	11/04/2025	\$0.25	\$0.00	100.00%	-	3.30%	\$0.250
11/04/2023	11/04/2025	\$0.25	\$0.00	100.00%	-	3.30%	\$0.250

Share-based payments during the year comprise the following:

- Share-based payments expense - Directors: \$552,409 (note 5)
- Share-based payments expense - consultants: \$2,587,762 (note 5)
- Costs of capital: \$74,718

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Evergreen Lithium Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Tal Paneth
Director



Peter Marks
Director

27 September 2023

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Evergreen Lithium Limited Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Evergreen Lithium Limited (the Company) and its controlled entities (together, the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ACCOUNTING FOR TRANSACTIONS RELATING TO THE INITIAL PUBLIC OFFERING ("IPO")

Area of focus Refer also to notes 1 , 2, 11, 12 and 24	How our audit addressed it
<p>During the year, the Consolidated Entity conducted an IPO transaction. In leading up to this event, the Group conducted the following significant transactions:</p> <ul style="list-style-type: none"> — Converted to equity related party invoices pursuant to the Sale of Shares Agreement between the consolidated group and the Vendors and Directors of Lithium Technology Pty Ltd and Lithium Supplies Pty Ltd through the issue of ordinary shares; — Raised capital under the IPO; — Issued broker and employee options as part of incentives set out in the IPO Prospectus; — Incurred capital raising costs from its brokers, professional advisors and regulators in-relation to the IPO. <p>These significant transactions were key sources of estimation and judgement uncertainty for these financial statements, namely:</p> <ul style="list-style-type: none"> — Appropriately accounting for the shares issued to settle the related party invoices; — Appropriately valuing the options and shares issued for nil cash consideration at their fair value, vested in the appropriate accounting period; — Ensuring that all related party transactions were completely and accurately disclosed; and — Determining the appropriate apportionment of costs of the IPO between equity, when directly connected to the issue of new share capital, and a charge to the profit or loss, when connected to the quotation of existing share capital. 	<p>In addressing these transactional risks we performed the following procedures:</p> <ul style="list-style-type: none"> — Tracing through all obligations attached to these IPO costs to supporting documentation; — Understanding the terms of the options issued including the number of options issued, grant date, expiry date, exercise price and the presence of any market or non market conditions; — Assessing the appropriateness of the models applied in valuing the options, depending upon whether each respective share-based payment arrangement had market or non-market based vesting criteria; — Where a simulation model was applied for valuing the share-based payment, we assessed the expertise of the independent expert contracted by the directors to advise the Consolidated Entity on the value of the share-based payment tranche; — Examining the key inputs used in the aforesaid models; — We recalculated the vesting charge of those options taken to 30 June 2023; — We recalculated the roll of equity during the year, which includes the funds raised from the IPO, settlement of related party invoices; and — We assessed the appropriateness of the treatment of the IPO costs, those of which were classified as equity and those charged to the profit or loss depending upon their linkage to the issue of new share equity. <p>We also assessed the appropriateness of disclosures made in-relation to these matters, as described in <i>critical estimates and judgements</i> in a note to the financial statements and also the attaching related party disclosures.</p>

CHANGE IN ACCOUNTING POLICY

Area of focus Refer also to notes 1 , 2, 3 and 9	How our audit addressed it
<p>The consolidated entity has changed its accounting policy during the year to capitalise its exploration and evaluation costs as opposed to expensing these costs as it had previously done in line with AASB 6.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Vouching the capitalized exploration and evaluation costs to supporting documentation without exception;

CHANGE IN ACCOUNTING POLICY

Area of focus Refer also to notes 1 , 2, 3 and 9	How our audit addressed it
<p>This has resulted in a restatement of the comparative information presented in the financial report with a total of \$10,056,226 capitalised during the prior year.</p> <p>There is a risk that the restatement is not fully understood within the context of the financial information presented and in comparison to the previous financial year's results under a different accounting policy. This has required significant auditor attention to ensure that the amounts restated are correct and that the impact of the change in accounting policy has been disclosed appropriately. Therefore, we considered this to be a key audit matter.</p>	<ul style="list-style-type: none"> — Assessing management's assertion that the change in accounting policy results in the financial statements providing relevant and more reliable information; — Assessing the amounts to be restated between costs capitalised and expensed in the respective period; and — Assessing the adequacy of disclosures in the financial report relating to the restatement of comparative information

Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Consolidated Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report


Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Evergreen Lithium Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Consolidated Entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director
Melbourne, 27 September 2023

Evergreen Lithium Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 21 September 2023.

Corporate governance statement

The company's corporate governance statement is located at the company's website:

<https://evergreenlithium.com.au/corporate-governance/>

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	47	0.02	-	-
1,001 to 5,000	323	0.43	-	-
5,001 to 10,000	158	0.71	-	-
10,001 to 100,000	260	5.46	-	-
100,001 and over	114	93.38	14	100.00
	902	100.00	14	100.00
Holding less than a marketable parcel at \$0.28 per share	182	0.12	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Cadence Minerals Plc	15,830,138	8.74
Condor Prospecting Pty Ltd	10,559,674	5.83
Doblar Investments Pty Ltd 'Porvenir Investment A/C'	10,000,000	5.52
Royal Flux Pty Ltd 'Flux Family A/C'	10,000,000	5.52
Nasdaq Securities Australia Pty Ltd 'Nasdaq Securities Aust A/C'	10,000,000	5.52
Super Grover 2 Pty Ltd 'Super Grover 2 Invest A/C'	10,000,000	5.52
Michael Woods 'Silvis A/C'	10,000,000	5.52
Ledger Holdings Pty Ltd 'Mochkin Family No#2 A/C'	10,000,000	5.52
Shanti Capital Pty Ltd 'Peter Marks Super Fund A/C'	10,000,000	5.52
Ferkel 4 Pty Ltd 'Ferkel 4 Investment A/C'	10,000,000	5.52
Strat Plan Pty Ltd 'Strat Plan A/C'	9,098,153	5.02
Red Marlin Pty Ltd 'Red Marlin A/C'	5,407,201	2.99
Bbd Custodians Pty Ltd 'Bbd A/C'	5,407,201	2.99
Boliber Pty Ltd 'Borl Partnership A/C'	3,000,500	1.66
Mr Gregory John Howe + Ms Tracie Lee Vella 'Tag Super Fund A/C'	3,000,000	1.66
Nasdaq Securities Australia Pty Ltd 'Nasdaq Securities Aust A/C'	2,500,000	1.38
Citicorp Nominees Pty Limited	1,497,042	0.83
Tornado Nominees Pty Ltd 'Angus Middleton S/F A/C'	1,403,000	0.77
Tja Assets Pty Ltd 'Tja Investment A/C'	1,376,001	0.76
Cape York Nominees Pty Ltd	1,250,000	0.69
	140,328,910	77.48

Evergreen Lithium Limited
Shareholder information
30 June 2023

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	60,999,999	12

The following person holds 20% or more of unquoted equity securities:

Unlisted options exercisable at \$0.00 expiring 11 April 2025: 15,500,000 options, held by:

- No holder greater than 20%

Unlisted options exercisable at \$0.30 expiring 24 January 2027: 44,999,999 options, held by:

- No holder greater than 20%

Unlisted options exercisable at \$0.40 expiring 11 April 2026: 500,000 options, held by:

- TayCol Nominees Pty Ltd '211 A/c': 500,000 options (100.00%)

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
Nasdaq Securities Australia Pty Ltd 'Nasdaq Securities Aust A/C'	22,500,000	12.43%
Cadence Minerals Plc	15,830,138	8.74%
Condor Prospecting Pty Ltd	11,340,912	6.26%
Super Grover 2 Pty Ltd 'Super Grover 2 Invest A/C'	10,100,000	5.58%
Ferkel 4 Pty Ltd 'Ferkel 4 Investment A/C'	10,000,000	5.52%
Shanti Capital Pty Ltd 'Peter Marks Super Fund A/C'	10,000,000	5.52%
Royal Flux Pty Ltd 'Flux Family A/C'	10,000,000	5.52%
Doblar Investments Pty Ltd 'Porvenir Investment A/C'	10,000,000	5.52%
Michael Woods 'Silvis A/C'	10,000,000	5.52%
Strat Plan Pty Ltd 'Strat Plan A/C'	9,883,965	5.46%
	<u>119,655,015</u>	

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options over ordinary shares

Options over ordinary shares hold no voting rights.

There are no other classes of equity securities.

Restricted securities

Of the 181,078,300 shares on issue:

- 124,848,300 shares are escrowed until 11 April 2025.

Of the 60,999,999 options on issue:

- 60,999,999 shares are escrowed until 11 April 2025.

On-market buy back

There is no current on-market buyback.

Use of funds

Since admission to the ASX on 11 April 2023, the company has used its cash in a way that is consistent with its business objective.

Annual General Meeting

The company advises that the Annual General Meeting ('AGM') of the company is scheduled for 30 November 2023. Details of the meeting will be provided at a later date. Further to Listing Rule 3.13.1 and Listing Rule 14.3, nomination for election of directors at the AGM must be received not less than 30 business days before the meeting, being no later than 18 October 2023.

Interests in mining tenements

Below is a listing of the company's interest in mining tenements, where they are situated and the percentage interest the company holds in each.

The company's wholly owned subsidiary, Synergy Prospecting Pty Ltd, holds a 100% interest in the following mining tenements:

- the Bynoe Lithium Project (EL31774), located in the Northern Territory, south of the Darwin Port; and
- the Kenny Lithium Project (E63/1888), located in the Dundas Mineral Field of Western Australia.

The company's wholly owned subsidiary, Synergy Prospecting Pty Ltd, has submitted an application to hold 100% interest in the following mining tenements, which has not been granted at the date of this report:

- the Fortune Lithium Project (EL31828), located in the Mount Peake/Sandover region of the Northern Territory.

The company does not presently have any JORC Code compliant resources on the tenements disclosed above.