



Simon Lill  
Company Chairman  
Evergreen Lithium  
Limited  
13 January 2023

# EVERGREEN LITHIUM LIMITED

## ACN 656 722 397

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## PROSPECTUS

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**For an offer of up to 28,000,000 Shares at an issue price of \$0.25 per Share to raise up to \$7,000,000 (Offer).**

Lead Manager: Taylor Collison Limited (AFSL 247083)

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

**The Shares offered by this Prospectus should be considered as highly speculative.**



TAYLOR COLLISON

STEINPREIS PAGANIN  
Lawyers & Consultants



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## IMPORTANT NOTICE

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This Prospectus is dated 13 January 2023 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered under this Prospectus should be considered as highly speculative.

### Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are a resident in countries other than Australia should consult their professional advisers as to

whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for Securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia.

### US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and
- (d) it will not offer or resell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to,

registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

### Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.evergreenlithium.com.au](http://www.evergreenlithium.com.au) If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 1300 288 664 during office hours or by emailing the Company at [admin@evergreenlithium.com.au](mailto:admin@evergreenlithium.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

### No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial

situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether an investment in the Company meets your objectives, financial situation and needs.

### Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on

these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

### Competent Person's statement

The information in the Investment Overview Section of this Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report, included at Annexure A of the Prospectus, which relate to exploration targets, exploration results, mineral resources or ore reserves is based on, and fairly represents, information and supporting documentation prepared by Paul Dunbar of Valuation and Resource Management Pty Ltd. Paul Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Paul Dunbar is a full-time employee of Valuation and Resource Management Pty Ltd. Paul Dunbar consents to the inclusion of the information in these Sections of this Prospectus in the form and context in which it appears.

### Continuous disclosure obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable

person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

### Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

### Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

#### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact details set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for Securities under

this Prospectus, the Company may not be able to accept or process your application.

#### **Use of Trademarks**

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

#### **Enquiries**

If you are unclear in relation to the matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Offer or how to accept the Offer please contact the Company Secretary on +61 02 8072 1400.

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## CORPORATE DIRECTORY

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### **Directors**

Simon Lill  
*Non-Executive Chairman*

Peter Marks  
*Non-Executive Director*

Tal Paneth  
*Non-Executive Director*

Christopher Connell  
*Non-Executive Director*

### **Company Secretary**

David Franks

### **Proposed ASX Code**

EG1

### **Registered Office**

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

Telephone: 1300 288 664  
Facsimile: +61 2 8583 3040

Email: [admin@evergreenlithium.com.au](mailto:admin@evergreenlithium.com.au)  
Website: [www.evergreenlithium.com.au](http://www.evergreenlithium.com.au)

### **Legal advisers**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### **Investigating Accountant**

William Buck Audit (VIC) Pty Ltd  
Level 20, 181 William Street  
Melbourne VIC 3000

### **Auditor\***

William Buck Audit (VIC) Pty Ltd  
Level 20, 181 William Street  
Melbourne VIC 3000

### **Independent Geologist**

Paul Dunbar  
Valuation and Resource Management Pty  
Ltd  
PO Box 1506  
West Perth WA 6872

### **Lead Manager**

Taylor Collison Limited  
Level 16, 211 Victoria Square  
Adelaide SA 5000

Telephone: + 61 8 8217 3900

### **Independent Expert**

Stantons Corporate Finance Pty Ltd  
Level 2, 40 Kings Park Road  
West Perth WA 6005

Telephone +61 8 9481 3188

### **Share Registry\***

Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000

Telephone: +61 2 9698 5414

*\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.*

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## 1. LETTER FROM CHAIR

Dear Investor

On behalf of the directors of Evergreen Lithium Limited (**Company**), it gives me great pleasure to invite you to become a shareholder of the Company.

Evergreen has compiled a portfolio of strategic tenure, highly prospective for lithium mineralisation within the Northern Territory and Western Australia. Our flagship project is the Bynoe Lithium Project, which is located adjacent to Core Lithium (ASX:CXO) and its producing lithium mine, the Finniss Project.

To date, preliminary geochemical activities have proven to be very exciting, with initial soil sampling confirming the Company's view of strong anomalous lithium in soil anomalies along strike from the Finniss Project.

Our other projects are also considered to be highly prospective, and we look forward to wasting no time exploring these projects with a view to rapid development.

To date the Company has completed an Ambient Noise Topography (ANT) Survey and commenced field mapping and stage 2 soil, rock chip and termite mound sampling at the Bynoe Lithium Project. The Company has also completed a comprehensive auger program, drilling 1,731 holes at the Kenny Lithium Project. The results from the aforementioned activities are expect shortly after listing.

This Prospectus is seeking to raise \$7,000,000 via the issue of Shares at an issue price of \$0.25 per Share under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies (explained in Section 5).

The Board has significant expertise and experience in the mining industry and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely



**Simon Lill**  
**Chairman**

## 2. KEY OFFER INFORMATION

### INDICATIVE TIMETABLE<sup>1</sup>

Lodgement of Prospectus with the ASIC	13 January 2023
Exposure Period begins	13 January 2023
Opening Date	27 January 2023
Closing Date	5pm WST on 13 February 2023
Issue of Shares under the Offer <sup>2</sup>	22 February 2023
Despatch of holding statements	24 February 2023
Expected date for quotation on ASX	10 March 2023

- The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*
- If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.*

### KEY STATISTICS OF THE OFFER

	Minimum Subscription <sup>1</sup>
Offer Price per Share	\$0.25
Shares on issue <sup>2</sup>	153,078,300
Shares to be issued under the Offer	28,000,000
Gross Proceeds of the Offer	\$7,000,000
<b>Shares on issue at Admission (undiluted)</b>	<b>181,078,300</b>
Options currently on issue <sup>3</sup>	35,000,000
Options to be issued to the Lead Manager <sup>4</sup>	500,000
Options to be issued to Consultants <sup>5</sup>	9,999,999
Zero Exercise Price Options to be issued to Consultants and Directors <sup>6</sup>	15,500,000
Deferred Milestone Shares <sup>7</sup>	55,000,000
<b>Market Capitalisation at Admission (undiluted)</b>	<b>\$45,269,575</b>
Estimated Cash Position at Listing	10,667,693
<b>Enterprise Valuation at Admission (undiluted)</b>	<b>\$34,601,882</b>

#### Notes:

- Assuming the Minimum Subscription of 28,000,000 Shares is achieved under the Offer.
- Comprising:
  - 70,000,000 Shares being the shares issued to the founding shareholders upon incorporation of the Company on 21 January 2022, 24 January 2022 and further shares issued on 28 January 2022 (refer to Section 5.7 of the Prospectus);



- (b) 31,000,000 Shares being the Pre-IPO shares offered to professional and sophisticated Australian investors at an issue price of \$0.20 per share to raise up to \$6,000,000. No directors were invited to participate in the pre-IPO Offering. The pre-IPO Offering was oversubscribed;
  - (c) 50,250,000 Shares being the Vendor Shares offered as consideration to the Shareholders of Lithium Technologies Pty Ltd (**Lithium Technologies**) and Lithium Supplies Pty Ltd (**Lithium Supplies**) for the acquisition of those companies and their exploration tenure, in accordance with the Sale of Share Deed dated 29 March 2022 (**Acquisition Agreement**). The Vendor Shares do not include the four Deferred Milestone Share payments (refer to Section 9.1.1 of this Prospectus); and
  - (d) 1,828,300 Shares the Company proposes to issue to related parties of Lithium Technologies and Lithium Supplies to satisfy invoices which remained unpaid at Completion under the Acquisition Agreement (the **Aged Payables**).
3. Being the Options granted to founding Shareholders on 24 January 2022 and issued on 25 January 2022. Each Option being exercisable at \$0.30 on or before 24 January 2027 (Refer to Section 5.7 of this Prospectus).
  4. Being the Options offered to Taylor Collison in accordance with the Lead Manager Mandate dated 11 August 2022. Each Option being exercisable at \$0.40 with an expiry date that is three years from the date of the Company's admission on the ASX following completion of the Offer (Refer to Section 9.2.1 of this Prospectus).
  5. Comprising:
    - (a) 3,333,333 Options to Bayview P.M.F Pty Ltd (**Bayview**);
    - (b) 3,333,333 Options to Mr Bruce Smith;
    - (c) 3,333,333 Options to Perkey Pty Ltd (**Geokeys**),
 with each Option exercisable at \$0.30 on or before 24 January 2027, and any Option exercised being subject the terms of the respective Consultancy Agreement. The Options are subject to the Company listing on ASX, and when exercised, are subject to voluntary escrow requirements.
  6. Comprising:
    - (a) 3,000,000 zero exercise price options (**ZEPOs**) to be granted to Mr Simon Lill;
    - (b) 3,000,000 ZEPOs to be granted to Mr Peter Marks;
    - (c) 2,500,000 ZEPOs to be granted to Bayview ;
    - (d) 2,500,000 ZEPOs to be granted to Mr Bruce Smith;
    - (e) 2,500,000 ZEPOs to be granted to Geokeys;
    - (f) 2,000,000 ZEPOs to be granted to Silvis Capital Pty Ltd,
 subject to the terms under the respective Director Letters of Appointment or Consultancy Agreements, as appropriate. The ZEPOs, are subject to the Company successfully listing on the ASX, vesting conditions, and voluntary escrow requirements.
  7. Pursuant to the Acquisition Agreement, the Company agreed to grant Deferred Milestone Shares to the shareholders of Lithium Technologies and Lithium Supplies upon the satisfaction of certain milestones (Refer to Section 9.1.1). The number of deferred shares to be issued is not fixed and is calculated by reference to a future volume weighted average price (**VWAP**), however a floor price of \$0.20 per share is set, meaning a maximum number of 55,000,000 shares would be issued. The Acquisition Agreement makes provision to refine or amend the terms of the equity consideration payable, including milestone payments, as is necessary to satisfy the ASX.
  8. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.9 for a disclaimer with respect to the likely escrow position.

## **HOW TO INVEST**

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 4.8 and on the Application Form.

### 3. INVESTMENT OVERVIEW

Item	Summary	Further information
<b>A. Company</b>		
Who is the issuer of this Prospectus?	Evergreen Lithium Limited (ACN 656 722 397) ( <b>Company</b> ).	Section 5.1
Who is the Company?	<p>The Company was incorporated on 21 January 2022 as an Australian proprietary company limited by shares, and on 15 March 2022 converted to an unlisted public company, for the primary purpose of acquiring, exploring and developing lithium mineral deposits in Australia.</p> <p>Upon listing, the Company proposes to maintain this focus while concurrently assessing various projects, across the battery metals and broader mineral, precious, and base metals sectors, both locally and internationally for future acquisition, investment, and/or joint venture purpose, with a view to creating shareholder value.</p> <p>In furthering the Company's objectives, the Company recently completed a Sale of Shares Deed (the <b>Acquisition Agreement</b>), with the shareholders of Lithium Technologies, Lithium Supplies and Synergy Prospecting Pty Ltd (<b>Synergy</b>) (together, the <b>Vendors</b>).</p> <p>Under the Acquisition Agreement, the Company acquired 100% of the issued capital of Lithium Technologies, Lithium Supplies, and Synergy, from their respective shareholders (the <b>Acquisitions</b>).</p> <p>In consideration for the Acquisitions, the Company issued consideration shares to the Vendors, proportionate to the Vendor's shareholdings in Lithium Technologies and Lithium Supplies.</p> <p>Synergy, is the jointly and equally owned subsidiary of Lithium Technologies and Lithium Supplies, and is the registered holder of the tenements comprising the Bynoe Lithium Project and Fortune Lithium Project in the Northern Territory, and the Kenny Lithium Project, located in Western Australia. By virtue of the Completion of the Acquisition and acquiring all of the issued capital in Lithium Technologies and Lithium Supplies, these two entities, including Synergy, became wholly owned subsidiaries of the Company. The Company has therefore acquired an indirect interest in the tenements comprising the Bynoe Lithium Project, the Fortune Lithium Project, and the Kenny Lithium Project (together, the <b>Projects</b>).</p> <p>At listing, the Company's main business undertaking will be the exploration for, and development of, mineral deposits at the Projects. The Company has a planned exploration</p>	Section 5.1

Item	Summary	Further information
	timetable and budget for undertaking activities on the Projects. Any returns to investors are subject to the Company being successful in making mineral discoveries and, where feasible, commercialising and developing such assets.	
What is the Company's interest in the Projects?	<p>On admission to the Official List, the Company, via Lithium Technologies and Lithium Supplies, will hold indirect interests in the following projects:</p> <p>(a) the Bynoe Lithium Project located in the Northern Territory;</p> <p>(b) the Fortune Lithium Project, located in the Northern Territory; and</p> <p>(c) the Kenny Lithium Project, located in Western Australia.</p>	Section 5.2 and Annexure A
What is the Bynoe Lithium Project?	<p>The Bynoe Lithium Project comprises of one granted exploration tenement covering an area of 230.96km<sup>2</sup> (EL31774).</p> <p>The Bynoe Lithium Project is located in the Northern Territory, south of the Darwin Port. The Bynoe Lithium Project is located adjacent to Core Lithium Limited's (ASX:CXO) Finnis Project, Australia's next active lithium mine. EL31774 was granted on 15 February 2019 and covers the north eastern strike extension of the highly lithium-endowed Bynoe Pegmatite Field.</p>	Section 5.2 and Annexure A
What is the Fortune Lithium Project?	<p>The Fortune Lithium Project comprises of one application for an exploration tenement covering an area of 784.71km<sup>2</sup> (EL31828).</p> <p>The Fortune Lithium Project is located in the Mount Peake/Sandover region of the Northern Territory. The Fortune Lithium Project is in the proximity of other granted tenure held by Core Lithium Limited, Lithium Plus Minerals Ltd, Australasian Metals Ltd, Askari Metals Limited and Eastern Metals Limited.</p> <p>The tenement remains pending subject to processing under the <i>Aboriginal Land Rights Act (Northern Territory) 1976 (Cth)</i>.</p>	Section 5.2 and Annexure A
What is the Kenny Lithium Project?	<p>The Kenny Lithium Project comprises of one exploration tenement covering an area of 210km<sup>2</sup> (E63/1888).</p> <p>The Kenny Lithium Project is located in the Dundas Mineral Field of Western Australia, 15km to the east of Liontown Resources Limited's Buldania Lithium Project and 35km South of the Alita/Bald Hill Lithium Mine.</p> <p>Initial field mapping of the Kenny Project has confirmed the presence of substantial outcropping of lithium pegmatites.</p>	Section 5.2 and Annexure A

Item	Summary	Further information
<b>B. Business Model</b>		
What is the Company's business model?	<p>Following completion of the Offer, the Company's proposed business model will be to focus on exploration and development of mineral resource opportunities, and specifically exploration and development of the Projects, initially as per the Company's proposed exploration programs.</p> <p>The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table at Section 5.6.</p> <p>The Company will also be actively seeking additional investment opportunities through acquisition, tenement application, joint venture, and/or direct investment at either the project or Company level within both the battery metals and broader mineral, precious, and base metals sectors, with a view to creating shareholder value.</p> <p>A detailed explanation of the Company's business model and strategy post-Admission is provided at Section 5.3 and a summary of the Company's proposed exploration programs is set out at Section 5.4.</p>	Section 5.3 Section 5.4 Section 5.6
What are the key business objectives of the Company?	<p>The Company's main objectives upon Admission will be to:</p> <ul style="list-style-type: none"> <li>(a) systematically explore the Bynoe Lithium Project and the Kenny Lithium Project (noting that the Fortune Lithium Project is in application phase);</li> <li>(b) continue engagement with the Central Land Council regarding the Fortune Lithium Project to progress negotiations with a view to reaching agreement such that the Fortune Lithium Project can proceed to grant;</li> <li>(c) assess new strategic acquisitions and investment opportunities that may present, both locally and internationally;</li> <li>(d) implement a growth strategy and actively canvas other mineral exploration and resource opportunities which have the potential to generate growth and value for Shareholders; and</li> <li>(e) provide working capital for the Company.</li> </ul>	Section 5.3
What are the key dependencies of the Company's business model?	<p>The key dependencies influencing the viability of the Company's business model are:</p> <ul style="list-style-type: none"> <li>(a) completion of the Offer;</li> <li>(b) maintaining title to the Tenements;</li> </ul>	Section 5.5

Item	Summary	Further information
	<p>(c) the successful grant of the exploration tenement the subject of the Fortune Lithium Project;</p> <p>(d) the Company's ability to obtain and retain all necessary approvals (including any regulatory or third-party approvals) required to undertake its proposed exploration programs;</p> <p>(e) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;</p> <p>(f) retaining and recruiting key personnel skilled in the mining and resources sector;</p> <p>(g) sufficient worldwide demand for lithium;</p> <p>(h) the market price of lithium remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Projects by the Company);</p> <p>(i) raising sufficient funds to satisfy expenditure requirements for exploration and operating costs in respect of the Projects; and</p> <p>(j) minimising environmental impacts and complying with environmental and health and safety requirements.</p>	

### C. Key Advantages

<p>What are the key advantages of an investment in the Company?</p>	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <p>(a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its exploration strategy set out in Section 5.4;</p> <p>(b) the Company will hold a portfolio of quality assets located in Western Australia and the Northern Territory considered by the Board to be highly prospective for lithium; and</p> <p>(c) a highly credible and experienced team to progress exploration and accelerate potential development of the Projects.</p>	<p>Section 5, Section 8.1</p>
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### D. Key Risks

<p>Limited history</p>	<p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.</p>	<p>Section 7</p>
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Item	Summary	Further information
	<p>The Company was only recently Incorporated on 21 January 2022 and has only limited operating history and limited historical financial performance.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p>	
Exploration and operations	<p>The tenements the subject of the Projects, are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:</p> <ul style="list-style-type: none"> <li>(a) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;</li> <li>(b) access to adequate capital throughout the acquisition/discovery and project development phases;</li> <li>(c) securing and maintaining title to mineral exploration projects;</li> <li>(d) obtaining required environmental and development consents, permits and approvals necessary for the acquisition, mineral exploration, development and production phases; and</li> <li>(e) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.</li> </ul> <p>There can be no assurance that exploration of the tenements the subject of the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The Company has not yet published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage, estimates and conceptual project developments discussed in this Prospectus are able to be achieved.</p>	Section 7

Item	Summary	Further information
	<p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, limitations to activities and timing of activities – as a result of permitting and or environmental issues, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Aboriginal heritage factors, changing government regulations and many other factors beyond the control of the Company.</p> <p>The exploration costs of the Company described in the Independent Geologist's Report, found in Annexure A, are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>	
Access and third-party interests	<p>A number of the Tenements respectively overlap certain third-party interests that may limit the Company's ability to conduct prospecting, exploration and mining activities including Crown land, flora and fauna reserves, pastoral leases, private/freehold land and encroachment by other permits.</p> <p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and landowners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.</p> <p>Refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>	Section 7
Native title and Aboriginal Heritage	<p>In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do</p>	Section 7

Item	Summary	Further information
	<p>exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>The Kenny Lithium Project, E63/1888, wholly (100%) encroaches upon the Ngadju registered native title determination (WAD60220/1998).</p> <p>Further to this, it is possible that an Indigenous Land Use Agreement (<b>ILUA</b>) may be registered against one or more of the tenements in which the Company has an interest in the future. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.</p> <p>In addition, the exploration licence the subject of the Bynoe Lithium Project contains previously recorded Aboriginal archaeological sites which have been registered with the Department of Territory Families, Housing and Communities in the Northern Territory. The Company may, depending on the extent of its proposed exploration activities, be required to conduct further archaeological surveys on the Bynoe Lithium Project. The existence of the Aboriginal archaeological sites within the Projects may lead to restrictions on the areas that the Company will be able to explore and mine.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B of this Prospectus for further details.</p>	
Tenure and grant of applications	<p>The Tenements are at various stages of application and grant. Specifically, the Tenement forming the Fortune Lithium Project is currently under application (<b>Application</b>). There can be no assurance that the Application will be granted. There also can be no assurance that if the Application is granted, it will be granted in its entirety. Additionally, some of the Tenement area applied for may be excluded. The Company is unaware of any circumstances that would prevent the 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 that Tenement for its exploration activities.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further information on the Application.</p>	Section 7



Item	Summary	Further information
Other risks	For additional Company specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4

#### E. Board and Key Management

Who are the Directors?	<p>Upon admission of the Company to the Official List, the Board will consist of:</p> <p>(a) Simon Lill – Non-Executive Chairman;</p> <p>(b) Peter Marks– Non-Executive Director;</p> <p>(c) Tal Paneth – Non-Executive Director; and</p> <p>(d) Christopher Connell – Non-Executive Director.</p> <p>Information about the experience, background and independence of each Director is set out in Section 8.1.</p>	Section 8.1
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#### F. Significant Interests of Key People and Related Party Transactions

What interests do the Directors have in the securities of the Company?	<p>The direct and indirect interests of the Directors in the Securities of the Company both as at the date of this Prospectus and following completion of the Offer are as follows:</p> <table border="1"> <thead> <tr> <th colspan="5">At the Date of the Prospectus</th> </tr> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> <th>ZEPOs</th> <th>% Shares (undiluted)</th> </tr> </thead> <tbody> <tr> <td>Simon Lill</td> <td>10,000,000</td> <td>5,000,000</td> <td>Nil</td> <td>6.53</td> </tr> <tr> <td>Peter Marks</td> <td>10,000,000</td> <td>5,000,000</td> <td>Nil</td> <td>6.53</td> </tr> <tr> <td>Tal Paneth</td> <td>10,000,000</td> <td>5,000,000</td> <td>Nil</td> <td>6.53</td> </tr> <tr> <td>Christopher Connell</td> <td>10,000,000</td> <td>5,000,000</td> <td>Nil</td> <td>6.53</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5">At Completion of the Offer</th> </tr> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> <th>ZEPOs</th> <th>% Shares (undiluted)</th> </tr> </thead> <tbody> <tr> <td>Simon Lill</td> <td>10,000,000</td> <td>5,000,000</td> <td>3,000,000</td> <td>5.52</td> </tr> <tr> <td>Peter Marks</td> <td>10,000,000</td> <td>5,000,000</td> <td>3,000,000</td> <td>5.52</td> </tr> <tr> <td>Tal Paneth</td> <td>10,000,000</td> <td>5,000,000</td> <td>Nil</td> <td>5.52</td> </tr> <tr> <td>Christopher Connell</td> <td>10,000,000</td> <td>5,000,000</td> <td>Nil</td> <td>5.52</td> </tr> </tbody> </table> <p>Please refer to Section 8.4 for notes relating to the above tables.</p> <p>In addition, the Directors (and their spouses and associates) may apply for Shares under the Offer. If one or more of the Directors (or their associates) do apply for, and are allocated, Shares under the</p>	At the Date of the Prospectus					Director	Shares	Options	ZEPOs	% Shares (undiluted)	Simon Lill	10,000,000	5,000,000	Nil	6.53	Peter Marks	10,000,000	5,000,000	Nil	6.53	Tal Paneth	10,000,000	5,000,000	Nil	6.53	Christopher Connell	10,000,000	5,000,000	Nil	6.53	At Completion of the Offer					Director	Shares	Options	ZEPOs	% Shares (undiluted)	Simon Lill	10,000,000	5,000,000	3,000,000	5.52	Peter Marks	10,000,000	5,000,000	3,000,000	5.52	Tal Paneth	10,000,000	5,000,000	Nil	5.52	Christopher Connell	10,000,000	5,000,000	Nil	5.52	Section 8.4
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Item	Summary	Further information																																																															
	Offer, their relevant interest in the Company (as illustrated in the above table) will increase.																																																																
What significant benefits are payable to the Directors in connection with the Company or the Offer?	The Directors are entitled to the remuneration as disclosed in Section 8.4.	Section 8.4.																																																															
Who are the Company's substantial Shareholders, what interest will they have after completion of the Offer and who will the Company's substantial shareholders be on completion of the Offer?	<p>Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer is set out in section 5.8.</p> <p>A summary is provided below:</p> <table border="1"> <thead> <tr> <th rowspan="3">Shareholder</th> <th colspan="4">Percentage Shares held in the Company (%)</th> </tr> <tr> <th colspan="2">At date of prospectus</th> <th colspan="2">At completion of Offer</th> </tr> <tr> <th>Undiluted</th> <th>Fully Diluted</th> <th>Undiluted</th> <th>Fully Diluted</th> </tr> </thead> <tbody> <tr> <td>Lisa Dawn Mochkin</td> <td>14.70</td> <td>14.62</td> <td>12.43</td> <td>9.26</td> </tr> <tr> <td>Cadence Minerals Plc</td> <td>10.34</td> <td>8.42</td> <td>8.74</td> <td>11.16</td> </tr> <tr> <td>Jason Thomas Ward</td> <td>7.41</td> <td>6.03</td> <td>6.26</td> <td>9.67</td> </tr> <tr> <td>Ruth Paneth</td> <td>6.60</td> <td>8.03</td> <td>5.58</td> <td>5.08</td> </tr> <tr> <td>Michael Woods</td> <td>6.53</td> <td>7.98</td> <td>5.52</td> <td>5.72</td> </tr> <tr> <td>Simon Lill</td> <td>6.53</td> <td>7.98</td> <td>5.52</td> <td>6.06</td> </tr> <tr> <td>Peter Marks</td> <td>6.53</td> <td>7.98</td> <td>5.52</td> <td>6.06</td> </tr> <tr> <td>Tal Paneth</td> <td>6.53</td> <td>7.98</td> <td>5.52</td> <td>5.05</td> </tr> <tr> <td>Christopher Connell</td> <td>6.53</td> <td>7.98</td> <td>5.52</td> <td>5.05</td> </tr> <tr> <td>Kim Julia Wainwright</td> <td>6.46</td> <td>5.26</td> <td>5.46</td> <td>6.68</td> </tr> </tbody> </table>	Shareholder	Percentage Shares held in the Company (%)				At date of prospectus		At completion of Offer		Undiluted	Fully Diluted	Undiluted	Fully Diluted	Lisa Dawn Mochkin	14.70	14.62	12.43	9.26	Cadence Minerals Plc	10.34	8.42	8.74	11.16	Jason Thomas Ward	7.41	6.03	6.26	9.67	Ruth Paneth	6.60	8.03	5.58	5.08	Michael Woods	6.53	7.98	5.52	5.72	Simon Lill	6.53	7.98	5.52	6.06	Peter Marks	6.53	7.98	5.52	6.06	Tal Paneth	6.53	7.98	5.52	5.05	Christopher Connell	6.53	7.98	5.52	5.05	Kim Julia Wainwright	6.46	5.26	5.46	6.68	Section 5.8
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Who is the lead manager to the Offer?	The Company has appointed Taylor Collison as lead manager to the Offer ( <b>Lead Manager</b> ).	Section 4.6																																																															
What are the significant interests of advisers to the Company?	<p>The Lead Manager will receive the following fees:</p> <p>(a) lead management fee of 1% of all funds raised under the Offer;</p> <p>(b) a selling fee of 5% of the Offer proceeds to be paid on the issue of Shares under the Offer procured by the Lead Manager; and</p> <p>(c) at the time of settlement of the Offer, subject to the successful completion of the Offer, the Company will issue to the</p>	Section 9.2.1																																																															

Item	Summary	Further information
	Lead Manager (or its nominee(s)), a total of 500,000 broker Options to purchase Shares with an exercise price of \$0.40.	
Does the Company have an Employee Incentive Option Plan ( <b>ESOP</b> )?	The Company adopted an ESOP at its General Meeting on 19 September 2022. Further details of the ESOP are outlined in Section 10.9.	Section 10.9
What related party agreements is the Company party to?	The Company has entered into the following related party agreements: (a) the Acquisition Agreement with Lithium Technologies, Lithium Supplies, Synergy, and the Vendors. (b) Non-executive Director Letters of Appointment; (c) Consultancy Agreements; and (d) Deeds of indemnity, insurance and access for each of the directors	Section 9.1 Section 9.3 Section 9.4
<b>G. Financial Information and Dividend Policy</b>		
How has the Company been performing?	As the Company was only recently incorporated on 21 January 2022, it has limited financial performance and has no operating history. As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma statement of financial position which is included in the Investigating Accountant's Report set out in Annexure C.	Section 6 and Annexure C
What is the financial outlook for the Company?	Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 6 and Annexure C
<b>H. Capital Structure</b>		
Who are the existing Shareholders of the Company?	The existing Shareholders of the Company include the founding shareholders, which includes the Company's Directors (and/or their nominees), seed capitalists, and those shareholders who acquired their interest pursuant to the Acquisition Agreement. The current capital structure of the Company is detailed in Section 5.7.	Section 5.7
What will the Company's	On completion of the Offer and the Company's listing on ASX, the Company will, at minimum	Section 5.7

Item	Summary	Further information
capital structure be on completion of the Offer and listing on ASX?	subscription, have 181,078,300 Shares and 60,999,999 Options on issue.	
<b>J. Overview of the Offer</b>		
What is the Offer?	The Offer is an offer of up to 28,000,000 Shares at an issue price of \$0.25 per Share to raise up to \$7,000,000 (before costs).	Section 4.1
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$7,000,000 (28,000,000 Shares).	Section 4.3
Why is the Offer being conducted?	<p>The Offer is being conducted primarily to:</p> <ul style="list-style-type: none"> <li>(a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission;</li> <li>(b) provide the Company with funding for: <ul style="list-style-type: none"> <li>(i) the proposed exploration programs at the Projects (as further detailed in Section 5;</li> <li>(ii) evaluating acquisition opportunities that may be presented to the Board from time to time; and</li> <li>(iii) the Company's working capital requirements while it is implementing its business strategies;</li> </ul> </li> <li>(c) provide the Company with access to capital markets to improve capital management flexibility;</li> <li>(d) provide the Company with the benefits of an increased profile that arises from being a listed entity;</li> <li>(e) broaden the Company's shareholder base and provide a liquid market for the Shares; and</li> <li>(f) pay transaction costs associated with the Offer.</li> </ul>	Section 4
What is the proposed use of funds raised under the Offer?	<p>The Company intends to apply funds raised under the Offer, together with existing cash reserves post-Admission, as set out in Section 5.6 to advance the Company's main objectives upon Admission.</p> <p>The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 5.6

Item	Summary	Further information
What is the Offer Price?	The price payable under the Offer is \$0.25 per Share.	Section 4.1
What rights and liabilities attach to the Shares being offered?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 10.2.	Section 10.2
Is the Offer underwritten?	No, the Offer is not underwritten.	Sections 4.5
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 4.7
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.12
How can I apply for Shares?	<p>The process for applying for Shares in the Company is set out in Section 4.8.</p> <p>Applications for Shares under the Offer must be made by completing the Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 4.8 and the Application Form.</p>	See Section 4.8
What is the allocation policy?	<p>The allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager, having regard to the allocation policy set out in Section 4.9.</p> <p>No assurance can be given that any applicant will be allocated all or any Shares applied for.</p>	Section 4.9
Will any Shares be subject to escrow?	<p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that certain Shares on issue may be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which restricted Shares 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.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Shares required to</p>	Section 5.9

Item	Summary	Further information
	<p>be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company at the time of Admission) will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.</p>	
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.10
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 2.	Section 2
What is the minimum application size under the Offer?	Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (8,000 Shares) and thereafter, in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.25 per Share.	Section 4.8
<b>K. Additional information</b>		
Is there any brokerage, commission, or duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.</p> <p>However, the Company will pay to the Lead Manager 6% (ex GST) of the total amount raised under the Prospectus (a capital raising fee of 5% and management fee of 1%).</p>	Sections 4.13 and 9.2
Can the Offer be withdrawn?	<p>Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded (without interest).</p>	Section 4.15
What are the tax implications of investing in Shares?	The acquisition and disposal of Shares will have consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, 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.	Section 4.14
What are the corporate governance principles and policies of the Company?	To the extent applicable, and in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council ( <b>Recommendations</b> ).	Section 8.6

Item	Summary	Further information
	<p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 8.6.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (<a href="http://www.evergreenlithium.com.au">www.evergreenlithium.com.au</a>).</p>	
Where can I find more information about this Prospectus or the Offer?	<p>(a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser;</p> <p>(b) By contacting the Company Secretary, on +61 02 8072 1400 ; or</p> <p>(c) By contacting the Share Registry on + 61 2 9698 5414.</p>	
Can general meetings of shareholders be held using technology?	The Company's constitution permits the use of technology at general meetings of shareholders to the extent permitted under the Corporations Act, Listing Rules and applicable law.	Section 10.2

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

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## 4. DETAILS OF THE OFFER

### 4.1 The Offer

The Offer is an initial public offering of 28,000,000 Shares at an issue price of \$0.25 per Share to raise \$7,000,000 (before costs) (**Minimum Subscription**).

All Shares offered under this Prospectus will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.2 for a summary of the material rights and liabilities attaching to the Shares.

The Offer is made on the terms and is subject to the conditions set out in this Prospectus.

### 4.2 Purpose of the Offer

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission;
- (b) provide the Company with funding for:
  - (i) the proposed exploration programs at the Projects (as further detailed in Section 5);
  - (ii) evaluating acquisition opportunities that may be presented to the Board from time to time;
  - (iii) the Company's working capital requirements while it is implementing its business strategies; and
  - (iv) facilitating investment opportunities through acquisition, tenement application, joint venture, and/or direct investment at either the project level or Company level within both the battery and broader mineral, precious, and base metals sector, with a view to creating shareholder value;
- (c) provide the Company with access to capital markets to improve capital management flexibility;
- (d) provide the Company with the benefits of an increased profile that arises from being a listed entity;
- (e) broaden the Company's shareholder base and provide a liquid market for the Shares; and
- (f) pay transaction costs associated with the Offer.

The Company intends to apply the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.6.

### 4.3 Minimum subscription

The minimum subscription to the Offer is \$7,000,000 (28,000,000 Shares) (**Minimum Subscription**).



If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, no Shares will be issued under the Offer and the Company will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

#### **4.4 Oversubscriptions**

No oversubscriptions above the Minimum Subscription will be accepted by the Company under the Offer.

#### **4.5 Underwriter**

The Offer is not underwritten.

#### **4.6 Lead Manager**

The Company has appointed Taylor Collison (**Lead Manager**) as lead manager to the Offer. In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager:

- (a) a management fee of 1.0% of the total amount raised under the Offer to be paid on the issue of the Shares under the Offer;
- (b) a selling fee of 5.0% of the Offer proceeds to be paid on the issue of the Shares under the Offer procured by the Lead Manager; and
- (c) success fees (upon the successful completion of the Offer) of 500,000 Lead Manager Options – valued at \$94,858, based on an estimated fair value ascribed to the Lead Manager Options in Note 6.10(a) to the pro-forma statement of financial position set out in Section 6 of \$0.40 per Lead Manager Option.

If all Lead Manager Options to which Taylor Collison is entitled are exercised, an additional \$200,000 will be raised if the Minimum Subscription is achieved.

The total fees payable to the Lead Manager are equal to 6.0% of the total funds raised (at Minimum Subscription).

For further details of the Lead Manager Mandate, please refer to Section 9.2.1 of the Prospectus.

#### **4.7 Conditions of the Offer**

The Offer is conditional upon the following conditions being satisfied:

- (a) the Minimum Subscription to the Offer being reached; and
- (b) ASX granting conditional approval for the Company to be admitted to the Official List.

(together the **Conditions**).

If the Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

## 4.8 Applications

Applications for Shares under the Offer must be made by using the relevant Application Form as follows:

- (a) using an online Application Form at <https://apply.automic.com.au/evergreen> and pay the application monies electronically; or
- (b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (8,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.25 per Share.

Completed Application Forms and accompanying cheques, made payable to **"Evergreen Lithium Limited – IPO Account"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 13 February 2023.

If paying by BPAY® or EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY or EFT reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date. You do not need to return any documents if you have made payment by BPAY or EFT.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.

## 4.9 Allocation policy under the Offer

The allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager.

The Company, in consultation with the Lead Manager, retains an absolute discretion regarding the basis of allocation of Shares under the Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Shares than the number for which the applicant applies for or to reject any application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors, in consultation with the Lead Manager, will be influenced by the following factors:

- (a) the number of Shares applied for by particular applicants;
- (b) the overall level of demand under the Offer;
- (c) the Company's desire for an informed and active trading market following its listing on ASX;
- (d) the Company's desire to establish a wide spread of investors, including institutional investors;
- (e) recognising the ongoing support of existing Shareholders;
- (f) the likelihood that particular applicants will be long-term Shareholders;
- (g) the desire for an informed and active market for trading Shares following completion of the Offer;
- (h) ensuring an appropriate Shareholder base for the Company going forward; and
- (i) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

#### **4.10 ASX listing**

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. Accordingly, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three (3) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares under the Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities offered for subscription under this Prospectus.

#### **4.11 Issue**

Subject to the Conditions set out in Section 4.7 being satisfied, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a

separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors, (in consultation with the Lead Manager, will determine the recipients of the Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares allocated to the Company's sponsored subregister and confirmation of allocation for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being allocated Shares under the Offer as soon as practicable after their issue.

#### **4.12 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

#### **4.13 Commissions payable**

The Company reserves the right to pay commissions of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

#### **4.14 Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and 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 this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

#### **4.15 Discretion regarding the Offer**

The Offer may be withdrawn at any time. If the Offer does not proceed, all relevant application monies will be refunded (without interest) in accordance with applicable laws.

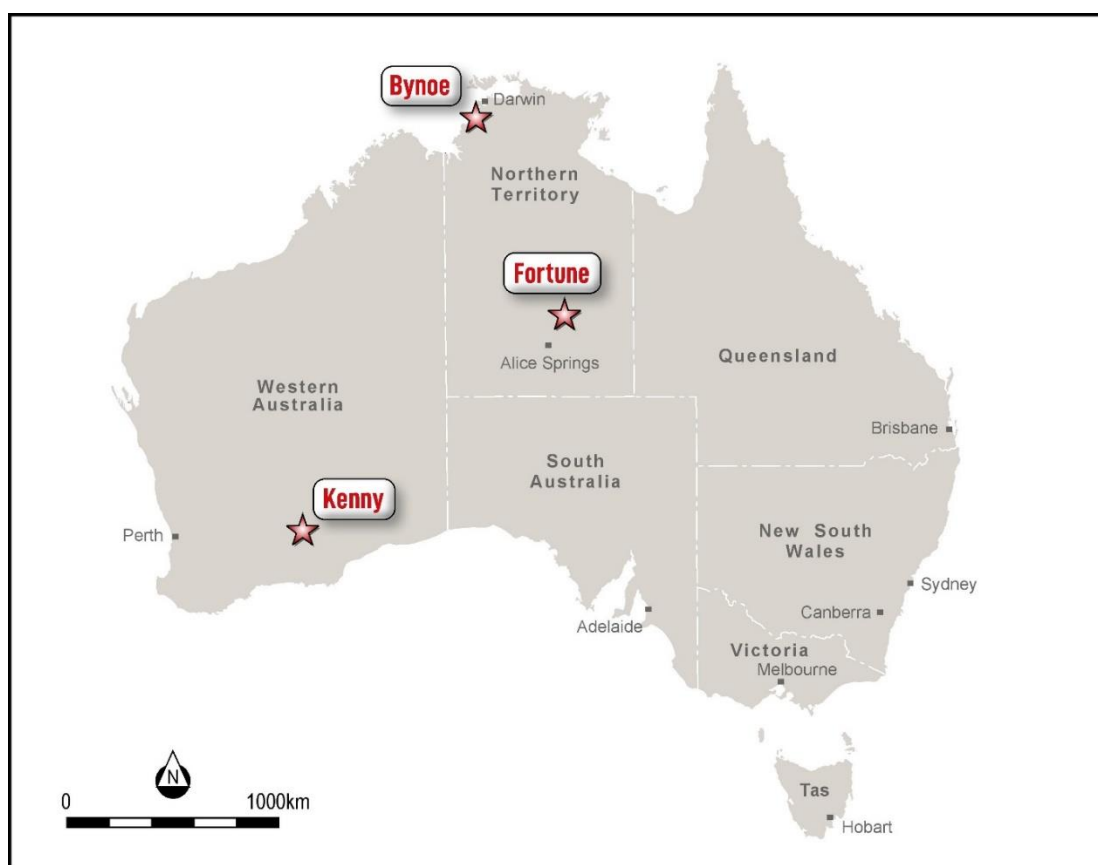
The Company and the Lead Manager also reserve the right to close the Offer (or any part of it) early, extend the Offer (or any part of it), accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant fewer Shares than applied for.

## 5. COMPANY AND PROJECTS OVERVIEW

### 5.1 Background

The Company was incorporated on 21 January 2022 as an Australian proprietary company limited by shares, and on 15 March 2022 converted to an unlisted public company limited by shares, for the primary purpose of acquiring, exploring, and developing lithium mineral deposits in Western Australia and the Northern Territory. Upon listing, the Company proposes to maintain this focus while concurrently continuing to assess various projects both locally and internationally within both the battery metals and broader mineral, precious and base metals sectors for future acquisition, investment, and/or joint venture purpose, with a view to creating shareholder value. The Company is headquartered in South Yarra, Victoria.

On 29 March 2022, the Company entered into the Acquisition Agreement under which it acquired 100% of the issued capital in Lithium Technologies and Lithium Supplies (the **Target Companies**). The Target Companies, through its wholly owned subsidiary Synergy, is the legal and beneficial holder of the tenements comprising the Bynoe Lithium Project and Fortune Lithium Project located in the Northern Territory, and the Kenny Lithium Project located in Western Australia.



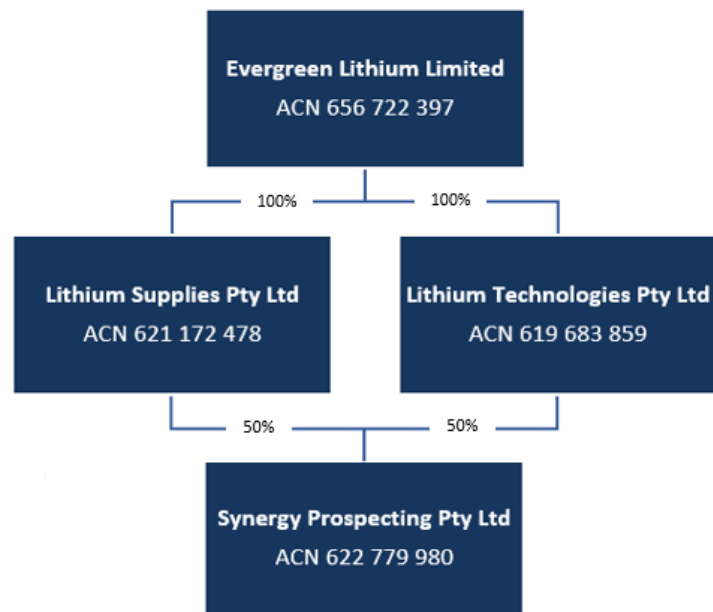
**Figure 1: Regional location of Bynoe, Fortune and Kenny Lithium Projects in Australia**

The Target Companies, in addition to each holding 50% in Synergy, also held a 95% interest in Argo Mining S.A. and Mining and Metals S.A, exploration companies incorporated in Argentina (**Argentinian Entities**). The Argentinian Entities collectively held six applications for exploration tenure located in Argentina (**Argentinian Licences**).

Prior to the lodgement of this Prospectus, the Company sold its interest in the Argentinean Entities (including the Argentinean Licences) to an Argentinean buyer. The Company confirms it no longer has any interest or ongoing liabilities in the Argentinean Entities or the Argentinean Licences, other than the transaction costs relevant to the sale of the Argentinean Entities and Argentinean Licences.

Further details with respect to the Projects are set out in Section 5.2, the Independent Geology Report set out in Annexure A and the Solicitor's Report on Tenements set out in Annexure B.

Upon successful completion of the Offer and admission of the Company to the Official List, the Company will have the following corporate structure:



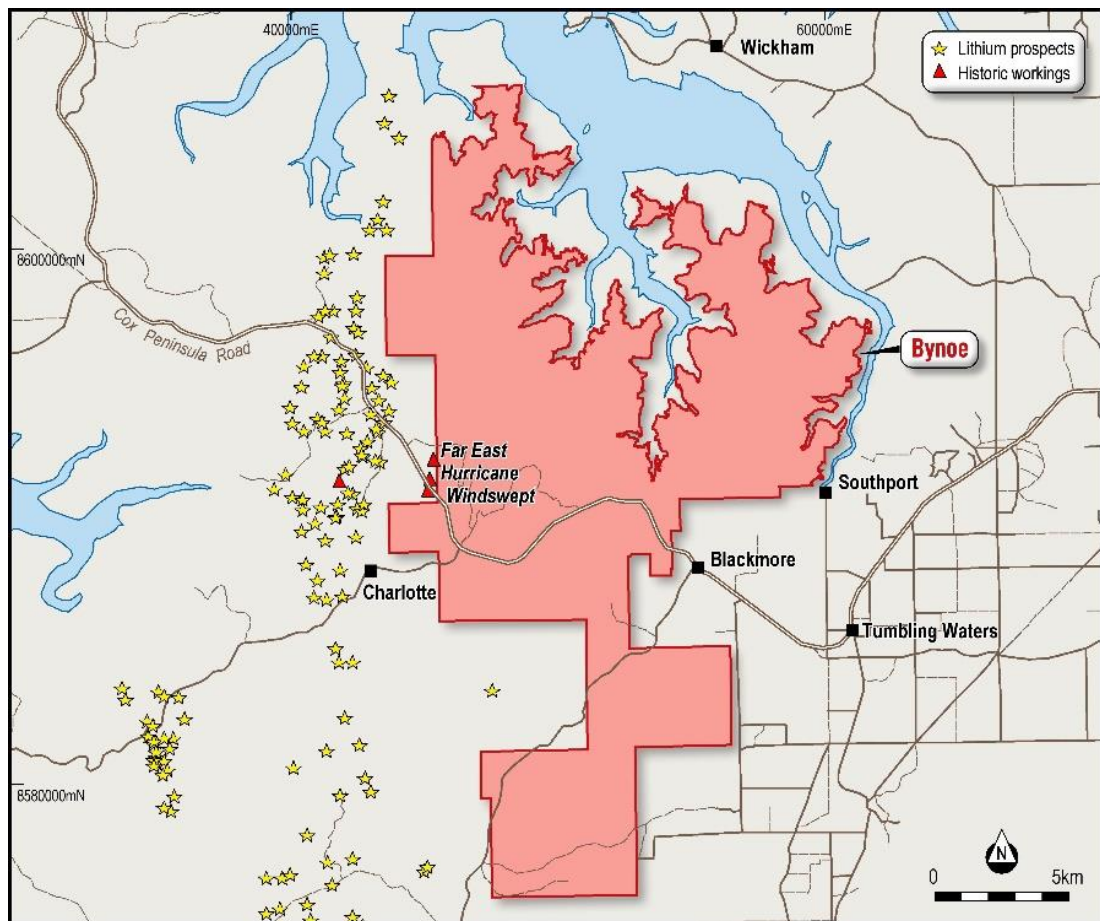
## 5.2 Overview of the Assets

### 5.2.1 The Projects

#### (a) Bynoe Lithium Project

##### Overview, Location and Access

The Bynoe Lithium Project is located south of Darwin in the Northern Territory, Australia and covers the north-eastern strike extent of the highly lithium- and tantalum-endowed Bynoe Pegmatite Field, which forms part of the larger Litchfield Pegmatite Field of the Pine Creek Orogen in the Northern Territory.



**Figure 2: Location and access to, and known mineral occurrences of, the Bynoe Lithium Project, Northern Territory**

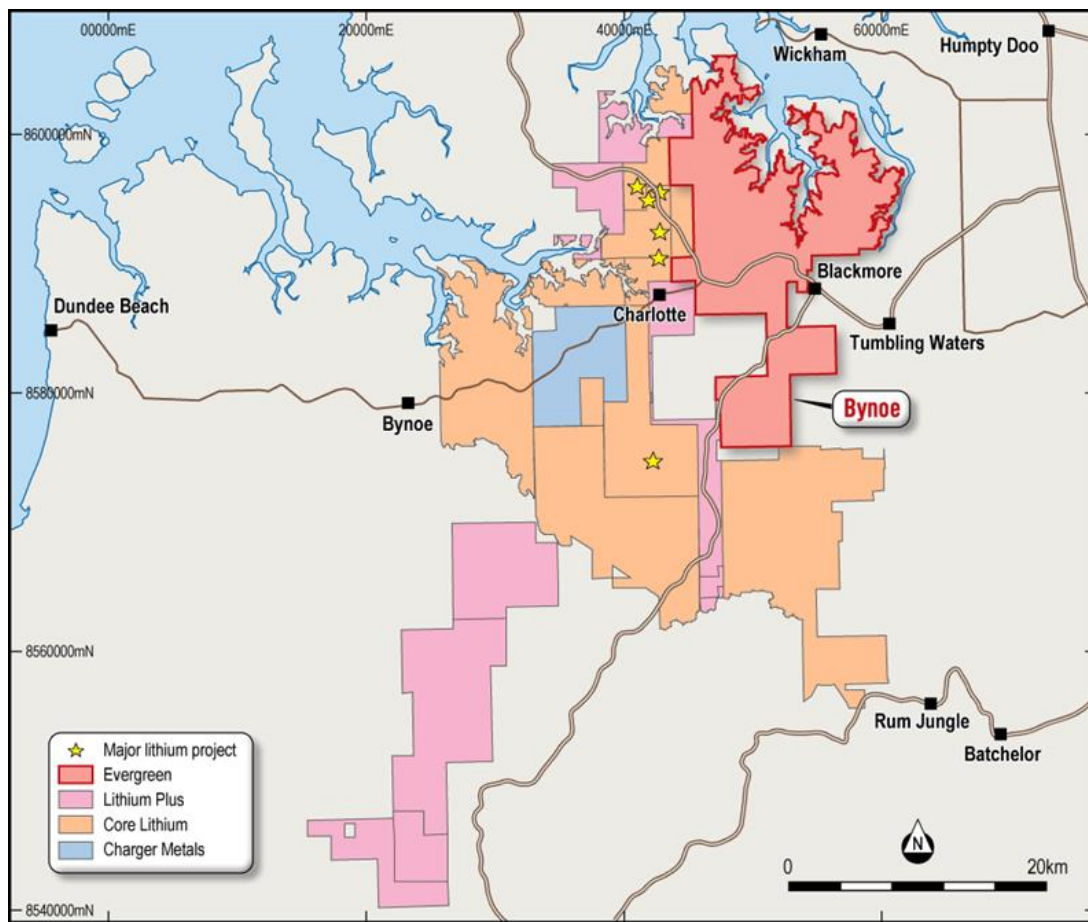
The Bynoe Pegmatite Field is host to Core Lithium Ltd's (ASX:CXO) (**Core Lithium** or **Core**) high grade Finniss lithium deposit, which is adjacent to Core Lithium's producing lithium mine. Core Lithium's deposit is located just 1.2km from the Bynoe Lithium Project. Soil sampling conducted on the Bynoe Lithium Project have returned geochemical anomalies that indicate lithium mineralisation continues along trend into the Company's Bynoe Lithium Project.

The Bynoe Lithium Project covers an area of 231km<sup>2</sup>, making the Company one of the largest tenement holders within the central Bynoe Pegmatite Field after Core Lithium.

There are multiple access routes including the Cox Peninsula Highway, the Litchfield Park Road and Fog Bay Road. A network of unsealed tracks provides additional access to the north-western sections and along the western edge of



the area. There is port access via the multi-modal Port Darwin, which is undergoing expansion focussed on new and expanding minerals exporters. Furthermore, the Alice Springs – Darwin railway line runs approximately 10km east of the Blackmore River, which forms the eastern boundary of the project area.



**Figure 3: Bynoe Mineral Field and neighbouring operations**

The Bynoe Lithium Project comprises of one exploration licence with details as follows:

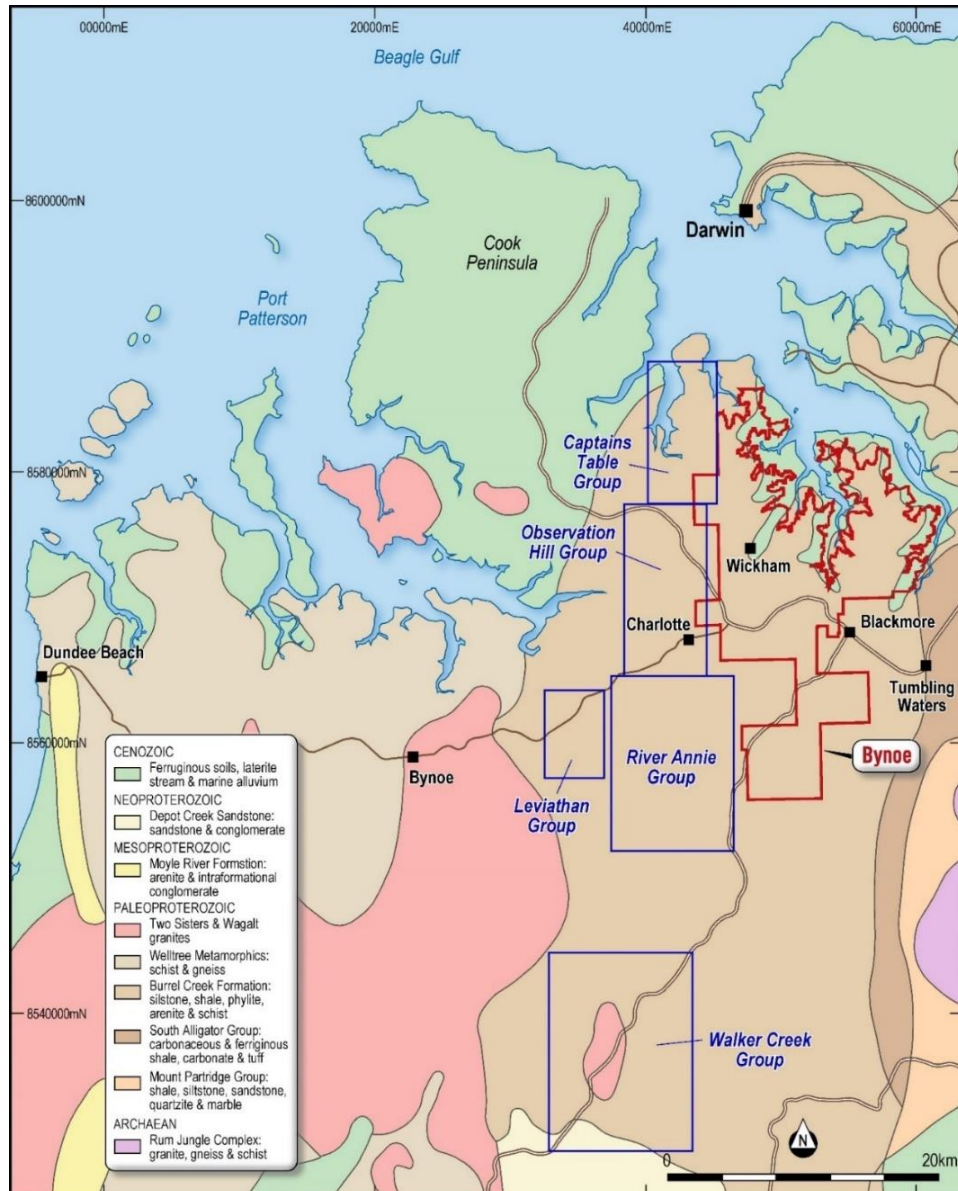
Tenement Details	Holder	Status	Equity	Area, km <sup>2</sup>
EL31774	Synergy Prospecting Pty Ltd	Granted 15/02/2019	100%	230.96

**Table 1: Bynoe Tenement summary**

### **Geology**

The Bynoe Lithium Project lies in the eastern Bynoe Pegmatite Field, within the larger Litchfield Pegmatite belt in the Northern Territory. The 180km-long Litchfield Pegmatite Belt stretches along the eastern contact aureole of the Two Sisters, Allia Creek and Soldiers Creek granites, from Darwin Harbour in the north to the Wingate Mountains in the south.

The most significantly mineralised area of the Litchfield Pegmatite Belt is the Bynoe Field, where mineralised pegmatites are lithium-caesium-tantalum bearing and typically occur in linear swarms and range in size from a few metres long and less than a metre wide up to hundreds of metres long and tens of metres wide.



**Figure 4: Overview of the location of five of the six groups comprising the Litchfield Pegmatite field (Frater, 2005)**

In recent years, exploration activities within the Bynoe Field have been focused on the discovery of economic lithium mineralisation hosted in pegmatites, the most successful of which has been the Company's neighbour, Core Lithium, who in a very short time frame have delineated a JORC mineral resource of **18.9mt at 1.32% Li<sub>2</sub>O** at its Finnis Project, located to the western border of Evergreen tenure [refer ASX announcement 12 July 2022, Core Lithium, ASX:CXO, "Significant Increase to Finnis Lithium Project Mineral Resource and Ore Reserves"].

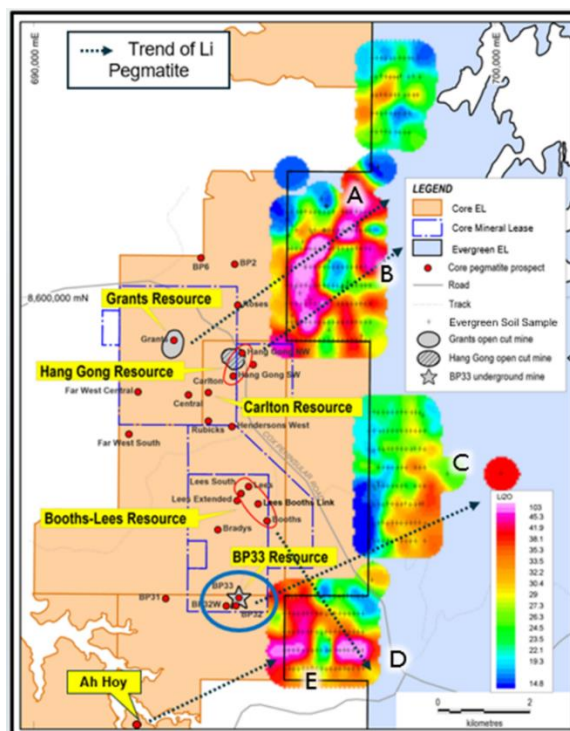
World class drilling intercepts have been achieved by Core Lithium at their BP33 prospect of **107 metres at 1.70% Li<sub>2</sub>O**, which is located within 1km of the Bynoe Lithium Project and Core Lithium's Finnis (BP33) mine.

In 2019, a two-stage sampling campaign was completed on the Bynoe Lithium Project resulting in the collection of 657 samples comprising 124 rock chip samples, 431 soil samples, 49 float samples and 53 abandoned termite mound biogeochemical samples. In 2021, assays were received for the 657 samples, which highlighted surface geochemical anomalies that potentially represent the continuation of the Finniss lithium mineralisation into the Company's Bynoe Lithium Project. This is evidenced by elevated lithium in soil results (refer to Figure 5 below) which, in the Company's view, may potentially form drill ready targets.

Based on the initial stages of soil sampling alone (which only covers approximately 10-20% of the Bynoe Lithium Project area, **an initial 5 target zones have been identified** that contain lithium mineralisation as detailed in Table 2 below:

Target	Description	Size
A	Along strike extension from Core's Grants Lithium Resource.	2.6km long anomalous Li zone open to the NE.
B	Along strike extension from Core's Hang Gong Resource.	3.2km long anomalous Li zone open to the NE.
C	Along strike extension from Core's BP33 Lithium Resource.	2.8km long Li anomaly possible dual conjugate directions open to south and east.
D	Along strike extension from Core's Booths-Lees Lithium Resource.	2.6km long Li anomaly trending towards and open to the SE.
E	Along strike extension from Core's Ah Hoy Lithium Resource.	1.5km long Li anomaly trending towards the NE.

**Table 2: Target zone lithium mineralisation**



**Figure 5: Geochemical anomalies showing strike extension of Core Lithium's main deposits**

## **Proposed Exploration at Bynoe**

The Bynoe Lithium Project is the Company's flagship prospect. The Company's main focus is to explore and discover an economically viable lithium resource for development. Very limited geochemical work has been undertaken within the tenure (<20% coverage), and results to date have been highly encouraging, resulting in drill ready exploration targets. Accordingly, the Company intends to greatly expand the area previously soil sampled. Anomalies will then be ranked for future drill testing. In addition to geochemical programs, the Company recently completed an Ambient Noise Topography (**ANT**) Survey and is currently awaiting its geophysical interpretation. ANT was recently used by Core Lithium (refer ASX announcement Core Lithium, 1 August 2022, "BP33 drilling delivers outstanding results"). Core noted the results were an "outstanding success" and showed "excellent correlation" with known pegmatite bodies that were already identified by drilling. Accordingly, the ANT Survey will assist the Company to determine which pegmatites have the size potential to be economic before deciding to drill.

Once the baseline geochemical and geophysical data is collected, the Company plans to systematically drill test the anomalies starting with the highest priority along strike from Core Lithium's mineralised pegmatites. Initial reconnaissance drilling will be carried out using aircore drill rigs which are a fast and cheap way of delineating the exact location of the pegmatite body. This method only penetrates weathered material and as such will need follow up drilling with deeper reverse circulation (**RC**) and diamond drilling to test for fresh spodumene zones.

The Company is fortunate that recent exploration undertaken by its neighbour Core Lithium has provided a roadmap to achieving exploration success at the Bynoe Lithium Project.

(b) **Kenny Lithium Project**

**Overview, Location and Access**

The Kenny Lithium Project is located within the Dundas Mineral Field of Western Australia and 50km East of Norseman in the Eastern Goldfields. It is close to the Mt Dean and Mt Belches-Bald Hill pegmatite fields and there are multiple significant lithium discoveries located in close proximity to the Kenny Lithium Project.

Access for exploration activities for the Kenny Lithium Project is via the sealed Eyre Highway and then unsealed farm tracks, which are passable for most of the year.

The Kenny Lithium Project covers an area of 210km<sup>2</sup>, providing the Company with a large and prospective land holding within the Dundas mineral field.

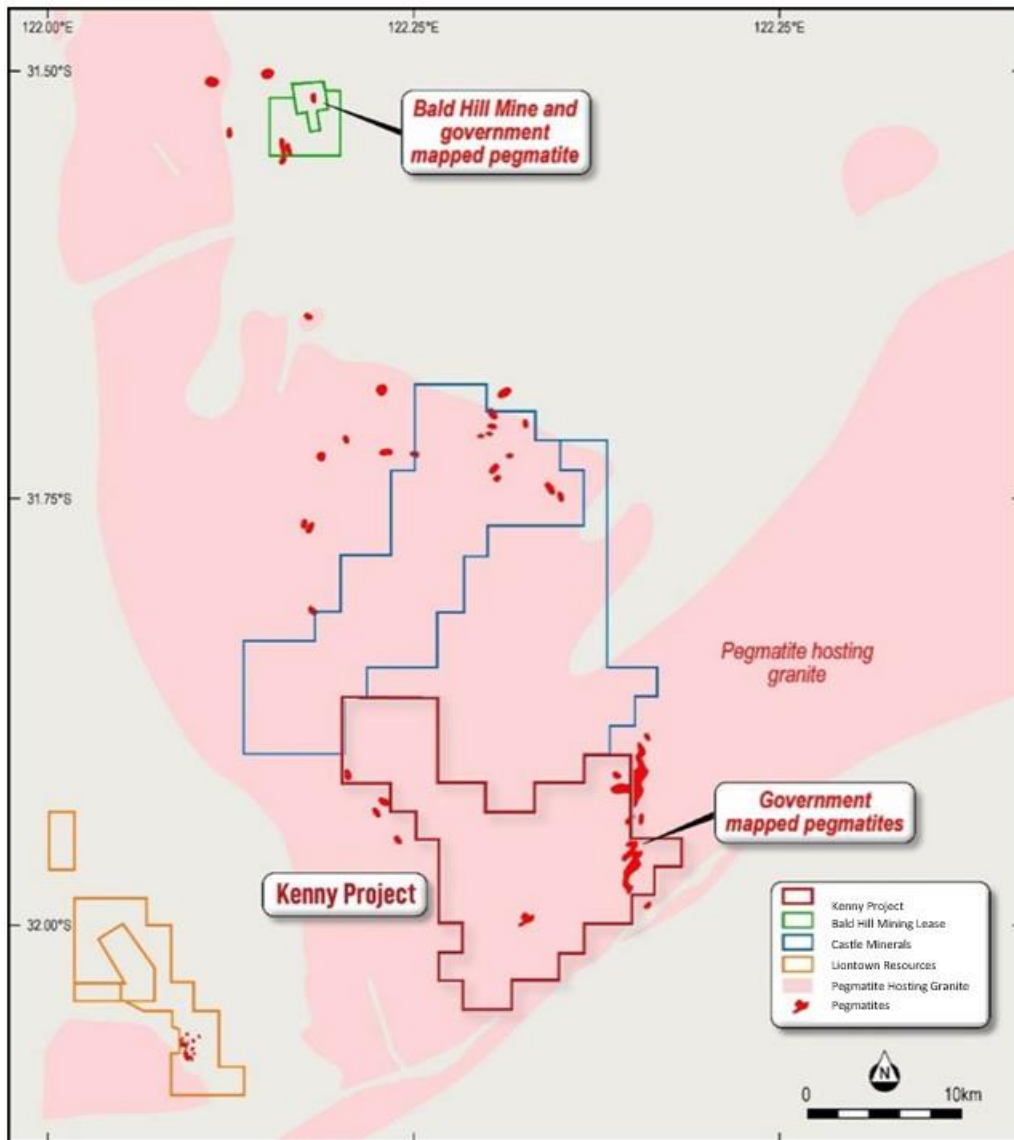


**Figure 6: Location of the Kenny Project**

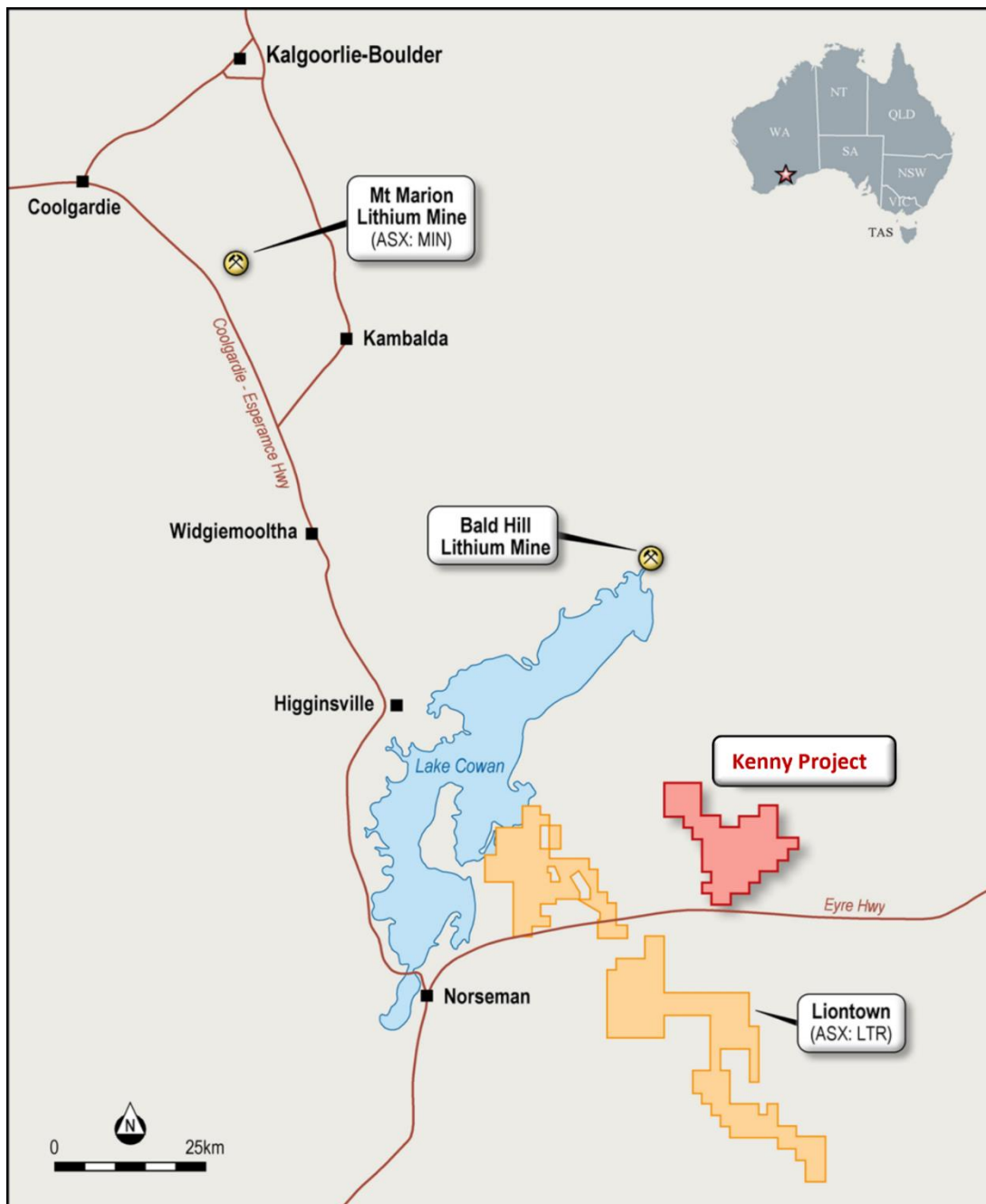
The Kenny Lithium Project comprises of one exploration licence with details as follows:

Tenement Details	Holder	Status	Equity	Area, km <sup>2</sup>
E63/1888	Synergy Prospecting Pty Ltd	Granted (26/10/2018)	100%	210

**Table 3: Kenny Tenement Summary**



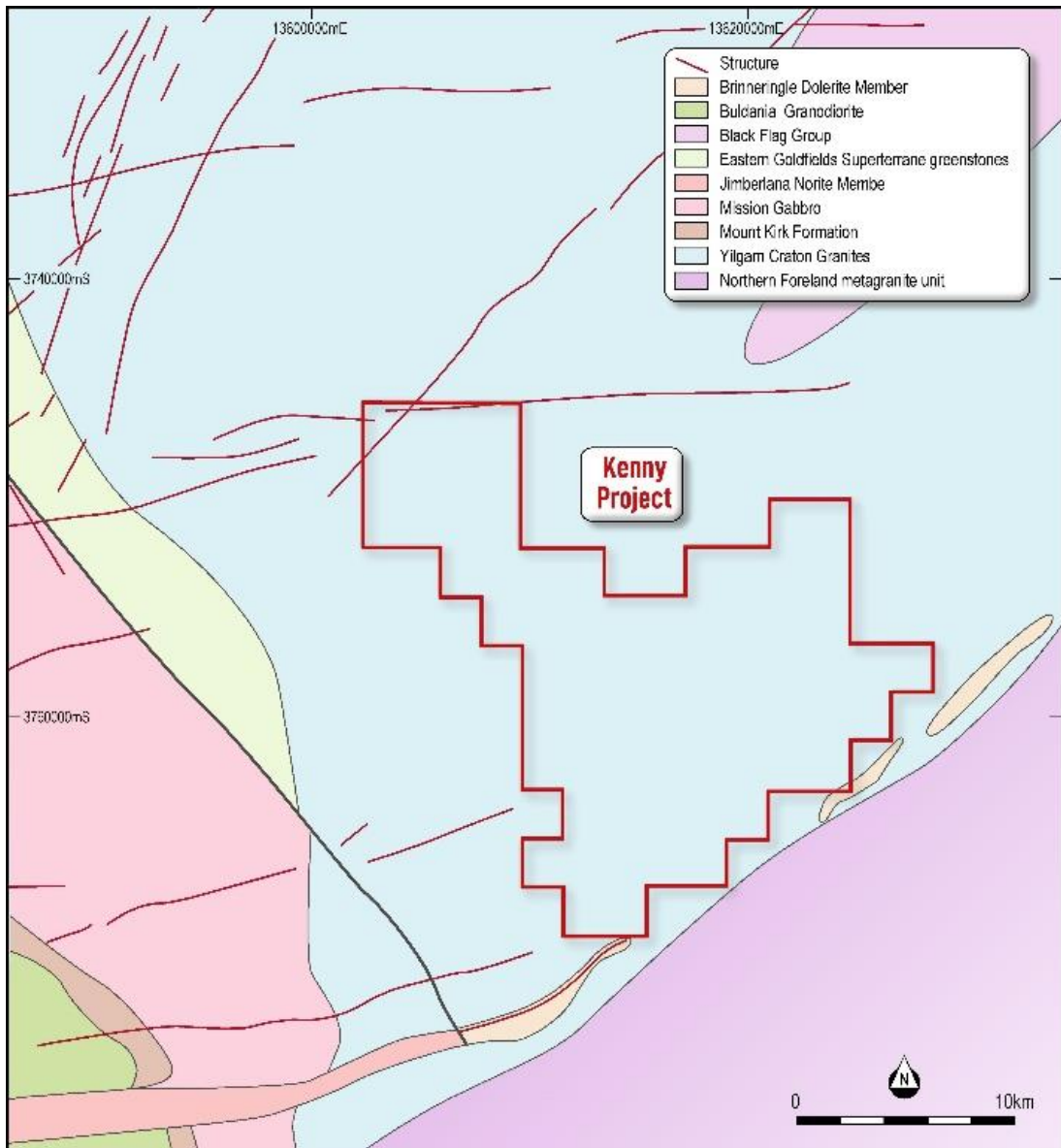
**Figure 7: Mapped pegmatites on or adjacent to the Kenny Lithium Project**



**Figure 8: Dundas Mineral field and neighbouring operations**

### **Geology**

The Kenny Lithium Project lies at the southern end of the Norseman-Wiluna Granite Greenstone Belt within the Archaean Yilgarn Craton. This is a well-known lithium producing region/mineral field and is host to the significant Mount Marion, Bald Hill and Baldania mines respectively, all which are in close proximity to the Company's Kenny Lithium Project.



**Figure 9: Geology at the Kenny Lithium Project**

**Discoveries in close proximity**

Most significantly, Liontown Resources Limited's (ASX:LTR) Buldania Lithium project is located approximately 16km distance from the Kenny Lithium Project and contains an indicated and inferred mineral resource of **14.9mt at 0.97% Li<sub>2</sub>O** [refer ASX announcement 8 November 2019, Liontown Resources, ASX:LTR, "Definitive Feasibility Study and Scoping Studies Investor Presentation"].

The Mount Marion lithium mine, operated by Mineral Resources Limited in a joint venture with Jiangxi Ganfeng Lithium Co. Limited, is located 40km south west of Kalgoorlie and contains a JORC compliant resource of **51.4mt @ 1.45% Li<sub>2</sub>O** [refer ASX announcement 7 October 2022, Mineral Resources, ASX:MIN, "Lithium Mineral Resources and Reserve Update"].

The Bald Hill lithium mine, owned by Alliance Mineral Assets Limited, is located 35km distance from the Kenny Lithium Project and contains an indicated and inferred mineral resource of **26.5mt at 0.96% Li<sub>2</sub>O** [refer ASX announcement 8 November 2018, Tawana Resources, ASX:TAW, "Supplementary Scheme Booklet"].

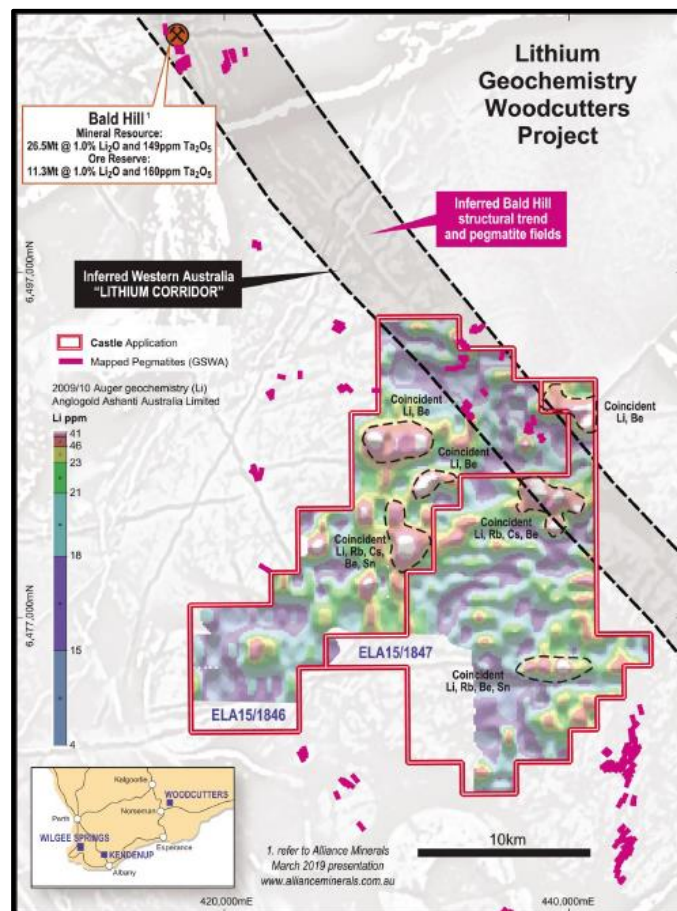


## New entrants exploring for Lithium in the Dundas Mineral Field

Recently there have been new entrants into this mineral field exploring for Lithium including ASX listed explorers **Castle Minerals Limited** (ASX:CDT) (**Castle Minerals**) and **Larvotto Resources Limited** (ASX:LRV). The Company's neighbour, Castle Minerals, recently reported a review of historical multi element geochemistry data identified widespread anomalous lithium across its Woodcutters project [refer ASX announcement 23 February 2022, Castle Minerals, ASX:CDT, "Widespread Anomalous Lithium at Woodcutters"]. The Company and Castle Minerals tenure are contiguous with both projects having government mapped pegmatites. Castle Mineral's has identified lithium anomalism over portions of these mapped pegmatites.

Within the Kenny Lithium Project (previously known as the Picasso Lithium Project), historical exploration for gold-copper-zinc-lead was undertaken by Anglo Gold. The assay result for one of the drill-holes returned elevated lithium levels up to 75ppm Li, noting that >30ppm deemed significant to warrant closer geological investigation. Interpreting the geochemistry findings reinforces the Company's belief that pegmatites within several target areas across the tenure have the potential to host lithium mineralisation.

The Company's neighbour Castle Minerals, as part of their review of historical multi element geochemistry data, identified widespread anomalous lithium at its Woodcutters project, to the northern boundary of the Kenny Lithium Project, further supporting the prospectivity of the Kenny Lithium Project (refer Figure 10 below).



**Figure 10: Lithium geochemistry at Castle Minerals Woodcutters lithium project directly north of the Kenny Lithium Project**

Initial field mapping on the Kenny Lithium Project, has confirmed the presence of substantial outcropping pegmatites (Refer to Figure 11 below), whereby an approximate **10km zone of pegmatite outcropping has been confirmed** in the North-Eastern section of the Kenny Lithium Project, which significantly exceeds what has already been identified by the Government Survey of Western Australia (**GSWA**).



**Figure 11: Outcropping pegmatites at Kenny project**

#### **Proposed Exploration at the Kenny Lithium Project**

The Company's goal is to explore and discover an economic lithium resource for subsequent development. As with the Company's Bynoe Lithium Project, very limited geochemical work has been undertaken within the tenure, however, historic results have proven encouraging. The Company has recently completed a comprehensive auger program, drilling 1,731 holes in total. The Company expects the results to be available shortly after listing. Thereafter, the Company will design a drill program to drill test any targets identified to be prospective for lithium mineralisation and test the economic potential.

(c) **Fortune Lithium Project**

**Overview, Location and Access**

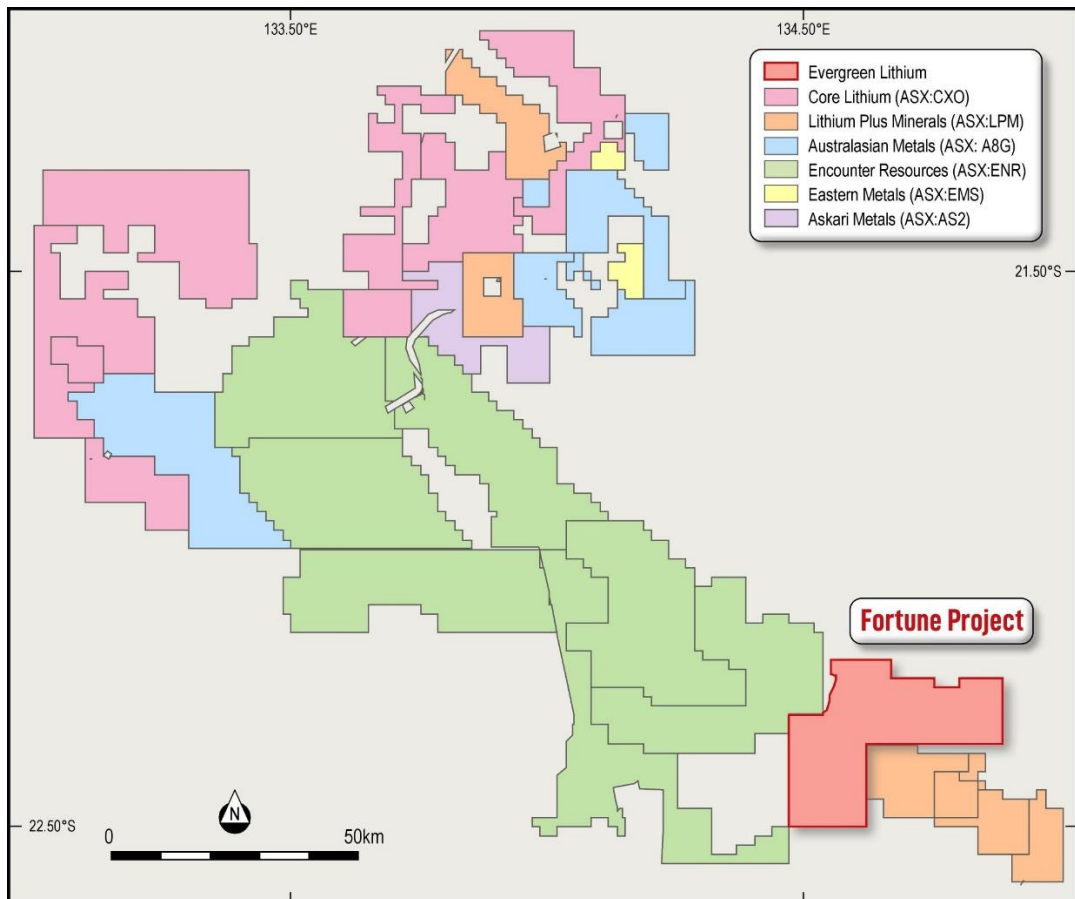
The Fortune Lithium Project (EL31828) is located in the Northern Territory and is currently in its application phase and undergoing Native Title procedures.

The Company's Fortune Lithium Project is 784.71km<sup>2</sup> and is located 150km northeast of Alice Springs, in the Arunta region, and accessible by the Utopia Homestead Road off the Sandover Highway, which is an unsealed highway off the Plenty Highway north of Alice Springs. The tenement itself has not been historically explored for lithium, however the Directors' strongly believe the tenure is prospective for lithium mineralisation.

The Fortune Lithium Project comprises of one exploration licence with details as follows:

Tenement Details	Holder	Status	Equity	Area, km <sup>2</sup>
EL31828	Synergy Prospecting Pty Ltd	Pending	100%	784.71

**Table 4: Fortune Tenement Summary**

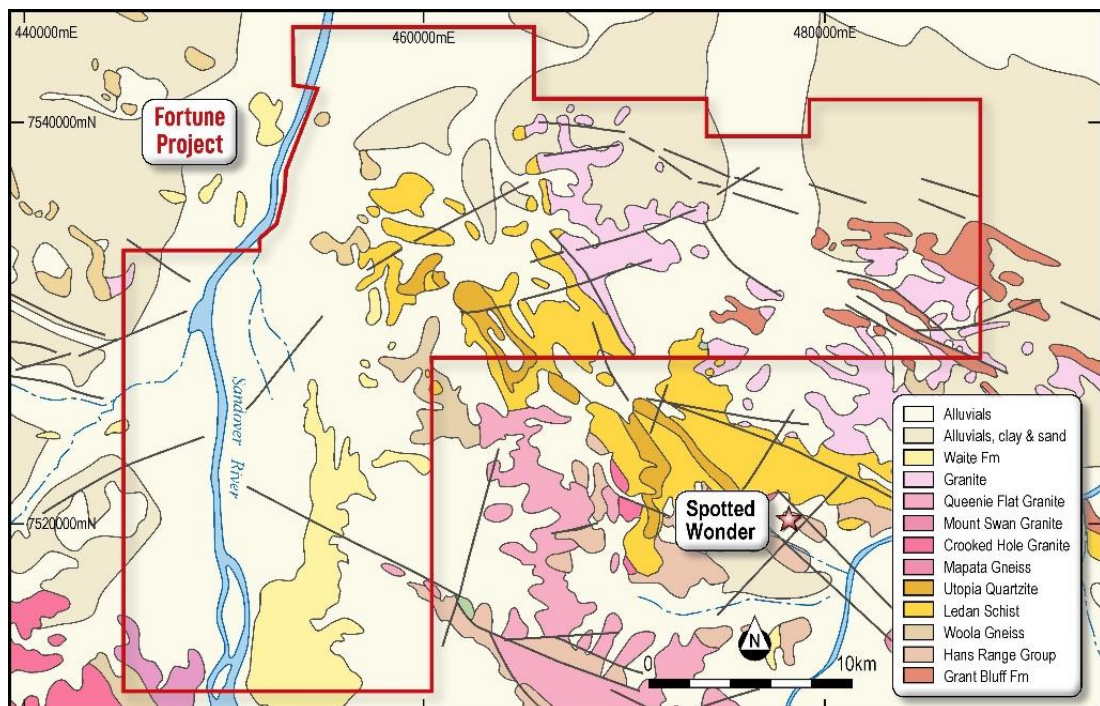


**Figure 12: Neighbouring operations of the Fortune Lithium Project**

## **Geology**

The Fortune Lithium Project lies in the Mesoproterozoic Aileron Province of the Arunta Region within the North Australia Craton. The Arunta Region comprises a sequence of Proterozoic rocks known to host tin-tantalum-tungsten pegmatites. Historic pegmatite-hosted workings targeting tin-tantalum and mica are recorded in the vicinity of the Fortune Lithium Project area.

There has been no exploration activity on the Fortune Lithium Project tenement specifically. The lithium prospectivity of the Alcoota pegmatite field has only been tested in recent years, commencing in 2016 with Kingston Resources Limited (AXS:KNS) (**Kingston Resources**). In 2017, Kingston Resources announced a 9.63% Li<sub>2</sub>O rock chip sample from a pegmatite outcrop at Spotted Wonder, now owned by Lithium Plus Minerals Limited (ASX:LPM) and contiguous with the Company's Fortune Lithium Project.



**Figure 13: Regional Geology of the Fortune Project**

### **Proposed Exploration at Fortune**

The Fortune Lithium Project is currently in the application phase and is therefore non granted tenure. The Company intends to work closely with the traditional landowners, with a view to progressing the tenement to grant status. Thereafter, the Company's goal is to explore and subsequently discover an economic lithium resource for subsequent development. Previous rock chip sampling conducted on the Fortune Lithium Project may indicate the presence of high-grade lithium in the immediate vicinity. Accordingly, and upon grant, the Company intends to undertake geochemical works, with a view to defining target zones for drill testing to advance the Fortune Lithium Project with a view of defining a JORC compliant mineral resource.

### **5.3 Business model**

The Company's primary objective is to focus on identifying prospective mineral resource opportunities in Australia and internationally within both the battery metals and broader minerals, precious, and base metals sectors such that it can

deliver growth to the Company for the benefit of its Shareholders. To achieve this, the Company proposes to conduct the exploration and development programs outlined in this Section.

The results generated from the exploration and development programs will determine economic viability and direct the timing for the commencement of productive mining operations at the Projects.

The Company has been strategic in bringing together directors and senior management who collectively possess extensive experience and skills in corporate management, mineral resource acquisition, mineral resource discovery, development, and mining. The Company proposes to leverage this expertise to achieve its primary objectives. In addition, the Company may also seek to make further investment in, or acquisitions of, assets which the Company considers strategically align with its operations.

Upon completion of the Offer, the Company proposes to continue its exploration of the Kenny Lithium Project in Western Australia and the Bynoe Lithium Project in the Northern Territory and will, subject to the grant of the Fortune Lithium Project in the Northern Territory, develop a work program to commence active exploration on the Fortune Lithium Project. The Company's exploration activities across the Projects will apply the latest, industry recognised, exploration techniques and mineralisation models to assess the Projects prospectivity. The Company will continue its engagement with the Central Land Council and take such steps it deems necessary to progress the Fortune Lithium Project to grant.

The Company will continue to implement a growth strategy to identify, assess and review other potential opportunities for acquisitions or tenement applications, that it considers appropriate or in the best interest of Shareholders. The Company may also seek to expand its tenure holdings around its existing Projects, or in areas within or outside of, Western Australian and the Northern Territory.

The Company will also, as one of its main objectives upon Admission, seek to provide working capital for the Company.

## **5.4 Proposed Exploration Program and Development Plan**

### **5.4.1 Proposed Exploration Program**

The Company proposes to undertake exploration across the Projects as follows:

#### **(a) Bynoe Lithium Project and Kenny Lithium Project**

Within the Bynoe Lithium Project and Kenny Lithium Project the Company has proposed the following activities:

- (i) Desktop review, data compilation, and verification of the historical exploration activities, various geochemical activities and permitting for ground-based surveys (geochemical and drilling activities)
- (ii) Geological mapping and geological prospecting of the currently identified pegmatite targets including obtaining access
- (iii) Soil and rock chip surveys over the currently identified targets to further delineate and plan specific drill locations for initial drill testing and plan specific drill locations for initial drill testing, utilising various geochemical and geophysical techniques.

- (iv) Drilling with the drilling likely to consist of RC and diamond drilling due to the pegmatite bodies usually being resistive to erosion and weathering. Drilling in year one would target the initially identified pegmatite bodies and geochemical anomalies with the exact location of the drilling being refined by the infill soil and rock chip sampling. Drilling in year two would consist drilling of both extensional holes around the drill results from the first year and regional targets. Drilling in the second year would be dependent on the results of the geochemical and drilling from the first year.

(b) **Fortune Lithium Project**

As the Fortune Lithium Project consists of one tenement application, the planned exploration activities for year one (2023) are limited to desktop data review and analysis.

In the year two (2023 – 2024) planned work consists of additional review and compilation work, geological prospecting and mapping along with geochemical surveys and potentially a small drilling program assuming encouraging geochemical targets are identified by the geochemical sampling, geological mapping and prospecting. The expenditure within year two (2023 – 2024) is contingent on the tenement being granted and the Company obtaining access to undertake exploration.

#### 5.4.2 Proposed Exploration Budget

The Projects' exploration budget for the two years following the Company's admission to the Official List (and the minimum subscription of \$7,000,000 is raised):

Project	Expenditure per year		
	Year 1 \$	Year 2 \$	Total \$
<b>BYNOE - Northern Territory - Granted</b>			
Permitting / Desktop Reviews	150,000	150,000	300,000
Mapping / Ground Surveys	150,000	150,000	300,000
Geochemical Surveys (Soil and Rock Chip)	350,000	150,000	500,000
Drilling	1,000,000	1,500,000	2,500,000
Assaying and test work	250,000	250,000	500,000
<b>Sub-Total</b>	<b>1,900,000</b>	<b>2,200,000</b>	<b>4,100,000</b>
<b>KENNY – Western Australia – Granted</b>			
Permitting / Desktop Reviews	50,000	50,000	100,000
Mapping / Ground Surveys	50,000	50,000	100,000
Geochemical Surveys (Soil and Rock Chip)	250,000		250,000
Drilling	100,000	100,000	200,000
Assaying and test work	50,000	50,000	100,000
<b>Sub-Total</b>	<b>500,000</b>	<b>250,000</b>	<b>750,000</b>
<b>Total Exploration Expenditure – Granted Tenure</b>	<b>2,400,000</b>	<b>2,450,000</b>	<b>4,850,000</b>
<b>FORTUNE - Northern Territory - Application</b>			
Permitting / Desktop Reviews	50,000	50,000	100,000
Mapping / Ground Surveys	-	50,000	50,000
Geochemical Surveys (Soil and Rock Chip)	-	100,000	100,000
Drilling	-	50,000	50,000

<b>Project</b>	<b>Expenditure per year</b>		
Assaying and test work	-	50,000	50,000
<b>Sub-Total</b>	<b>50,000</b>	<b>300,000</b>	<b>350,000</b>
<b>Project Identification and Acquisition</b>	<b>500,000</b>	<b>500,000</b>	<b>1,000,000</b>
<b>Total Exploration Expenditure</b>	<b>2,950,000</b>	<b>3,250,000</b>	<b>6,200,000</b>

Note the exploration budget does not include exploration management or staff costs associated with exploration supervision.

Refer to the Independent Geologist's Report prepared by Valuation and Resources Management provided in Annexure A for a detailed breakdown on each of the Projects. Further information is also provided in section 8 of the Independent Geologist's Report with respect to the proposed exploration budget for each Project.

## **5.5 Key dependencies of the Company's business model**

The key dependencies influencing the viability of the Company's business model are:

- (a) completion of the Offer;
- (b) maintaining title to the Tenements;
- (c) the granting of the Company's exploration application relevant to the Fortune Lithium Project;
- (d) the Company's ability to obtain and retain all necessary approvals (including any regulatory or third-party approvals) required to undertake its proposed exploration programs;
- (e) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;
- (f) retaining and recruiting key personnel skilled in the mining and resources sector;
- (g) sufficient worldwide demand for lithium;
- (h) the market price of lithium remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Projects by the Company);
- (i) raising sufficient funds to satisfy expenditure requirements for exploration and operating costs in respect of the Projects; and
- (j) minimising environmental impacts and complying with environmental and health and safety requirements.

## 5.6 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-Admission, over the first two years following Admission as follows:

<b>Funds available<sup>1</sup></b>	<b>Minimum Subscription (\$) \$7,000,000</b>	<b>Percentage of Funds (%)</b>
<b>Existing cash reserves<sup>1,2</sup></b>	3,667,693	34.38
<b>Funds raised from the Offer</b>	7,000,000	65.62
<b>Total</b>	10,667,693	100
<b>Allocation of funds</b>		
Granted Tenement Exploration <sup>3</sup>	5,200,000	48.75
Expenses of the Offer <sup>4</sup>	865,275	8.11
Administration and Compliance costs <sup>5</sup>	2,200,000	20.62
Working Capital <sup>6</sup>	1,402,418	13.15
Project Identification/Acquisition	1,000,000	9.37
<b>Total</b>	<b>10,667,693</b>	<b>100</b>
<b>Bynoe Lithium Project<sup>6</sup></b>		
Desktop Reviews	300,000	2.81
Ground Surveys / Mapping	300,000	2.81
Geochemical	500,000	4.69
Drilling	2,500,000	23.44
Assaying	500,000	4.69
<b>Kenny Lithium Project</b>		
Desktop Reviews	100,000	0.94
Ground Surveys/Mapping	100,000	0.94
Geochemical	250,000	2.34
Drilling	200,000	1.87
Assaying	100,000	0.94
<b>Fortune Lithium Project<sup>7</sup></b>		
Desktop Reviews	100,000	0.94
Ground Surveys/Mapping	50,000	0.47
Geochemical	100,000	0.94
Drilling	50,000	0.47
Assaying	50,000	0.47
<b>Total</b>	<b>5,200,000</b>	<b>48.75</b>

### Notes:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Refer to Section 10.14 (Expenses of the Offer) of the Prospectus



for details of costs incurred and/or expended in progressing and preparing the Prospectus and related activities.

2. Since the Company acquired the Projects, it has commenced active exploration on the Bynoe and Kenny Lithium Projects and has or will be required to make payments for services rendered and/or works completed. As at the date of this Prospectus, the Company has expended \$943,524 on exploration activities as follows:
  - (a) \$253,550 on an ambient noise tomography survey and soil geochemistry on the Bynoe Lithium Project;
  - (b) \$435,893 on soil Geochemistry and Rock Chip at the Bynoe Lithium Project; and
  - (c) \$254,081 on an auger program at the Kenny Lithium Project.
3. Refer to Section 5.4 and the Independent Geologist's Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Projects.
4. Refer to Section 10.14 for further details.
5. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
6. To the extent that:
  - (d) the Company's exploration activities warrant further exploration activities; or
  - (e) the Company identifies additional acquisition or investment opportunities,the Company's working capital will also be utilised to fund such further exploration activities and/or acquisition or investment costs (including due diligence investigations and expert's fees in relation to such acquisitions or investments) as applicable. Any amounts not so expended will be applied toward corporate and administration costs for the period subsequent to the initial two-year period following Admission.
7. The timing for the funds expenditure on the Bynoe Lithium Project may vary in accordance with various permitting activities, such as the receipt of an Aboriginal Areas Protection Authority (**AAPA**) Certificate or the granting of mine management plans (**MMP**).
8. Funds expenditure on the Fortune Lithium Project is based on the assumption EL31828 proceeds to grant for the Company to commence its proposed exploration activities in the second-year post IPO.

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

It is anticipated that the funds raised under the Offer will enable two years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's Projects in Western Australia and the Northern Territory. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional exploration on the Projects or to capitalise on acquisition or investment opportunities in the resources sector.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is highly speculative and prospective investors are encouraged to read the risk factors outlined in Section 7.

## 5.7 Capital structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Offer (assuming the Minimum Subscription under the Offer) is set out in the table below:

### Shares<sup>1</sup>

	Minimum Subscription
Shares on issue <sup>3, 4, 5, 6</sup>	153,078,300
Shares to be issued pursuant to the Offer <sup>2</sup>	28,000,000
<b>Total Shares on completion of the Offer</b>	<b>181,078,300</b>
Deferred Milestone Shares <sup>7</sup>	55,000,000
<b>Total Shares if Deferred Milestone Shares issued</b>	<b>236,078,300</b>

### Notes:

1. The material rights and liabilities attaching to the Shares are summarised in Section 10.2.
2. 28,000,000 Shares to be issued at an issue price of \$0.25 per Share to raise \$7,000,000 under the Offer.
3. Shares were issued to the founding shareholders as follows:
  - (a) on 21 January 2022, 10 Shares each were issued to:
    - i. Ferkel 4 Pty Ltd <Ferkel 4 Investment Trust>, and indirectly held by Tal Paneth;
    - ii. Super Grover 2 Pty Ltd <SuperGrover 2 Investment Trust> and indirectly held by Ruth Paneth;<sup>1</sup>
    - iii. Shanti Capital Pty Ltd <Peter Marks Super Fund>, and indirectly held by Peter Marks;
    - iv. Royal Flux Pty Ltd <Flux Family Trust>, and indirectly held by Simon Lill;
    - v. Ledger Holdings Pty Ltd <Mochkin Family Trust No 2> and indirectly held by Lisa Dawn Mochkin ;
    - vi. Doblal Investments Pty Ltd <Porvenir Investment Trust>, and indirectly held by Christopher Connell; and
  - (b) on 24 January 2022, a further 9,999,990 Shares each were issued to the Shareholders described in Note 3(a) above. Each founding shareholder paid \$10 in total for their Shares.
4. On 28 January 2022, 10,000,000 Shares were issued to Michael Woods <Silvis A/C>. Mr Woods paid \$10 in total for his Shares.
5. In March 2022, professional and sophisticated Australian investors were offered the opportunity to subscribe for fully paid ordinary Shares in the Company at an issue price of \$0.20 per share to raise up to \$6,000,000. No directors in the Company were invited to participate in the pre-IPO offering. The offer was oversubscribed with the Company raising \$6,200,000 and issuing 31,000,000 Shares.
6. Pursuant to the Acquisition Agreement, the Company proposes to issue the Aged Payables as follows:
  - (a) 675,812 Shares to Battery Powered Resources Pty Ltd and indirectly held by Kim Julia Wainwright;

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<sup>1</sup> Ruth Paneth is not a 'related party' of Tal Paneth (as that term is defined in Chapter 19 of the ASX Listing Rules).

- (b) 110,000 Shares to Xplore Resources Pty Ltd and indirectly held by Kim Julia Wainwright;
- (c) 247,500 Shares to Subiaco Capital Pty Ltd;
- (d) 13,750 Shares to JD Squared Investments Pty Ltd; and
- (e) 781,238 Shares to Condor Prospecting Pty Ltd and indirectly held by Jason Thomas Ward.

The 'Shares on issue' in the table above assumes the issue of the Aged Payables.

7. Pursuant to the Acquisition Agreement, the Company agreed to grant Deferred Milestone Shares to the shareholders of Lithium Technologies and Lithium Supplies upon the satisfaction of certain milestones. The number of deferred shares to be issued is not fixed and is calculated by reference to a future volume weighted average price (VWAP), however a floor price of \$0.20 per share is set, meaning a maximum number of 55,000,000 shares would be issued. The Acquisition Agreement makes provision to refine or amend the terms of the equity consideration payable, including milestone payments, as is necessary to satisfy the ASX (Refer to Section 9.1.1 of this Prospectus).

## Options

	Minimum Subscription
Options currently on issue <sup>1</sup>	35,000,000
Options to be issued pursuant to the Offer	Nil
Lead Manager Options <sup>2</sup>	500,000
Consultant Options <sup>3</sup>	9,999,999
Zero Exercise Price Options <sup>4</sup>	15,500,000
<b>Total Options on completion of the Offer</b>	<b>60,999,999</b>

### Notes:

1. On 25 January 2022, 35,000,000 Options were issued to the Company's founding Shareholders. Each Option is exercisable at \$0.30 each on or before 24 January 2027, and allotted as follows:
  - (a) 5,000,000 Options to Doblar Investments Pty Ltd <Porvenir Investment Trust> and indirectly held by Christopher Connell;
  - (b) 5,000,000 Options to Ferkel 4 Pty Ltd <Ferkel 4 Investment Trust> and indirectly held by Tal Paneth;
  - (c) 5,000,000 Options to Ledger Holdings Pty Ltd <Mochkin Family Trust No 2> and indirectly held by Lisa Dawn Mochkin;
  - (d) 5,000,000 Options to Royal Flux Pty Ltd <Flux Family Trust> and indirectly held by Simon Lill;
  - (e) 5,000,000 Options to Shanti Capital Pty Ltd <Peter Marks Super Fund> and indirectly held by Peter Marks;
  - (f) 5,000,000 Options to Super Grover 2 Pty Ltd <SuperGrover 2 Investment Trust> and indirectly held by Ruth Paneth<sup>2</sup>; and
  - (g) 5,000,000 Options to Michael Woods <Silvis Trust>.
2. Pursuant to the Lead Manager Mandate with Taylor Collison dated 11 August 2022, the Company has agreed to issue Taylor Collison (or its nominee(s)) 500,000 Options exercisable at \$0.40 with an expiry date that is three years from the date of the Company's admission on the ASX following completion of the Offer.

<sup>2</sup> Ruth Paneth is not a 'related party' of Tal Paneth (as that term is defined in Chapter 19 of the ASX Listing Rules).

3. Comprising:

- (a) 3,333,333 Options to Bayview and indirectly held by Jason Thomas Ward;
- (b) 3,333,333 Options to Mr Bruce Smith; and
- (c) 3,333,333 Options to Geokeys, and indirectly held by Jason Keys,

with each Option exercisable at \$0.30 on or before 24 January 2027, and any Option exercised being subject the terms of the respective Consultancy Agreement. The Options are subject to the Company successfully listing on the ASX and when exercised, voluntary escrow requirements.

4. Comprising:

- (a) 3,000,000 zero exercise price options (**ZEPOs**) to be granted to Mr Simon Lill;
- (b) 3,000,000 ZEPOs to be granted to Lampam Pty Ltd, and indirectly held by Peter Marks;
- (c) 2,500,000 ZEPOs to be granted to Bayview and indirectly held by Jason Thomas Ward;
- (d) 2,500,000 ZEPOs to be granted to Mr Bruce Smith;
- (e) 2,500,000 ZEPOs to be granted to Geokeys and indirectly held by Jason Keys;
- (f) 2,000,000 ZEPOs to be granted to Silvis Capital Pty Ltd and indirectly held by Michael Woods,

subject to the terms under the respective Director Letters of Appointment or Consultancy Agreements, as appropriate. The ZEPOs, are subject to the Company successfully listing on the ASX, vesting conditions, and voluntary escrow requirements.

## 5.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

*As at the date of the Prospectus*

Shareholder	Shares	Options	Percentage (%)	
			Undiluted	Fully Diluted
Lisa Dawn Mochkin <sup>1</sup>	22,500,000	5,000,000	14.70	14.62
Cadence Minerals Plc <sup>2</sup>	15,830,138	Nil	10.34	8.42
Jason Thomas Ward <sup>3</sup>	11,340,912	Nil	7.41	6.03
Christopher Connell <sup>4</sup>	10,000,000	5,000,000	6.53	7.98
Tal Paneth <sup>5</sup>	10,000,000	5,000,000	6.53	7.98
Simon Lill <sup>6</sup>	10,000,000	5,000,000	6.53	7.98
Peter Marks <sup>7</sup>	10,000,000	5,000,000	6.53	7.98
Ruth Paneth <sup>8</sup>	10,100,000	5,000,000	6.60	8.03
Michael Woods <sup>9</sup>	10,000,000	5,000,000	6.53	7.98
Kim Julia Wainwright	9,883,965	Nil	6.46	5.26

**Notes:**

1. The Securities are indirectly held by Lisa Dawn Mochkin comprising:
  - (a) 10,000,000 Shares issued to Ledger on 21 January 2022 and 24 January 2022;
  - (b) 5,000,000 Options issued to Ledger on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027; and

- (c) 12,500,000 Shares issued to Nasdaq Securities Australia Pty Ltd on 27 June 2022 as part of the Company's Pre-IPO offer made to professional and sophisticated Australian investors in March 2022.
2. Upon completion under the Acquisition Agreement, the Company issued 15,830,138 Shares in the capital of the Company to Cadence Minerals Plc to satisfy the Company's consideration obligations pursuant to the Acquisition Agreement (excluding the Deferred Milestone Shares).
3. The Shares are indirectly held by Jason Thomas Ward comprising:
  - (a) 10,559,674 Shares in the capital of the Company issued to Condor Prospecting Pty Ltd to satisfy the Company's consideration obligations pursuant to the Acquisition Agreement (excluding the Deferred Milestone Shares; and
  - (b) 781,238 Shares in the capital of the Company issued to Condor Prospecting Pty Ltd to satisfy the payment of invoices which remained outstanding at Completion pursuant to the Acquisition Agreement.
4. The Securities are indirectly held by Christopher Connell comprising:
  - (a) 10,000,000 Shares issued to Doblar Investments Pty Ltd <Porvenir Investment Trust> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Doblar Investments Pty Ltd <Porvenir Investment Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
5. The Securities are indirectly held by Tal Paneth comprising:
  - (a) 10,000,000 Shares issued to Ferkel 4 Pty Ltd<Ferkel 4 Investment Trust> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Ferkel 4 Pty Ltd<Ferkel 4 Investment Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
6. The Securities are indirectly held by Simon Lill comprising:
  - (a) 10,000,000 Shares issued to Royal Flux Pty Ltd <Flux Family Trust> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Royal Flux Pty Ltd <Flux Family Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
7. The Securities are indirectly held by Peter Marks comprising:
  - (a) 10,000,000 Shares issued to Shanti Capital Pty Ltd <Peter Marks Super Fund> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Shanti Capital Pty Ltd <Peter Marks Super Fund> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
8. The Securities are indirectly held by Ruth Paneth<sup>3</sup> comprising:
  - (a) 10,000,000 Shares issued to Super Grover 2 Pty Ltd <SuperGrover 2 Investment Trust> on 21 January 2022 and 24 January 2022;
  - (b) 5,000,000 Options issued to Super Grover 2 Pty Ltd <SuperGrover 2 Investment Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027; and
  - (c) 100,000 Shares issued to Riveck Nominees Pty Ltd on 27 June 2022;
9. The Securities are indirectly held by Michael Woods comprising:
  - (a) 10,000,000 Shares issued to Michael James Woods <Silvis Trust> on 28 January 2022; and
  - (b) 5,000,000 Options issued to Michael James Woods <Silvis Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.

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<sup>3</sup> Ruth Paneth is not a 'related party' of Tal Paneth (as that term is defined in Chapter 19 of the ASX Listing Rules).

10. The Shares are indirectly held by Kim Julia Wainwright comprising:
- 9,098,153 Shares in the capital of the Company to Strat Plan Pty Ltd to satisfy the Company's consideration obligation pursuant to the Acquisition Agreement (excluding the Deferred Milestone Shares);
  - 675,812 Shares in the capital of the Company to Battery Powered Resources Pty Ltd to satisfy invoices which remained unpaid at Completion pursuant to the Acquisition Agreement; and
  - 110,000 Shares in the capital of the Company to Xplore Resources Pty Ltd to satisfy invoices which remained unpaid at Completion pursuant to the Acquisition Agreement.

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

Shareholder	Shares	Options	ZEPOs	Deferred Milestone Shares	Percentage (%)	
					Undiluted	Fully Diluted
Lisa Dawn Mochkin <sup>1</sup>	22,500,000	5,000,000	Nil	Nil	12.43	9.26
Cadence Minerals Plc <sup>2</sup>	15,830,138	Nil	Nil	17,326,518	8.74	11.16
Jason Thomas Ward <sup>3</sup>	11,340,912	3,333,333	2,500,000	11,557,850	6.26	9.67
Ruth Paneth <sup>4</sup>	10,100,000	5,000,000	Nil	Nil	5.58	5.08
Michael Woods <sup>5</sup>	10,000,000	5,000,000	2,000,000	Nil	5.52	5.72
Simon Lill <sup>6, 7</sup>	10,000,000	5,000,000	3,000,000	Nil	5.52	6.06
Peter Marks <sup>8</sup>	10,000,000	5,000,000	3,000,000	Nil	5.52	6.06
Christopher Connell <sup>9</sup>	10,000,000	5,000,000	Nil	Nil	5.52	5.05
Tal Paneth <sup>10</sup>	10,000,000	5,000,000	Nil	Nil	5.52	5.05
Kim Julia Wainwright <sup>11</sup>	9,883,965	Nil	Nil	9,958,178	5.46	6.68

**Notes:**

- The Securities are indirectly held by Lisa Dawn Mochkin comprising:
  - 10,000,000 Shares in the capital of the Company issued to Ledger on 21 January 2022 and 24 January 2022;
  - 5,000,000 Options issued to Ledger on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027; and
  - 12,500,000 Shares in the capital of the Company issued to Nasdaq Securities Australia Pty Ltd on 27 June 2022 as part of the Company's Pre-IPO offer made to professional and sophisticated Australian investors in March 2022.
- Comprising:
  - 15,830,138 Shares in the capital of the Company issued to Cadence Minerals Plc to satisfy the Company's consideration obligations pursuant to the Acquisition Agreement (excluding the Deferred Milestone Shares); and
  - 17,326,518 Deferred Milestone Shares, being the maximum number of shares in the capital of the Company to be issued to Cadence Minerals Plc, if the Company achieves Milestones one, two, three and four, pursuant to the Acquisition Agreement. Refer to Section 9.1.1 for information on the Milestone conditions.

3. The Securities are indirectly held by Jason Thomas Ward comprising:
  - (a) 10,559,674 Shares in the capital of the Company issued to Condor Prospecting Pty Ltd to satisfy the Company's consideration obligations pursuant to the Acquisition Agreement (excluding the Deferred Milestone Shares);
  - (b) 781,238 Shares in the capital of the Company issued to Condor Prospecting Pty Ltd to satisfy outstanding invoices at Completion pursuant to the Acquisition Agreement;
  - (c) 11,557,850 Deferred Milestone Shares, being the maximum number of shares in the capital of the Company to be issued to Condor Prospecting Pty Ltd, if the Company achieves Milestones one, two, three and four, pursuant to the Acquisition Agreement. Refer to Section 9.1.1 for information on the Milestone conditions;
  - (c) 3,333,333 Options issued to Bayview in accordance with its Consultancy Agreement with the Company. Each Option is exercisable at \$0.30 on or before 24 January 2027. Each Option is subject to the Company listing on ASX and voluntary escrow requirements; and
  - (d) 2,500,000 ZEPOs issued to Bayview in accordance with its Consultancy Agreement with the Company. Each ZEPO is subject to the Company listing on ASX, vesting conditions and voluntary escrow requirements.
4. The Securities are indirectly held by Ruth Paneth<sup>4</sup> comprising:
  - (a) 10,000,000 Shares in the capital of the Company issued to Super Grover 2 Pty Ltd <SuperGrover 2 Investment Trust> on 21 January 2022 and 24 January 2022;
  - (b) 5,000,000 Options issued to Super Grover 2 Pty Ltd <SuperGrover 2 Investment Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027; and
  - (c) 100,000 Shares in the capital of the Company issued to Riveck Nominees Pty Ltd on 27 June 2022 as part of the Company's Pre-IPO offer made to professional and sophisticated Australian investors in March 2022.
5. The Securities are indirectly held by Michael Woods comprising:
  - (a) 10,000,000 Shares in the capital of the Company issued to Michael James Woods <Silvis Trust> on 28 January 2022;
  - (b) 5,000,000 Options issued to Michael James Woods <Silvis Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027; and
  - (c) 2,000,000 ZEPOs issued to Silvis Capital Pty Ltd pursuant to its Consultancy Agreement with the Company. The ZEPOs are subject to the Company successfully listing on ASX, vesting conditions, and voluntary escrow requirements.
6. The Securities are indirectly held by Simon Lill comprising:
  - (a) 10,000,000 Shares issued to Royal Flux Pty Ltd <Flux Family Trust> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Royal Flux Pty Ltd <Flux Family Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
7. Simon Lill directly holds 3,000,000 ZEPOs pursuant to his Letter of Appointment with the Company. The ZEPOs are subject to the Company successfully listing on ASX, vesting conditions, and voluntary escrow requirements.
8. The Securities are indirectly held by Peter Marks comprising:
  - (a) 10,000,000 Shares issued to Shanti Capital Pty Ltd <Peter Marks Super Fund> on 21 January 2022 and 24 January 2022;
  - (b) 5,000,000 Options issued to Shanti Capital Pty Ltd <Peter Marks Super Fund> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027; and
  - (c) 3,000,000 ZEPOs issued to LAMPAM Pty Ltd pursuant to Peter Marks Letter of Appointment with the Company. The ZEPOs are subject to the Company successfully listing on ASX, vesting conditions, and voluntary escrow requirements.

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<sup>4</sup> Ruth Paneth is not a 'related party' of Tal Paneth (as that term is defined in Chapter 19 of the ASX Listing Rules).

9. The Securities are indirectly held by Christopher Connell comprising:
  - (a) 10,000,000 Shares issued to Doblar Investments Pty Ltd <Porvenir Investment Trust> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Doblar Investments Pty Ltd <Porvenir Investment Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
10. The Securities are indirectly held by Tal Paneth comprising:
  - (a) 10,000,000 Shares issued to Ferkel 4 Pty Ltd<Ferkel 4 Investment Trust> on 21 January 2022 and 24 January 2022; and
  - (b) 5,000,000 Options issued to Ferkel 4 Pty Ltd<Ferkel 4 Investment Trust> on 25 January 2022, with each Option exercisable at \$0.30 on or before 24 January 2027.
11. The Securities are indirectly held by Kim Julia Wainwright comprising:
  - (a) 9,098,153 Shares in the capital of the Company to Strat Plan Pty Ltd to satisfy the Company's consideration obligations pursuant to the Acquisition Agreement (excluding the Deferred Milestone Shares);
  - (b) 675,812 Shares in the capital of the Company to Battery Powered Resources Pty Ltd to satisfy outstanding invoices at Completion pursuant to the Acquisition Agreement;
  - (c) 110,000 Shares in the capital of the Company to Xplore Resources Pty Ltd to satisfy outstanding invoices at Completion pursuant to the Acquisition Agreement;
  - (d) 9,958,178 Deferred Milestone Shares, being the maximum number of shares in the capital of the Company to be issued to Strat Plan Pty Ltd, if the Company achieves Milestones one, two, three and four, pursuant to the Acquisition Agreement. Refer to Section 9.1.1 for information on the Milestone conditions.

## 5.9 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares (including Vendor Shares) will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position, the Company anticipates that the following Securities will be subject to escrow:

- (a) 70,000,000 founders Shares issued to the founding Shareholders upon incorporation of the Company will be subject to an escrow period of 24 months;
- (b) 35,000,000 founders Options issued to the founding shareholders upon incorporation of the Company will be subject to an escrow period of 24 months;
- (c) 50,250,000 consideration Shares issued to the Vendors under the Acquisition Agreement will be subject to an escrow period of 24 months;
- (d) 1,828,300 Shares, once issued, to related parties of Lithium Technologies, Lithium Supplies and Synergy to satisfy unpaid invoices (aged payables) for services provided as follows:
  - (i) 13,750 Shares to JD Squared Investments Pty Ltd;
  - (ii) 781,238 Shares to Condor Prospecting Pty Ltd;
  - (iii) 675,812 Shares to Battery Powered Resources Pty Ltd;
  - (iv) 110,000 Shares to Xplore Resources Pty Ltd;



(v) 247,500 Shares to Subiaco Capital Pty Ltd,

all of which will be subject to an escrow period of 24 months.

- (e) 500,000 Lead Manager Options issued to Taylor Collison (or its nominee(s)) will be subject to an escrow period of 24 months;
- (f) 2,500,000 Shares issued to Nasdaq Securities Australia Pty Ltd pursuant to the Pre-IPO Offering will be subject to an escrow period of 24 months;
- (g) 250,000 Shares issued to Parkway Trading Pty Ltd pursuant to the Pre-IPO Offering will be subject to an escrow period of 24 months;
- (h) 15,500,000 ZEPOs issued to consultants and certain directors pursuant to their consultancy agreements and letters of appointment as appropriate and will, after the vesting conditions are satisfied, be subject to an escrow period of 24 months; and
- (i) 9,999,999 Options issued to consultants pursuant to their consultancy agreements will, upon their exercise, be subject to an escrow period of 24 months.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of Admission) will be approximately 31.05% comprising all Shares issued other than shares subject to ASX imposed escrow or held by Directors or promoters.

## **5.10 Dividend policy**

Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the Company's Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's listing on the ASX.

In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.

The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends which can be given by the Company.

## 5.11 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

- (a) the Independent Geologist's Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects;
- (b) the Solicitor's Report on Tenements in Annexure B for further details in respect to the Company's interests in the Tenements;
- (c) the Investigating Accountant's Report in Annexure C for further details on the Company's financials; and
- (d) the Independent Expert's Report in Annexure D in relation to the fairness and reasonableness of the possible issue of the Performance Securities to the Directors and consultants, and the issue of the Deferred Milestone Shares (assuming the Milestones are achieved) for the Company's non-participating Shareholders.

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## 6. FINANCIAL INFORMATION

### 6.1 Definitions

For this Section 6, the following definitions apply:

- (a) **Controlled Entities** or **Combined Entities** means the subsidiaries of the Company, that being Lithium Technologies Pty Ltd, Lithium Supplies Pty Ltd and Synergy Prospecting Pty Ltd; and
- (b) **Group or Consolidated Entity** means collectively the Company, Lithium Technologies Pty Ltd, Lithium Supplies Pty Ltd and Synergy Prospecting Pty Ltd.

### 6.2 Introduction

The financial information relating to the Company and its controlled entities (together, the **consolidated entity** or the **Group**) contained in this Section 6 includes:

- (a) the Group's statutory historical financial information for the financial period 21 January 2022 to 30 June 2022 (**FY22**) comprising:
  - (i) the audited consolidated statement of profit or loss and other comprehensive income for FY22;
    - 1. the audited consolidated statement of financial position as at 30 June 2022;
  - (ii) the audited consolidated cash flow statement for FY22; and
- (b) the statutory historical financial information of the combined entity comprising Lithium Supplies Pty Ltd (**Lithium Supplies**) and Lithium Technologies Pty Ltd (**Lithium Technologies**) and their controlled entity Synergy Prospecting Pty Ltd (**Synergy**) (together, the **combined entity**) for the financial years ended 30 June 2020, 2021 and 2022 comprising:
  - (i) the audited combined statements of profit or loss and other comprehensive income;
  - 2. the audited combined statements of financial position; and
  - (ii) the audited combined cash flow statements,  
  
(together for the Group and the combined entity, the **Historical Financial Information**); and
- (c) The Group's audited statutory historical consolidated statement of financial position as at 30 June 2022, and pro-forma statement of financial position at 30 June 2022 based on the Subscription scenario set out in this Prospectus (the **Pro Forma Historical Statement of Financial Position**),

(the Historical Financial Information and the Pro Forma Statement of Financial Position, together the **Financial Information**).

The information in this Section 6 should also be read in conjunction with all other information set out in this Prospectus and in particular, the risk factors detailed in Section 7.

All amounts disclosed in Section 6 are, unless otherwise noted, rounded to the nearest Australian dollar. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

The Company has a 30 June financial year end.

### **6.3 Basis of preparation and presentation of the financial information**

#### **6.3.1 Overview of preparation and presentation of the Historical Financial Information**

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of the Company.

Given the Company is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian equivalents to International Financial Reporting Standards (**AIFRS**) issued by the Australian Accounting Standards Board. Following the listing, the Company will report under AIFRS in Australian Dollars, which is its elected presentation currency. The significant accounting policies are described in Section 6.21.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) and AIFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and AIFRS, that reflect the impact of certain transactions as if they had occurred on or before 30 June 2022.

The Financial Information is presented in an abbreviated form and does not include all of the presentation and disclosures, statements or comparative information required by AAS and AIFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

#### **6.3.2 Basis for inclusion of Historical Financial Information**

The Company was incorporated on 21 January 2022 as a private company and converted to an unlisted public company on 15 March 2022.

The historical financial statements of the Company for FY22 were audited and an unqualified audit opinion was issued.

The Company is the parent entity of the following companies comprising:

- (a) Lithium Supplies Pty Ltd (**Lithium Supplies**);
  - (b) Lithium Technologies Pty Ltd (**Lithium Technologies**); and
  - (c) Synergy Prospecting Pty Ltd (**Synergy**),
- (together, the **Controlled Entities**).

The Pro Forma Historical Statement of Financial Position reflects a consolidation of the Company and the Controlled Entities that will comprise the Group upon listing.

### **6.3.3 Limited Assurance Report**

The Financial Information has been reviewed by William Buck Audit (Vic) Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" as stated in its Independent Limited Assurance Report set out in Annexure C. Investors should note the scope and limitations of the Independent Limited Assurance Report.

### **6.3.4 Preparation of the Financial Information**

The Financial Information has been presented on both a statutory and a pro forma basis.

The Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Statement of Financial Position has been derived from the Company's audited statutory historical consolidated statement of financial position and adjusted for the effects of the pro forma adjustments, including the impact of the Offer as if it had occurred as at 30 June 2022.

In preparing the Financial Information, the Company's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

### **6.3.5 Going Concern**

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern as a result of the cash on hand prior to the commencement of the Offer, in addition to proceeds raised from the Offer.

Accordingly, the board of Directors believe the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the Financial Information.

## 6.4 Summary of Statutory Historical Statements of Profit or Loss and other Comprehensive Income

### 6.4.1 Group Statutory Historical Statement of Profit or Loss and other Comprehensive Income for Financial Year 2022

The table below sets out the Group's Statutory Historical Statement of Profit or Loss and other Comprehensive Income for FY22.

	FY22 Audited (\$)
<b>Expenses</b>	
Corporate and administrative costs	(244,514)
Exploration and evaluation costs	(10,866,498)
Transaction costs	(125,752)
Finance costs	(1)
<b>Loss before income tax expense</b>	<b>(11,236,765)</b>
Income tax expense	-
<b>Net loss after tax</b>	<b>(11,236,765)</b>
Other comprehensive income for the period, net of tax	-
<b>Total comprehensive income / (loss)</b>	<b>(11,236,765)</b>

#### Management discussion and analysis of the Statutory Historical Statement of Profit or Loss and other Comprehensive Income relating to the Group

- (a) Corporate and administrative costs relate primarily to professional fees including legal expenses, consulting fees and accounting fees.
- (b) Exploration and evaluation costs comprise largely the costs of issuing shares in pursuant to the consideration requirements under the Acquisition Agreement:
  - (i) 45,000,000 ordinary shares for 'completion share consideration', issued at \$0.20.
  - (ii) 5,000,000 ordinary shares for 'completion cash consideration', issued as shares in lieu of cash at \$0.20 per share to the value of \$1,000,000.
  - (iii) 250,000 ordinary shares for 'exclusivity fee', issued as shares in lieu of cash at \$0.20 per share to the value of \$50,000.
  - (iv) The combined net liabilities acquired in Lithium Technologies and Lithium Supplies is \$538,807 and has been recorded as an exploration and evaluation cost.

The Company's Acquisition of Lithium Technology and Lithium Supplies (together, the **Target Companies**) from an accounting perspective, have been treated as a share-based payment under AASB 2: *Share-based payment* recorded as exploration and evaluation costs, rather than a business combination under AASB 3: *Business combinations*. The Target Companies contained no substantive processes, as the value was

substantially derived from the tenements held by the Target Companies wholly owned subsidiary, Synergy. There were no firm contracts with either suppliers or customers in place on the acquisition date of 27 June 2022.

The remaining exploration and evaluation costs pertain to stamp duty, consulting fees and general tenement maintenance fees.

- (c) Transaction costs relate to legal costs associated with the Acquisitions and the Offer.

#### 6.4.2 Combined Entity's Historical Statement of Profit or Loss and other Comprehensive Income for the financial years ended 30 June 2020 to 30 June 2022

The table below sets out the Combined Entity's Historical Statement of Profit or Loss and other Comprehensive Income for the financial years ended 30 June 2020, 2021 and 2022.

	FY20	FY21	FY22
	Audited	Audited	Audited
	\$	\$	\$
<b>Revenue</b>			
Other income	2	-	4
<b>Expenses</b>			
Administrative and corporate expenses	(38,170)	(29,890)	(106,955)
Exploration expenses	(392,343)	(37,218)	(430,641)
<b>Loss before income tax expense</b>	<b>(430,511)</b>	<b>(67,108)</b>	<b>(537,592)</b>
Income tax expense	-	-	-
<b>Net loss after tax</b>	<b>(430,511)</b>	<b>(67,108)</b>	<b>(537,592)</b>
Other comprehensive income for the period, net of tax	31	(7)	7
<b>Total comprehensive income / (loss)</b>	<b>(430,480)</b>	<b>(67,115)</b>	<b>(537,585)</b>

#### Management discussion and analysis of the Historical Statements of Profit or Loss and other Comprehensive Income relating to the Combined Entity

- (a) Corporate and administrative costs relate primarily to professional fees including legal expenses, consulting fees and accounting fees.
- (b) Exploration and evaluation costs comprise largely the costs of exploring and evaluating areas of geological interest held by the Combined Entity.

#### 6.5 Summary of Statutory Historical Statement of Financial Position

##### 6.5.1 Group Historical Statement of Financial Position as at 30 June 2022

The table below sets out the Group's Historical Statement of Financial Position as at 30 June 2022.

As at	30-Jun-22 Audited \$
<b>Current assets</b>	
Cash and cash equivalents	6,251,212
Other receivables	13,154
<b>Total current assets</b>	<b>6,264,366</b>
<b>Total assets</b>	<b>6,264,366</b>
<b>Current liabilities</b>	
Trade and other payables	1,201,061
Borrowings	50,000
<b>Total current liabilities</b>	<b>1,251,061</b>
<b>Total liabilities</b>	<b>1,251,061</b>
<b>Net assets</b>	<b>5,013,305</b>
<b>Equity</b>	
Issued capital	16,250,070
Accumulated losses	(11,236,765)
<b>Total equity</b>	<b>5,013,305</b>

### Management discussion and analysis of the Historical Statement of Financial Position of the Group

- (a) Cash and cash equivalents comprises funds received from the pre-IPO offering from the issuance of 31,000,000 shares at 20c to the value of \$6,200,000. The remaining balance relates to \$50,000 of founder loans expressed in the table above as 'Borrowings', which was repaid after the period end and net cash acquired on the Acquisitions.
- (b) Trade and other payables relates to trade payables and accrued expenses in respect of exploration and evaluation costs and corporate and administrative costs.
- (c) Issued capital comprises the following:
- (i) 70,000,000 ordinary shares issued at 0.0001c per share to the founders of the Company;
  - (ii) 50,250,000 ordinary shares issued at 20c per share for the Acquisitions;



- (iii) 31,000,000 ordinary shares issued at 20c per share for the pre-IPO offering;
- (iv) 35,000,000 Options issued to the founders of the Company. Each Option has an exercise price of 30 cents to be exercised on or before 24 January 2027.

#### 6.5.2 Combined Entity's Historical Statement of Financial Position as at 30 June 2020, 30 June 2021 and 30 June 2022

The table below sets out the combined entity's Historical Statement of Financial Position as at 30 June 2020, 30 June 2021 and 30 June 2022.

As at	30-Jun-20 Audited \$	30-Jun-21 Audit \$	30-Jun-22 Audited \$
<b>Current assets</b>			
Cash and cash equivalents	459	308	1,197
Other receivables	16,191	17,326	-
<b>Total current assets</b>	<b>16,650</b>	<b>17,634</b>	<b>1,197</b>
<b>Total assets</b>	<b>16,650</b>	<b>17,634</b>	<b>1,197</b>
<b>Current liabilities</b>			
Trade and other payables	356,983	389,027	530,119
Short term loan	-	2,093	-
<b>Total current liabilities</b>	<b>356,983</b>	<b>391,120</b>	<b>530,119</b>
<b>Total liabilities</b>	<b>356,983</b>	<b>391,120</b>	<b>530,119</b>
<b>Net liabilities</b>	<b>(340,333)</b>	<b>(373,486)</b>	<b>(528,922)</b>
<b>Equity</b>			
Issued capital	1,057,604	1,091,566	1,473,715
Reserves	(1,615)	(1,622)	(1,615)
Accumulated losses	(1,396,322)	(1,463,430)	(2,001,022)
<b>Total equity</b>	<b>(340,333)</b>	<b>(373,486)</b>	<b>(528,922)</b>

#### Management discussion and analysis of the Historical Statement of Financial Position of the Combined Entity

- (a) Trade and other payables relates to trade payables and accrued expenses in respect of exploration and evaluation costs and corporate and administrative costs.

- (b) Issued capital comprises 65,110,200 fully paid ordinary shares in Lithium Technologies and 71,474,200 fully paid ordinary shares in Lithium Supplies, which from 27 June 2022 were 100% acquired by the Company.

## 6.6 Summary of Statutory Historical Cash Flows

### 6.6.1 Group's Statutory Historical Statement of Cash Flows for Financial Year 2022

The table below sets out the Group's Statutory Historical Statement of Cash Flows for FY22.

	FY22 Audited \$
<b>Operating cash flows</b>	
Payments for exploration and evaluation	(84)
Receipts to be reimbursed	100
Payments for finance costs	(1)
<b>Net operating cash flows</b>	<b>15</b>
<b>Investing cash flows</b>	
Cash acquired on acquisition of subsidiaries	1,197
<b>Net investing cash flows</b>	<b>1,197</b>
<b>Financing cash flows</b>	
Proceeds from the issue of ordinary shares	6,200,000
Proceeds from borrowings	50,000
<b>Net financing cash flows</b>	<b>6,250,000</b>
<b>Net cash movement</b>	<b>6,251,212</b>
Cash at the beginning of the financial period	-
Net impact on cash and cash equivalents from foreign exchange movements	-
<b>Cash at the end of the period</b>	<b>6,251,212</b>

### 6.6.2 Combined Entity's Statutory Historical Statement of Cash Flows for the 12 months ended 30 June 2020, 30 June 2021 and 30 June 2022

The table below sets out the Combined Entity's Statutory Historical Statement of Cash Flows for the 12 months ended 30 June 2020, 30 June 2021 and 30 June 2022.

	FY20 Audited \$	FY21 Audited \$	FY22 Audited \$
<b>Operating cash flows</b>			
Cash payments to suppliers and employees	(54,318)	(31,032)	(89,622)
Payments for exploration expenses	(35,563)	(5,174)	(289,549)
Interest received	2	-	4
<b>Net operating cash flows</b>	<b>(89,879)</b>	<b>(36,206)</b>	<b>(379,167)</b>
<b>Net investing cash flows</b>	-	-	-
<b>Financing cash flows</b>			
Proceeds from the issue of share capital (net of cash)	86,632	33,962	372,264
Proceeds from borrowings	-	2,093	7,792
<b>Net financing cash flows</b>	<b>86,632</b>	<b>36,055</b>	<b>380,056</b>
<b>Net cash movement</b>	<b>(3,247)</b>	<b>(151)</b>	<b>889</b>
Cash at the beginning of the financial period	3,706	459	308
Net impact on cash and cash equivalents from foreign exchange movements	-	-	-
<b>Cash at the end of the period</b>	<b>459</b>	<b>308</b>	<b>1,197</b>

## 6.7 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

Set out below is the Company's Statutory Historical Statement of Financial Position and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its financial position upon completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is set out in Section 5.6.

As at 30 June 2022	Evergreen Lithium Limited Audited \$	Subsequent event transactions* \$	Pro forma transactions \$	Pro forma balance sheet \$
<b>Current assets</b>				
Cash and cash equivalents	6,251,212	(2,583,519)	6,109,000	9,776,693
Other receivables	13,154	-	31,500	44,654
<b>Total current assets</b>	<b>6,264,366</b>	<b>(2,583,519)</b>	<b>6,140,500</b>	<b>9,821,347</b>
<b>Total assets</b>	<b>6,264,366</b>	<b>(2,583,519)</b>	<b>6,140,500</b>	<b>9,821,347</b>
<b>Current liabilities</b>				
Trade and other payables	1,201,061	(901,061)	-	300,000
Borrowings	50,000	(50,000)	-	-
<b>Total current liabilities</b>	<b>1,251,061</b>	<b>(951,061)</b>	<b>-</b>	<b>300,000</b>
<b>Total liabilities</b>	<b>1,251,061</b>	<b>(951,061)</b>	<b>-</b>	<b>300,000</b>
<b>Net assets</b>	<b>5,013,305</b>	<b>(1,632,458)</b>	<b>6,140,500</b>	<b>9,521,347</b>
<b>Equity</b>				
Issued capital	16,250,070	365,600	7,000,000	23,615,670
Costs of capital raise	-	-	(565,200)	(565,200)
Share-based payments reserve	-	-	3,517,097	3,517,097
Accumulated losses	(11,236,765)	(1,998,058)	(3,811,397)	(17,046,220)
<b>Total equity</b>	<b>5,013,305</b>	<b>(1,632,458)</b>	<b>6,140,500</b>	<b>9,521,347</b>

\*Subsequent event transactions relate to transactions following the end of the financial year but prior to the IPO and capital raising.

## 6.8 Pro forma cash reconciliation

The table below details the reconciliation of the pro forma cash balance of the Consolidated Entity as at 30 June 2022, reflecting the actual cash balance at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Ref	\$
As at 30 June 2022:		6,251,212
<b>Subsequent events:</b>		
Repayment of founder loans	(a)	(50,000)
Exploration and evaluation expenditure	(b)	(943,524)
Consulting, general and administrative expenditure	(c)	(1,589,995)
<b>Pre Offer cash</b>		<b>3,667,693</b>
<b>Pro forma transactions in relation to the Subscription</b>		
Capital raising proceeds	(d)	7,000,000
Expenses of the offer	(e)	(891,000)
<b>Total</b>		<b>9,776,693</b>

- (a) Repayment of founder loans – repayment of cash contributions made by founders for the purpose of securing the Acquisitions, which was subsequently refunded and issued to the Vendor Shareholders as shares in lieu of cash.
- (b) Exploration and evaluation expenditure - Since the Company acquired the Projects, it has commenced active exploration on the Bynoe and Kenny Lithium Projects and has or will be required to make payments for services rendered and/or works completed. As at the date of this Prospectus, the Company has expended \$943,524 on exploration activities as follows:
- (i) \$253,550 on an ambient noise tomography survey and soil geochemistry on the Bynoe Lithium Project;
  - (ii) \$435,893 on soil Geochemistry and Rock Chip at the Bynoe Lithium Project; and
  - (iii) \$254,081 on an auger program at the Kenny Lithium Project.
- (c) Consulting, general and administrative expenditure - amounts paid during the ordinary course of business, including professional fees, salaries and wages, administrative fees and occupancy expenses.
- (d) Capital raising proceeds - proposed Offer at a price of \$0.25 per Share to raise \$7,000,000 via the issue of 28,000,000 Shares.
- (e) Expenses of the Offer - estimated cash costs associated with the Offer. Refer to Section 6.13 below for detail of accounting treatment of costs associated with the offer.

## 6.9 Pro forma capital structure

The table below details the reconciliation of the pro-forma capital structure of the consolidated entity as at 30 June 2022, reflecting the actual issued capital balance at that date and reflecting the impact of the pro-forma adjustments discussed below.

	Ref	No. of shares	\$
As at 30 June 2022:		151,250,000	16,250,070
<b>Subsequent events:</b>			
Repayment of pre-IPO liabilities via the issuance of shares	(a)	1,828,300	365,600
<b>Pre-Offer capital structure</b>		<b>153,078,300</b>	<b>16,615,670</b>
<b>Pro forma transactions in relation to the Subscription</b>			
Capital raising proceeds	(b)	28,000,000	7,000,000
<b>Total (undiluted)</b>		<b>181,078,300</b>	<b>23,615,670</b>

(a) Repayment of pre-IPO liabilities via the issuance of shares – pursuant to Acquisition Agreement, a limit of \$450,000 was placed on cash available to settle aged payables in the subsidiaries existing at the date of the Acquisitions. Therefore, 1,828,300 ordinary shares at \$0.20 per share will be issued subsequent to 30 June 2022 to settle the remaining Aged Payables to related parties, in lieu of cash.

(b) Capital raising proceeds - proposed Offer at a price of \$0.25 per Share to raise \$7,000,000 via the issue of 28,000,000 Shares.

## 6.10 Pro forma costs of capital raise reconciliation

The table below details the reconciliation of the pro forma costs of capital raise of the consolidated entity as at 30 June 2022, reflecting the actual costs of capital at that date and reflecting the impact of the pro-forma adjustments discussed below:

3	Ref	\$
As at 30 June 2022:		-
<b>Pro forma transactions in relation to the Subscription</b>		
Transaction costs – Lead Manager (Options)	(a)	90,476
Expenses of the offer	(b)	474,724
<b>Total</b>		<b>565,200</b>

(a) Transaction costs – Lead Manager (Options) - corresponds to the equity portion of the transactions costs for the Options issued to the Lead Manager as part of compensation that has been recorded against the share-based payments reserve. 500,000 Options to be issued to the Lead Manager upon completion of the transaction for the funds raised via the Offer. The Lead Manager Options have an exercise price of \$0.40, an expiry date of 3 years from issue, and vest upon completion of the Offer.

The Options have an estimated fair value of \$90,476 (\$0.181 per option), utilising inputs that are relevant at the date of vesting using a Black-Scholes valuation model.

- (b) Expenses of the offer - corresponds to the equity portion of costs of the offer, which represent the estimated fees payable for the completion of the Offer such as Lead Manager, advisory legal, investigative accountant report, audit, accounting, registry, Independent Technical Assessment Report, ASX, ASIC, design, orienting, postage, roadshows and other miscellaneous fees. Refer Section 6.13 below for detail of accounting treatment of costs associated with the Offer.

## 6.11 Pro forma share-based payments reserve reconciliation

The table below details the reconciliation of the pro forma share-based payments reserve of the consolidated entity as at 30 June 2022, reflecting the actual share-based payments reserve at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Ref	\$
As at 30 June 2022:		-
<b>Pro forma transactions in relation to the Subscription</b>		
Transaction costs – lead manager (options)	(a)	90,476
Consultants options	(b)	2,053,461
Directors ZEPOs	(c)	680,181
Consultants ZEPOs	(d)	547,089
Business Development Services ZEPOs	(e)	145,890
<b>Total</b>		<b>3,517,097</b>

- (a) Transaction costs – Lead Manager (Options) - corresponds to the equity portion of the transactions costs for the Options issued to the Lead Manager as part of compensation that has been recorded against the share-based payments reserve. 500,000 Options to be issued to the Lead Manager upon completion of the transaction for the funds raised via the Offer. The Lead Manager Options have an exercise price of \$0.40, an expiry date of 3 years from issue, and vest upon completion of the Offer. The Options have an estimated fair value of \$90,476 (\$0.181 per option), utilising inputs that are relevant at the date of vesting using a Black-Scholes valuation model.
- (b) Consultants options - corresponds to Options issued to the following consultants:
- 3,333,333 Options to Bayview P.M.F. Pty Ltd;
  - 3,333,333 Options to Mr Bruce Smith; and
  - 3,333,333 Options to Perkey Pty Ltd,

as part of compensation that has been recorded against the share-based payments reserve. The Consultants Options have an exercise price of \$0.30, an expiry date of 24 January 2027, and vest upon completion of the Offer. The Options have an estimated fair value of \$2,053,461 (\$0.2092 per option), utilising inputs that are relevant at the date of vesting using a

Black-Scholes valuation model. The fair value of the Consultants Options has been recognised as a share-based payment expense in the pro-forma financial information in accordance with AASB 2: *Share-based payment*.

(c) Directors ZEPOs - corresponds to Zero Exercise Price Options issued to the following Directors:

- 3,000,000 ZEPOs to Mr Simon Lill; and
- 3,000,000 ZEPOs to Mr Peter Marks,

as part of compensation that has been recorded against the share-based payments reserve. The Directors ZEPOs have a nil exercise price, an expiry date of two years from the date the Company lists, and vest upon satisfaction of the following vesting conditions:

- (i) 2,000,000 ZEPOs, which will vest and be convertible upon the Company achieving and maintaining a volume weighted average price (VWAP) Share price equal to \$0.50 or more for a continuous period of 20 trading days at any time on or before the date which is two (2) years from the date the Company lists on ASX. These Director ZEPOs have an estimated fair value of \$388,400 (\$0.1942 per ZEPO), utilising inputs that are relevant at the date of vesting using a Monte Carlo valuation model.
- (ii) 2,000,000 ZEPOs, which will vest and be convertible upon continuous service to the Company for a period of one (1) year from the date the Company lists on ASX. These Director ZEPOs have an estimated fair value of \$500,000 (\$0.25 per ZEPO), utilising inputs that are relevant at the date of vesting using a Black-Scholes valuation model; and
- (iii) 2,000,000 ZEPOs, which will vest and be convertible upon continuous service to the Company for a period of two (2) years from the date the Company lists on ASX. These Director ZEPOs have an estimated fair value of \$500,000 (\$0.25 per ZEPO), utilising inputs that are relevant at the date of vesting using a Black-Scholes valuation model.

The fair value of the Director ZEPOs has been recognised as a share-based payment expense, pro-rated from grant date to their respective vesting date in the pro-forma financial information in accordance with AASB 2: *Share-based payment*.

(d) Consultants ZEPOs - corresponds to Zero Exercise Price Options issued to the following consultants:

- 2,500,000 ZEPOs to Bayview P.M.F. Pty Ltd;
- 2,500,000 ZEPOs to Mr Bruce Smith; and
- 2,500,000 ZEPOs to Perkey Pty Ltd,

as part of compensation that has been recorded against the share-based payments reserve. The Consultants ZEPOs have a nil exercise price, an expiry date of two years from the date the Company lists, and vest upon satisfaction of the following vesting conditions:



- (i) 3,750,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of one (1) year from the date the Company lists on ASX; and
- (ii) 3,750,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of two (2) years from the date the Company lists on ASX.

The Options have an estimated fair value of \$1,875,000 (\$0.25 per ZEPO), utilising inputs that are relevant at the date of vesting using a Black-Scholes valuation model. The fair value of the Consultants ZEPOs has been recognised as a share-based payment expense, pro-rated from grant date to vesting date in the pro-forma financial information in accordance with AASB 2: *Share-based payment*.

- (e) Business Development Services ZEPOs - corresponds to the 2,000,000 Zero Exercise Price Options issued to Silvis Capital Pty Ltd as part of compensation that has been recorded against the share-based payments reserve. The Business Development Services ZEPOs have a nil exercise price, an expiry date of two years from the date the Company lists, and vest upon satisfaction of the following vesting conditions:
  - (i) 1,000,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of one (1) year from the date the Company lists on ASX; and
  - (ii) 1,000,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of two (2) years from the date the Company lists on ASX.

The Business Development Services ZEPOs have an estimated fair value of \$500,000 (\$0.25 per ZEPO), utilising inputs that are relevant at the date of vesting using a Black-Scholes valuation model. The fair value of the Consultants ZEPOs has been recognised as a share-based payment expense, pro-rated from grant date to vesting date in the pro-forma financial information in accordance with AASB 2: *Share-based payment*.

## 6.12 Pro forma accumulated losses reconciliation

The table below details the reconciliation of the pro forma accumulated losses of the consolidated entity as at 30 June 2022, reflecting the actual accumulated losses at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Ref	\$
As at 30 June 2022:		11,236,765
<b>Subsequent events:</b>		
Exploration and evaluation expenditure	(a)	845,524
Consulting, general and administrative expenditure	(b)	1,152,534
<b>Pre Offer accumulated losses</b>		<b>13,234,823</b>
<b>Pro forma transactions in relation to the Subscription</b>		
Options and ZEPOs issued	(c)	3,246,621
Expenses of the offer	(c)	384,776
<b>Total</b>		<b>16,391,493</b>

- (a) Exploration and evaluation expenditure - Since the Company acquired the Projects, it has commenced active exploration on the Bynoe and Kenny Lithium Projects and has or will be required to make payments for services rendered and/or works completed. As at the date of this Prospectus, the Company has expended \$943,524 on exploration activities as follows:
- (i) \$253,550 on an ambient noise tomography survey and soil geochemistry on the Bynoe Lithium Project;
  - (ii) \$435,893 on soil Geochemistry and Rock Chip at the Bynoe Lithium Project; and
  - (iii) \$254,081 on an auger program at the Kenny Lithium Project.

\$845,524 reflects the approximate portion of these expenses that is recorded in the statement of profit or loss for the period 1 July 2022 to the date of listing. The difference of \$98,000 is an estimate of cash paid from 30 June 2022 trade and other payables.

- (b) Consulting, general and administrative expenditure - amounts paid during the ordinary course of business, including professional fees, salaries and wages, administrative fees and occupancy expenses. \$1,152,534 reflects the approximate portion of these expenses that is recorded in the statement of profit or loss for the period 1 July 2022 to the date of listing. The difference of \$437,461 is an estimate of cash paid from 30 June 2022 trade and other payables.
- (c) Options and ZEPOs issued – refer 6.11 above for detail of options and ZEPOs issued. \$3,426,621 reflects expenses that are recorded in the statement of profit or loss.
- (d) Expenses of the Offer - corresponds to the profit or loss portion of costs of the offer, which represent the estimated fees payable for the completion of the Offer such as Lead Manager, advisory legal, investigative accountant report, audit, accounting, registry, Independent Technical Assessment Report, ASX, ASIC, design, orienting, postage, roadshows and other miscellaneous fees. Refer Section 6.13 below for detail of accounting treatment of costs associated with the Offer.

### 6.13 Pro forma costs of the Offer

The total cost of the Offer has been estimated to be \$859,500 (GST incl) and the costs will be borne by the Company from the proceeds of the Offer. These costs include Lead Manager, advisory legal, investigating Accountant's Report, audit, accounting, registry, Independent Geologist's Report, ASX, ASIC, design, orienting, postage, roadshows and other miscellaneous fees.

The estimated costs are as follows:

Expenditure item	\$
Lead manager fee (net of \$31,500 claimable GST)	430,500
Advisory legal fee	165,000
Investigating Accountant's Report	22,000
Audit, accounting and registry fees	44,000

Independent Geologist's Report	33,000
ASX and ASIC fees	143,000
Design, orienting, postage, roadshows and other miscellaneous fees	22,000
<b>Total</b>	<b>859,500</b>

With the exception of the Lead Manager fee, which is 100% connected with the issue of new shares, the Offer costs above will be apportioned 15.46% in equity and 84.54% in the statement of profit or loss (shown as accumulated losses in the pro forma balance sheet). The apportionment is based on the ratio of New Shares issued against the total number of Shares on issue on Completion of the Offer.

	\$
<b>Equity portion:</b>	
Lead manager fee	430,500
Advisory legal fee	25,514
Investigating Accountant's Report	3,402
Audit, accounting and registry fees	6,804
Independent Geologist's Report	5,103
Design, orienting, postage, roadshows and other miscellaneous fees	3,402
<b>Total Equity portion</b>	<b>474,724</b>
<b>Profit or loss portion:</b>	
Advisory legal fee	139,486
Investigating Accountant's Report	18,598
Audit, accounting and registry fees	37,196
Independent Geologist's Report	27,897
ASX and ASIC fees	143,000
Design, orienting, postage, roadshows and other miscellaneous fees	18,598
<b>Total Profit or loss portion</b>	<b>384,776</b>

#### 6.14 Contractual obligations, commitments and contingent liabilities

The Company agreed, as part of the Acquisition of the Target Companies to grant the following contingent shares (**Deferred Milestone Shares**) to the Vendor Shareholders pro rata to their respective holdings in the Target Companies. The issue of the Deferred Milestone Shares is subject to the satisfaction of certain performance milestones as follows:

Milestone	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	12,500,000

aggregate, and in one or more locations) at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.	
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
<b>Total</b>	<b>55,000,000</b>

As the above Deferred Milestone Shares are contingent upon the occurrence of uncertain future events not wholly within the control of the Company, these are recorded as a contingent liability, with no financial impact to the pro forma results.

The Company does not have any other contractual obligations, commitments or contingent liabilities.

### **6.15 Critical Accounting Policies**

Preparing financial statements in accordance with Australian Accounting Standards requires management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements the Company has made in the application of Australian Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The following key judgments are relevant to the Company.

### **6.16 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.

### **6.17 Contingent consideration on acquisition of subsidiaries**

A contingent liability has been disclosed in relation to the contingent shares agreed upon within the sale and purchase of the subsidiaries Lithium Supplies and Lithium Technology, which have been treated as a share-based payment. The

consideration is contingent upon the milestone conditions being met under the Acquisition Agreement.

#### **6.18 Share-based payment to acquire subsidiaries**

The Acquisitions from an accounting perspective have been treated as a share-based payment under AASB 2: *Share-based payment* recorded as exploration and evaluation costs, rather than a business combination under AASB 3: Business combinations. Lithium Technologies and Lithium Supplies contained no substantive processes, as the value was substantially derived from the tenements held by their subsidiary, Synergy. There were no firm contracts with either suppliers or customers in place on the acquisition date of 27 June 2022. The net liabilities acquired were recorded against exploration and evaluation costs, with the share consideration paid also being recorded as exploration and evaluation costs.

#### **6.19 Issue of founder shares and attaching options**

A number of shares with attaching options were issued on or around the date of incorporation of the Company. Consequently, these founder shares are not considered to be a service rendered to the Company and therefore, the grant date value of those founder shares and options was \$nil.

#### **6.20 Dividend Policy**

The Directors of the Company anticipate that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Directors of the Company do not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

#### **6.21 Summary of significant accounting policies in relation to the Financial Statements**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### **6.21.1 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 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, nor are they anticipated to materially impact the Financial Information.

##### **6.21.2 Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards and Interpretations issued by the AASB, 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, no comparative financial information has been presented.

### **6.21.3 Historical cost convention**

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

### **6.21.4 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 6.15 above.

### **6.21.5 Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only.

### **6.21.6 Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all the Company's subsidiaries as at 30 June 2022 and the results of all subsidiaries for the period then ended.

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.

### **6.21.7 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.

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.

#### **6.21.8 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.

#### **6.21.9 Other receivables**

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

#### **6.21.10 Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period 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.

#### **6.21.11 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.

#### **6.21.12 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.

#### **6.21.13 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.

#### **6.21.14 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.

#### *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.

#### **6.21.15 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.



### **6.21.16 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 period, adjusted for bonus elements in ordinary shares issued during the financial period.

#### *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.

### **6.21.17 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.

### **6.21.18 Exploration and evaluation expenditure**

Exploration and evaluation costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest.

Exploration and evaluation expenditures will be recognised as assets when the activities have reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

### **6.21.19 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 2022. The directors have concluded that these or future financial statements of the consolidated entity are unlikely to be materially impacted by these Standards and Interpretations.

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## **7. RISK FACTORS**

### **7.1 Introduction**

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, and its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Key risks which may directly influence the Company's activities are set out in Section 3 (Investment Overview) and includes risks relevant to the Company's:

- (a) limited history;
- (b) exploration and operations;
- (c) access and third-party interests;
- (d) Native Title and Aboriginal Heritage; and
- (e) tenure and grant of applications.

This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## 7.2 Company specific risks

Risk Category	Risk														
<p><b>Restricted Securities Reducing Liquidity</b></p>	<p>Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 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.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the shares required to be held in escrow prior to the Shares commencing trading on ASX.</p>														
<p><b>Control</b></p>	<p>Following completion of the Offer, and excluding the Company's Directors', the following Shareholders (<b>Substantial Shareholders</b>) will hold greater than 5% of the issued capital of the Company (refer to table below).</p> <table border="1" data-bbox="632 813 1385 1196"> <thead> <tr> <th data-bbox="632 813 1018 869">Substantial Shareholder</th> <th data-bbox="1018 813 1385 869">%Shares held (undiluted)</th> </tr> </thead> <tbody> <tr> <td data-bbox="632 869 1018 925">Lisa Dawn Mochkin</td> <td data-bbox="1018 869 1385 925">12.43</td> </tr> <tr> <td data-bbox="632 925 1018 981">Cadence Minerals PLC</td> <td data-bbox="1018 925 1385 981">8.74</td> </tr> <tr> <td data-bbox="632 981 1018 1037">Jason Thomas Ward</td> <td data-bbox="1018 981 1385 1037">6.26</td> </tr> <tr> <td data-bbox="632 1037 1018 1093">Ruth Paneth</td> <td data-bbox="1018 1037 1385 1093">5.58</td> </tr> <tr> <td data-bbox="632 1093 1018 1149">Michael Woods</td> <td data-bbox="1018 1093 1385 1149">5.52</td> </tr> <tr> <td data-bbox="632 1149 1018 1196">Kim Julia Wainwright</td> <td data-bbox="1018 1149 1385 1196">5.46</td> </tr> </tbody> </table> <p>Accordingly, the Substantial Shareholders will also hold voting powers equivalent to their respective shareholdings. This means the Substantial Shareholders will be in a position to potentially influence the election of directors and the financial decisions of the Company, and the Substantial Shareholder's interests may not align with those of all other Shareholders in the Company.</p> <p>Further details in respect of the Substantial Shareholder's interests, and those of the founding Shareholders, are set out in Section 5.8.</p>	Substantial Shareholder	%Shares held (undiluted)	Lisa Dawn Mochkin	12.43	Cadence Minerals PLC	8.74	Jason Thomas Ward	6.26	Ruth Paneth	5.58	Michael Woods	5.52	Kim Julia Wainwright	5.46
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<p><b>Title</b></p>	<p>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.</p> <p>However, for any Tenements the Company acquired as a result of the Acquisition Agreement with Lithium Supplies and Lithium Technologies, the indefeasibility of title provisions under the <i>Mining Act 1978</i> (WA) (<b>Mining Act</b>) and the <i>Mineral Titles Act 2010</i> (NT) may provide some protection.</p>														

Risk Category	Risk
	Refer to Solicitor's Report on Tenements in Annexure B for further information.
<b>Vacant Crown land (Northern Territory)</b>	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.
<b>Freehold Land (private land)</b>	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.

Risk Category	Risk
<b>Aboriginal Freehold land</b>	<p>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 <i>Aboriginal Land Rights (Northern Territory) Act 1976</i> (NT). The Company's wholly owned subsidiary, Synergy has submitted a proposal to the Central Land Council (<b>CLC</b>) for assessment, which has now been accepted. An on-country meeting is yet to be arranged 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.</p>
<b>Overlapping Extractive Mineral Exploration Licence Application</b>	<p>On 18 October 2022, four extractive mineral exploration licence (<b>EMEL</b>) applications were lodged with the 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.</p>
<b>Co-existence with Extractive Mineral Permit</b>	<p>An extractive mineral permit (<b>EMP</b>) 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 (<b>EML</b>) 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.</p>
<b>Co-existence with Geothermal Exploration Permit</b>	<p>A geothermal exploration permit (<b>GEP</b>) 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.</p>

Risk Category	Risk
<p><b>Applications and Renewals</b></p>	<p><b>Applications</b></p> <p>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.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's Application.</p> <p><b>Renewal</b></p> <p>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.</p> <p>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.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>

### 7.3 Industry specific risks

Risk Category	Risk
<p><b>Exploration costs</b></p>	<p>The exploration costs of the Company, as summarised in Section 5.6, are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>

Risk Category	Risk
<b>Resource and reserves and exploration targets</b>	<p>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.</p>
<b>Grant of future authorisations to explore and mine</b>	<p>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.</p>
<b>Mine development</b>	<p>Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<b>Environmental</b>	<p>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</p>

Risk Category	Risk
	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p><b>Regulatory compliance</b></p>	<p><b>Regulatory Risks</b></p> <p>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.</p> <p>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.</p> <p>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</p>



Risk Category	Risk
	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.
<b>Climate</b>	<p>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:</p> <p>(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</p> <p>(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.</p>

#### 7.4 General risks

Risk Category	Risk
<b>Future funding requirements and the ability to access debt and equity markets</b>	<p>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.</p> <p>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 this Prospectus.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and</p>

Risk Category	Risk
	<p>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.</p>
<p><b>Reliance on key personnel</b></p>	<p>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.</p> <p>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.</p>
<p><b>Economic conditions and other global or national issues</b></p>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of commodities, specifically lithium, and the Company and its market valuation regardless of its actual performance.</p>
<p><b>COVID-19</b></p>	<p>Coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (<b>COVID-19</b>) is continuing to impact global economic markets. The nature and extent of the effect of COVID-19 on the performance of the Company remains unknown. The market price of Shares may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.</p>

Risk Category	Risk
<b>Competition</b>	<p>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.</p>
<b>Currently no market</b>	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>
<b>Market conditions</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) global health epidemics or pandemics;</li> <li>(e) currency fluctuations;</li> <li>(f) changes in investor sentiment toward particular market sectors;</li> <li>(g) the demand for, and supply of, capital;</li> <li>(h) political tensions; and</li> <li>(i) terrorism or other hostilities.</li> </ul> <p>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.</p> <p>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</p>

Risk Category	Risk
	<p>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.</p> <p>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. Please refer to Section 5.9 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>
<p><b>Commodity price volatility and exchange rate</b></p>	<p>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.</p> <p>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.</p>
<p><b>Government policy changes</b></p>	<p>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.</p>
<p><b>Insurance</b></p>	<p>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.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
<p><b>Force Majeure</b></p>	<p>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.</p>
<p><b>Dilution</b></p>	<p>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</p>

Risk Category	Risk
	<p>undertake, to repay debt or for any other reason the Board may determine at the relevant time.</p> <p>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.</p>
<b>Taxation</b>	<p>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.</p> <p>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 this Prospectus.</p>
<b>Litigation</b>	<p>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.</p>
<b>Ukraine conflict</b>	<p>The current conflict between Ukraine and Russia (<b>Ukraine Conflict</b>) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

## 7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## 8. BOARD AND KEY MANAGEMENT AND CORPORATE GOVERNANCE

### 8.1 Board of Directors

The Board of the Company consists of:

(a) **Simon Lill (BSc, MBA) *Non-Executive Chairman***

Simon is currently the Non-Executive Chairman of De Grey Mining Ltd. [ASX:DEG], an ASX 300 gold exploration/development company with 100% ownership of one of Western Australia's largest greenfield discoveries – Hemi/Mallina (9Moz) - in the Pilbara region of Western Australia. Simon has over 35 years' experience in stockbroking, capital raising, management, business development and analysis for a range of small and start-up companies in the manufacturing and resources industries, and has specialised in that time, in company restructuring activities. Simon is also the Non-Executive Chairman of IRIS Metals Limited [ASX:IR1] and Nimy Resources Limited [ASX:NIM].

The Board considers that Simon Lill is not an independent Director.

(b) **Peter Marks (BEc, LLB, MBA, GradDip Comm Law) – *Non-Executive Director***

Peter brings over 35 years' experience in corporate advisory, investment banking and director/advisory roles to the Board. He has been involved in a board capacity in publicly listed companies in resources, biotechnology and technology. Peter's corporate skills lie in capital raising for pre-IPO and listed companies, cross border M&A transactions, corporate underwriting, and venture capital transactions for companies in Australia, the United States of America and Israel. Peter is an Executive Director of IRIS Metals Limited [ASX:IR1], and Non-Executive Director of Noxopharm Limited [ASX:NOX], and Alterity Therapeutics Limited [ASX:ATH]. Peter is also a Director of Electriq Global Ltd, an unlisted public company.

The Board considers that Peter Marks is not an independent Director.

(c) **Tal Paneth (BComm) – *Non-Executive Director***

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 management. Tal is currently an Executive Director of IRIS Metals Limited [ASX:IR1] where he was the company founder.

The Board considers that Tal Paneth is not an independent Director.

(d) **Christopher Connell (BSc (Hons), MAIG) – *Non-Executive Director***

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 led the exploration team that recently discovered the large 500Mt copper-gold Porvenir project in southern Ecuador. Chris has extensive lithium experience having worked on lithium pegmatite projects in Australia and the USA. Chris is currently an Executive Director of IRIS Metals Limited [ASX:IR1].

The Board considers that Christopher Connell is not an independent Director.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

## 8.2 Key management

The Company's key management team includes Jason Ward, Luke Manos and David Franks, whose profile is set out below:

**Jason Ward (B.AS-Geology, Fellow AUSIMM)** – *General Manager, Head of Exploration*

Jason Ward holds a Bachelor of Applied Science, Geology and is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr. Ward has had a highly successful global career as an exploration geologist; having been involved in several discoveries in Oman, Laos, Papua New Guinea and Ecuador.

He has over 25 years' experience working around the world; most recently in Ecuador where he was instrumental in the discovery of several copper gold deposits, including the Tier-1 Cascabel copper gold porphyry deposit for SolGold plc.

Jason has an extensive track record of successfully working with local communities and safely managing exploration teams, working with people from diverse cultures in challenging social and physical terrains.

**Luke Manos (BCom -ProfAccg, CAANZ)** – *Chief Financial Officer*

Luke is an accounting and finance professional, with experience in statutory and regulatory reporting within Australia, the UK and New Zealand across both listed and unlisted environments. He is a member of Chartered Accountants Australia and New Zealand (CAANZ) and holds a Bachelor of Commerce, Professional Accounting from Macquarie University and is a Justice of the Peace. Luke has a proven track record in technical accounting under IFRS/AASB, extensive detailed analytical expertise and project management skills. Luke's experience includes acting as CFO for Iris Metals Limited (ASX: IR1) and Omega Oil and Gas Limited (ASX:OMA).

**David Franks (Bec, CA, FFin, FGIA, JP)** – *Company Secretary*

David is a Fellow of the Governance Institute of Australia, Fellow of the Financial Services Institute of Australasia and a Chartered Accountant, with over 25 years' experience in company secretarial, finance and accounting.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Board will continually monitor the management roles in the Company. As the Company's exploration and development activities and overall operations require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate. The Company intends to utilise the services of experts and consultants for technical input, including to assist formulate overall exploration strategy and direction, and reporting in compliance with ASX and JORC standards.



### 8.3 Directors' Disclosures

No Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

### 8.4 Directors' Remuneration and interests in Securities

#### Remuneration

Given that the Company was incorporated on 21 January 2022, the Directors did not receive any remuneration for the financial year ended 2022. The Directors will receive remuneration for the current and following financial year as set out in the tables below.

Forecasted Director Board Fees for year ended 30 June 2023				
Director	Annual Board Fee (excluding Superannuation)	Annual Board Fee (including Superannuation)	Monthly Board Fee (excluding Superannuation)	Monthly Board Fee (including Superannuation)
Simon Lill	\$84,000	\$92,820	\$7,000	\$7,735
Peter Marks	\$84,000	\$92,820	\$7,000	\$7,735
Tal Paneth	\$84,000	\$92,820	\$7,000	\$7,735
Christopher Connell	\$84,000	\$92,820	\$7,000	\$7,735
<b>Total</b>	<b>\$336,000</b>	<b>\$371,280</b>	<b>\$28,000</b>	<b>\$30,940</b>

Forecasted Director Consulting Fees				
Director	Day Rate (excluding GST and Superannuation)	Day Rate (including GST and Superannuation)	Annual Consulting Fee (excluding GST and Superannuation)	Annual Consulting Fee (including GST and Superannuation) <sup>1</sup>
Simon Lill	\$1,250	\$1,506	\$45,000	\$54,225
Peter Marks	\$1,250	\$1,506	\$45,000	\$54,225
Tal Paneth	\$850	\$1,024	\$30,600	\$36,873
Christopher Connell	\$1,450	\$1,747	\$52,200	\$62,901
<b>Total</b>	<b>\$4,800</b>	<b>\$5,783</b>	<b>\$172,800</b>	<b>\$208,224</b>

#### Notes:

1. The Annual Consulting Fee is calculated on the basis that each Director will commit three days per month to the Company. This value may vary depending on the needs of the Company.

## **Interests in Securities**

### **As at the date of this Prospectus**

As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

<b>Director</b>	<b>Shares</b>	<b>Options</b>	<b>Percentage (%) (Undiluted)</b>	<b>Percentage (%) (Fully Diluted)</b>
Simon Lill <sup>1</sup>	10,000,000	5,000,000	6.53	7.98
Peter Marks <sup>2</sup>	10,000,000	5,000,000	6.53	7.98
Tal Paneth <sup>3</sup>	10,000,000	5,000,000	6.53	7.98
Christopher Connell <sup>4</sup>	10,000,000	5,000,000	6.53	7.98

#### **Notes:**

1. Simon Lill's Shares and Options are held by Royal Flux Pty Ltd (ACN 656 083 573) <Flux Family Trust>.
2. Peter Marks' Shares and Options are held by Shanti Capital Pty Ltd (ACN 613 639 722) <Peter Marks Super Fund>.
3. Tal Paneth's Shares and Options are held by Ferkel 4 Pty Ltd (ACN 656 049 973), Ferkel 4 Investment Trust>.
4. Christopher Connell's Shares and Options are held by Doblair Investments Pty Ltd <Porvenir Investment Trust>.

### **Post-completion of the Offer - Minimum Subscription**

<b>Director</b>	<b>Shares</b>	<b>Options</b>	<b>ZEPOs</b>	<b>Percentage (%) (Undiluted)</b>	<b>Percentage (%) (Fully Diluted)</b>
Simon Lill <sup>1</sup>	10,000,000	5,000,000	3,000,000	5.52	6.06
Peter Marks <sup>2</sup>	10,000,000	5,000,000	3,000,000	5.52	6.06
Tal Paneth <sup>3</sup>	10,000,000	5,000,000	Nil	5.52	5.05
Christopher Connell <sup>4</sup>	10,000,000	5,000,000	Nil	5.52	5.05

#### **Notes:**

1. Simon Lill's:
  - (a) Shares and Options are held by Royal Flux Pty Ltd (ACN 656 083 573) <Flux Family Trust>; and
  - (b) ZEPOs will be directly held by Mr Simon Lill and granted in accordance with Mr Lill's Letter of Appointment with the Company. The ZEPOs are subject to the Company successfully listing on the ASX, vesting conditions and voluntary escrow requirements.
1. Peter Marks':
  - (a) Shares and Options are held by Shanti Capital Pty Ltd (ACN 613 639 722) <Peter Marks Super Fund>; and
  - (b) ZEPOs will be held by LAMPAM Pty Ltd (ACN 006 457 576) and granted in accordance with Mr Marks' Letter of Appointment with the Company. The ZEPOs are subject to the Company successfully listing on the ASX, certain vesting conditions and voluntary escrow requirements.

2. Tal Paneth's Shares and Options are held by Ferkel 4 Pty Ltd (ACN 656 049 973), <Ferkel 4 Investment Trust>.
3. Christopher Connell's Shares and Options are held by Doblair Investments Pty Ltd <Porvenir Investment Trust>.

The Constitution provides that the remuneration of non-executive Directors shall initially be not more than \$500,000.

The remuneration of any executive Director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee. In addition, the Directors (and their associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.

The Company will notify ASX of the Directors' interests in the Securities of the Company at the time of Admission in accordance with the ASX Listing Rules.

## **8.5 Agreements with Directors and related parties**

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 9.3.

## **8.6 Corporate governance**

### **(a) ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate

governance information section of the Company's website [www.evergreenlithium.com.au](http://www.evergreenlithium.com.au).

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of four non-executive Directors, and none are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company's size and its currently planned level of activity. Refer to Section 8.6(l) for further information.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

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 will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

Under the Company's Constitution the total aggregate fixed sum per annum to be paid to non-executive Directors shall initially be no more than \$500,000.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e., Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a

Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out below.

Recommendation	Explanation
<b>2.1, 2.4, 2.5, 4.1, 7.1 and 8.1</b>	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of <b>four directors, none of which are independent</b>. Due to the speculative nature of the Company's business and its limited scale of activities, the Company considers it only needs, and can only commercially sustain, a small Board. On this basis, the Company does not consider that an independent majority of the Board to be appropriate at this time. Following the successful completion of the Offer, the Company intends to appoint to the Board, independent non-executive directors as and when appropriate, with the requisite skills and independence to meet the Board's needs, as the Company develops and expands.</p>



## 9. MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

To fully understand all rights and obligations of a material contract, it is necessary to review it in full and these summaries should be read in this light.

### 9.1 Acquisition Agreements

#### 9.1.1 Sale of Shares Deed

The Company has signed a sale of shares deed with Lithium Technologies Pty Ltd, Lithium Supplies Pty Ltd (the **Target Companies**), Synergy Prospecting Pty Ltd, and the shareholders and directors of the Target Companies (the **Acquisition Agreement**). The material terms and conditions of the Acquisition Agreement are summarised below:

<b>Acquisition</b>	The Company agreed to acquire 100% of the issued capital in the Target Companies, and the Target Companies wholly owned subsidiary Synergy Prospecting Pty Ltd ( <b>Acquisition</b> ).									
<b>Consideration</b>	<p>In consideration for the Acquisition, the Company agreed to issue to the shareholders of the Target Companies, a total of 50,250,000 Shares at a deemed issue price of \$0.20, to be distributed to each shareholder in their proportionate shareholding in Lithium Technologies Pty Ltd and/or Lithium Supplies Pty Ltd at Completion. The Company has also agreed to issue shares in the capital of the Company to the value of \$11,000,000, at a VWAP, at the time of issue, in four Milestone payments in accordance with the Acquisition Agreement (<b>Deferred Milestone Shares</b>) as detailed below:</p> <table border="1"><thead><tr><th>Milestone</th><th>Milestone Description</th><th>Deferred Milestone Shares<sup>3</sup></th></tr></thead><tbody><tr><td>one</td><td>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</td><td>12,500,000</td></tr><tr><td>two</td><td>Delimitation by the Company or a Related Body Corporate of Evergreen 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.</td><td>12,500,000</td></tr></tbody></table>	Milestone	Milestone Description	Deferred Milestone Shares <sup>3</sup>	one	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	two	Delimitation by the Company or a Related Body Corporate of Evergreen 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
Milestone	Milestone Description	Deferred Milestone Shares <sup>3</sup>								
one	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								
two	Delimitation by the Company or a Related Body Corporate of Evergreen 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								

	three	Delimitation by the Company or a Related Body Corporate of Evergreen 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
	four	Completion by the Company or a Related Body Corporate of a Bankable Feasibility Study in respect of a project comprised within the Litchfield Project Site.	15,000,000
	<p><b>Note:</b></p> <p>(1) The Acquisition Agreement permits the parties to refine or amend the terms of the equity consideration payable, including the Milestone Payments and the timing for satisfaction of those Milestone Payments, as necessary to satisfy the ASX of the suitability of same in connection with an IPO Event.</p> <p>An <b>'IPO Event'</b> means an initial public offering of shares in the Company made under a prospectus lodged with ASIC stating that Evergreen has applied or will apply, in conjunction with the offering, for a quotation of the shares on ASX</p> <p>(2) The Litchfield Project Site means the land the subject of EL31774 (now the Bynoe Lithium Project), or any mining or production tenement granted to the Company or any related Body Corporate of the Company in relation to any part of the land which is the subject of EL31774.</p> <p>(3) The Deferred Milestone Shares have been calculated on the basis of a Share issue price of \$0.20.</p> <p>(4) For the issue of the Deferred Milestone Shares, the conditions must be satisfied by no later than 27 June 2027, that being five (5) years after Completion under the Acquisition Agreement (<b>End Date</b>)</p> <p>(5) Further details of each Vendor Shareholder's Deferred Milestone Shares' entitlement is provided in 'Shares Issue' below.</p>		
<b>Completion</b>	The Acquisition Agreement has completed.		
<b>Post Completion Obligations</b>	<p>If and to the extent requested by the Company in writing, the Target Company Directors must each following Completion, to the extent they are able:</p> <p>(a) provide reasonable assistance to the Company in connection with the prosecution and grant of the Tenements which are in application phase at the time of completion;</p> <p>(b) provide introductions to third party advisers, consultants or regulatory bodies, as necessary to enable the Company to pursue the exploration and development of the Tenements;</p> <p>Upon the Vendor giving reasonable notice to the Company, the Company must at all reasonable times, give the Vendor access to the Target Companies records and the right to take copies of those records (at the Vendor's cost), where those records are reasonably likely to be relevant to an investigation, litigation, accounting, tax, financial or insurance affairs of the Vendor, necessary to comply with the Law, or reasonably required to ensure the Vendor complies with the Acquisition Agreement.</p>		
<b>Exploration of Tenements/ Milestone Payments</b>	<p>Following completion, the Company must use its reasonable endeavours to satisfy each Milestone as soon as possible. Subject to Delay Events which are reasonably outside of the Company's control, the Company procures to expend \$4,000,000 on the exploration of EL31774 inclusive of reasonable related and administrative costs within three years after the completion date.</p> <p>If requested in writing by the Vendor Target Directors, the Company will provide the Vendor Target Directors, prior to the Company</p>		

	<p>listing, with reasonable documentary evidence of the required expenditure and the results of the exploration activities on EL31774. The Company must promptly notify the Vendors if a Milestone has been satisfied, and must within 3 months of the satisfaction of that milestone, pay the relevant Milestone Payment to each of the Vendors in their apportioned holdings, or if at the time the Milestone is satisfied, the Company is listed, then the Company shall, subject to the Acquisition Agreement, issue all or part of its Milestone Payment as shares in the capital of the Company.</p>
<p><b>Anti-Dilution Rights after Completion</b></p>	<p>For a period of 11 months after Completion, the Company must not issue Shares in the Company (or rights convertible to Shares in the Company) which would result in the dilution of a Vendor's post Completion respective proportion of more than 15%. This requirement will not apply if:</p> <ul style="list-style-type: none"> <li>(a) the Company is listed;</li> <li>(b) an issue of Shares is made to satisfy Completion Liabilities;</li> <li>(c) the proposed equity issue: <ul style="list-style-type: none"> <li>(i) is in connection with an IPO Event;</li> <li>(ii) does not dilute the interests of the Company's shareholders ;</li> <li>(iii) is consideration for a company/business acquired by the Company or a related body corporate of the Company; or</li> <li>(iv) with the consent of the Vendors.</li> </ul> </li> </ul>
<p><b>Default by Vendors</b></p>	<p>If prior to completion a Vendor is in breach of a Vendor warranty or a Vendor, Target Group Director or Target Company breaches a material term of the Acquisition Agreement then the Company may give the breaching parties a notice requiring the default or breach to be remedied within 7 days' notice being given.</p> <p>If the default or breach is not remedied (or cannot be remedied) within the notice period, then without prejudice to any other rights the Company may have, the Company may choose to proceed for specific performance or terminate this Acquisition Agreement and seek damages.</p>

## Shares issue

In compliance with its consideration obligations under the Acquisition Agreement, the Company agreed to issue Shares in the Capital of the Company to the shareholders of the Target Companies as follows:

### Shares as consideration at Completion

Shareholder	Lithium Technologies	Lithium Supplies
TJA Assets Pty Ltd	688,417	687,584
Condor Prospecting Pty Ltd	5,220,705	5,338,969
Menage Pty Ltd	171,718	172,950
Vassago Pty Ltd	343,437	522,893
JD Squared Investments Pty Ltd	486,215	522,893
Red Marlin Pty Ltd	2,790,059	2,617,142
BBO Custodians Pty Ltd	2,790,059	2,617,142
Strat Plan Pty Ltd	4,719,904	4,378,249
Cadence Minerals Plc	7,914,486	7,915,650
Zero Com Pty Ltd	Nil	351,526

### Deferred Milestone Shares

Shareholder	Milestone and Number of Shares			
	1	2	3	4
TJA Assets Pty Ltd	342,289	342,289	410,747	410,747
Condor Prospecting Pty Ltd	2,626,784	2,626,784	3,152,141	3,152,141
Menage Pty Ltd	85,739	85,739	102,886	102,886
Vassago Pty Ltd	215,505	215,505	258,606	258,606
JD Squared Investments Pty Ltd	251,022	251,022	301,226	301,226
Red Marlin Pty Ltd	1,345,075	1,345,075	1,614,090	1,614,090
BBO Custodians Pty Ltd	1,345,075	1,345,075	1,614,090	1,614,090
Strat Plan Pty Ltd	2,263,222	2,263,222	2,715,867	2,715,867
Cadence Minerals Plc	3,937,845	3,937,845	4,725,414	4,725,414
Zero Com Pty Ltd	87,444	87,444	104,933	104,933
<b>Total</b>	<b>12,500,000</b>	<b>12,500,000</b>	<b>15,000,000</b>	<b>15,000,000</b>

The Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

## 9.2 Capital raising agreements

### 9.2.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Taylor Collison to act as Lead Manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

<b>Engagement</b>	The Company agreed to engage Taylor Collison to act as Lead Manager of the Offer
<b>Scope of work</b>	<p>Taylor Collison agrees that it will find investors to participate in the Offer under the Broker Allocation and will use reasonable efforts to find a sufficient number of investors for the Offer, pro rata to the Broker Allocation (circa 100-150 names) to assist in satisfying the spread requirements under the ASX Listing Rules.</p> <p>Taylor Collison will also provide in consultation with, and as instructed by the Company from time to time, services which will include:</p> <ul style="list-style-type: none"> <li>(a) assisting the Company with the overall management of the Offer;</li> <li>(b) provision of appropriate timing, pricing and structure of the Offer;</li> <li>(c) assisting the Company with its due diligence process (subject to any limitations outlined in the Lead Manager Mandate);</li> <li>(d) provide input on the framework and content of the Prospectus;</li> <li>(e) liaising, as is reasonably necessary, with the Company's legal, accounting, taxation and other advisers, and assisting the Company and its legal and other professional advisers in relation to the Company's dealings with regulatory bodies;</li> <li>(f) advising on the optimal share allocation policy in connection with the Offer and co-ordinating the allocation process in consultation with the Company;</li> <li>(g) assisting the Company with the preparation of the investor presentation materials and marketing of the Offer;</li> <li>(h) conducting detailed internal sales briefings;</li> <li>(i) organising pre-prospectus lodgement investor roadshow presentations;</li> <li>(j) assisting in the Offer application process and other administration aspects of the Offer; and</li> <li>(k) providing strategic market advice as required during the Offer.</li> </ul>
<b>Fees</b>	<p>In consideration for providing services in connection with the Offer, the Company agrees:</p> <ul style="list-style-type: none"> <li>(a) to pay Taylor Collison, a management fee of 1.0% of total funds raised under Offer to be paid on the issue of IPO Shares;</li> </ul>

	<p>(b) to pay Taylor Collison, a selling fee of 5.0% of the Offer Proceeds to be paid on the issue of IPO Shares procured by Taylor Collison;</p> <p>(c) any fees payable in connection with an Offer to the Taylor Collison are able to be netted off against the Offer Proceeds to be settled on the settlement date;</p> <p>(d) Taylor Collison will be responsible for paying (at its own cost), any fees to be paid to other participating brokers (including any named or unnamed Co-Managers to the Offer or broking channels that assist with spread;</p> <p>(e) at the time of settlement of the IPO, subject to the successful completion of the IPO, to issue Taylor Collison (or its nominee(s)) a total of 500,000 broker options to purchase shares, exercisable at \$0.40 and expiring three years from the date of admission on the ASX following completion of the IPO.</p>
<b>Reimbursement of expenses</b>	Taylor Collison must seek the Company's approval for any one-off out of pocket or travel expense that exceeds A\$1,000, and such approval must not be unreasonably withheld.
<b>Withdrawal Fee</b>	If the Company desists from actively pursuing the IPO and Taylor Collison notifies the Company of its concern, and the Company does not provide positive confirmation that it is continuing the IPO within 5 business days ( <b>Withdrawal Event</b> ), then the Company will pay, within 7 business days, a withdrawal fee of \$25,000 if the Withdrawal Event occurs after the commencement of the investor roadshow but before the lodgement of the prospectus with the ASIC.
<b>Tail Fee</b>	<p>If the Company terminates the Lead Manager Mandate under the Mandate's 'Termination' or 'No Fiduciary and Conflicts' clauses but completes an equity capital raising within 12 months of the termination, with a party whom Taylor Collison introduced to the Company during the engagement period, then the Company must pay the management and selling fees connected to the funds raised from that party.</p> <p>The Company will also be required to pay a withdrawal fee of \$25,000.</p>
<b>Right of First Refusal</b>	<p>Where the Company is admitted to the official list of the ASX by way of an IPO facilitated by Taylor Collison, Taylor Collison will during the period of 12 months from the date of allotment of the IPO Shares, have a right to act as Lead Manager to any subsequent equity capital raisings, with the capital raising fees for any such issue to be:</p> <p>(a) to pay Taylor Collison, a management fee of 1.0% of total funds raised under Offer to be paid on the issue of the Shares;</p> <p>(b) to pay Taylor Collison, a selling fee of 5.0% of the Offer Proceeds to be paid on the issue of Shares procured by Taylor Collison;</p>
<b>Termination</b>	Either party may terminate the Lead Manager Mandate by written notice at any time with or without cause upon 7 days written notice to the other party. Withdrawal Fees apply to a maximum of \$25,000 if terminated by the Company after the commencement of the investor roadshow but prior to the lodgement by the Company of the Prospectus pertaining to the Offer with ASIC.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

### 9.3 Agreements with Directors and management

#### 9.3.1 Non-executive Director appointments

Simon Lill has entered an appointment letter with the Company to act in the capacity of Non-Executive Chairman. Peter Marks, Tal Paneth and Christopher Connell have also entered into appointment letters with the Company to act in the capacity of non-executive Directors. Each of the Directors will receive the remuneration and interests set out in Section 8.4.

The letters of appointment contains provisions considered standard for an agreement of their nature (including representations and warranties and confidentiality provisions).

#### 9.3.2 Share Registry, and Company Secretary and Chief Financial Officer Services

<b>Engagement</b>	The Company engaged Automic Registry Services on 23 June 2022
<b>Scope of work</b>	Provision of share registry, company secretarial services, and financial services to the Company
<b>Cost of Services</b>	<p><b>For share registry services</b></p> <p>(a) Up to \$2,600 for IPO Project Management fee;</p> <p>(b) Assuming there are less than 1,000 holders, \$625 per month for the provision of share registry services, excluding disbursements and other itemised specific charges;</p> <p>(c) Assuming there are less than 1,000 holders, \$1,210 for the provision of share registry services per shareholder meeting</p> <p>(d) Hourly consulting rates ranging from \$175 to \$495 per hour;</p> <p><b>For the provision of company secretarial services:</b></p> <p>(e) Pre IPO, hourly consulting rates ranging from \$260 to \$600 per hour;</p> <p>(f) Post IPO, monthly retainer of \$5,000 and hourly consulting rates ranging from \$260 to \$600 per hour;</p> <p><b>For the provision of CFO and finance services:</b></p> <p>(g) Pre IPO, hourly consulting rates ranging from \$295 to \$550 per hour;</p> <p>(h) Post IPO, monthly retainer of \$5,000 and hourly consulting rates ranging from \$220 to \$650 per hour;</p> <p><b>For provision of Board Management software:</b></p> <p>(i) \$500 per month.</p> <p>Note – the amounts detailed above do not include GST.</p>
<b>Term</b>	The minimum term of the Agreement is 36 months ( <b>Minimum Term</b> ), and any extended term shall automatically renew for a further 12-month period ( <b>Extended Term</b> ).

## Termination

Either party may terminate the Agreement by providing written notice to the other party of termination at least 3 months before the expiry of the current Minimum Term or current Extended Term, as applicable.

Other than as detailed above, the Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality, copyright and intellectual property, and restraint provisions).

The Company appointed Mr David Franks to the position of Company Secretary on 18 August 2022, and Mr Luke Manos to the position of Chief Financial Officer on 28 September 2022. Mr David Franks and Mr Luke Manos are employed by Automic.

### 9.3.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its officers. Pursuant to each of these deeds, the Company has agreed to indemnify each officer, to the extent permitted by the Corporations Act against certain liabilities arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

## 9.4 Consultancy Agreements

### 9.4.1 Head of Exploration and General Manager

The Company entered into a consultancy agreement with Bayview P.M.F Pty Ltd (**Bayview**) on 1 November 2022 (**Bayview Agreement**). Pursuant to the Bayview Agreement, Bayview will, through its consultant, Mr Jason Ward, provide the services of general manager and head of exploration to the Company. Bayview will be paid as follows:

- (a) an annual salary of A\$250,000 to be paid monthly upon the receipt from Bayview of a valid tax invoice detailing the Services provided;
- (b) 2,500,000 zero exercise price options (**ZEPOs**) to acquire fully paid ordinary Shares in the Company. The ZEPOs are subject to vesting conditions (Refer to Section 10.6) and voluntary escrow requirements;
- (c) 3,333,333 Options to acquire fully paid ordinary Shares in the Company. Each Option has an exercise price of \$0.30 and may be exercised on or before 24 January 2027.

The Bayview Agreement may be terminated by either party providing 30 days prior written notice. The Bayview Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

### 9.4.2 Consulting Technical Geologist

The Company entered into a consultancy agreement with Mr Bruce Smith on 1 November 2022 (**CTG Agreement**). Pursuant to the CTG Agreement, Mr Bruce Smith will provide the Company with the services of consulting technical geologist. Mr Bruce Smith is engaged on a daily basis, for no more than five (5) days per



month, unless agreed otherwise between the Company and the Consultant in writing. Mr Bruce Smith will be paid as follows:

- (a) a fee of A\$1,000 per day exclusive of GST to be paid monthly upon the receipt from Mr Bruce Smith of a valid tax invoice detailing the services provided;
- (b) 2,500,000 ZEPOs to acquire fully paid ordinary Shares in the Company. The ZEPOs are subject to vesting conditions (Refer to Section 10.6 of this Prospectus) and voluntary escrow requirements;
- (c) 3,333,333 Options to acquire fully paid ordinary Shares in the Company. Each Option has an exercise price of \$0.30 and may be exercised on or before 24 January 2027.

The CTG Agreement may be terminated by either party providing 30 days prior written notice.

The CTG Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

#### **9.4.3 Consulting Geologist**

The Company entered into a consultancy agreement with Geokeys on or around 20 November 2022 (**Geokeys Agreement**). Pursuant to the Geokeys Agreement, Mr Jason Keys will provide the Company with the services of consulting geologist. Mr Jason Keys is engaged on a daily basis, for no more than four (4) days per month, unless agreed otherwise between the Company and the Consultant in writing. Mr Jason Keys will be paid as follows:

- (a) a fee of A\$1,450 per day exclusive of GST to be paid monthly upon the receipt from Mr Jason Keys of a valid tax invoice detailing the services provided;
- (b) 2,500,000 ZEPOs to acquire fully paid ordinary Shares in the Company. The ZEPOs are subject to vesting conditions (Refer to Section 10.6) and voluntary escrow requirements;
- (c) 3,333,333 Options to acquire fully paid ordinary Shares in the Company. Each Option has an exercise price of \$0.30 and may be exercised on or before 24 January 2027.

The GeoKeys Agreement may be terminated by either party providing 30 days prior written notice.

The Geokeys Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

#### **9.4.4 Business Development Services – Ledger Holdings Pty Ltd**

The Company entered into a consultancy agreement with Ledger Holdings Pty Ltd (**Ledger**) on 25 October 2022 (**Ledger Agreement**). Pursuant to the Ledger Agreement, Ledger will, through its consultant, Mr Levi Mochkin, provide business development services to the Company. Ledger will be paid a monthly fee of A\$7,000 exclusive of GST to be paid on monthly basis following the receipt from Ledger of a valid tax invoice.

The Ledger Agreement may be terminated by either party providing 30 days prior written notice.

The Ledger Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

#### **9.4.5 Business Development Services – Silvis Capital Pty Ltd**

The Company entered into a consultancy agreement with Silvis Capital Pty Ltd (**Silvis**) on or around 1 November 2022 (**Silvis Agreement**). Pursuant to the Silvis Agreement, Silvis will, through its consultant, Mr Michael Woods, provide business development services to the Company. Silvis will be paid as follows:

- (a) a monthly fee of A\$5,500 plus GST to be paid on monthly basis following the receipt from Silvis of a valid tax invoice; and
- (b) 2,000,000 ZEPs to acquire fully paid ordinary Shares in the Company. The ZEPs are subject to vesting conditions and escrow requirements (Refer to Section 10.7).

The Silvis Agreement may be terminated by either party providing 30 days prior written notice.

The Silvis Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

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## **10. ADDITIONAL INFORMATION**

### **10.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **10.2 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

### 10.3 Options – Founding Shareholders and Consultants

(a) **Entitlement**

Each Option entitles the holder to acquire one ordinary fully paid share in the capital of the Company.

(b) **Exercise Price**

The exercise price is 30 cents (\$0.30) per Option.

(c) **Expiry Date**

The Options will expire on 24 January 2027 ("the **Expiry Date**"). The Options can be exercised by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company. Any option that has not been exercised prior to the Expiry Date automatically lapses. Holders shall not be entitled to exercise their options (and the Company will not be required to issue shares upon such exercise) if it would be unlawful to do so.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

(e) **Exercise of Option**

The exercise price is payable in full on exercise.

(f) **Shares issued on exercise**

All shares issued upon exercise of Options will rank pari passu in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. If the Company is listed on ASX at the time, the Company will apply for official quotation by ASX of all shares issued upon exercise of options, subject to any restriction obligations imposed by ASX.

(g) **Reconstruction of capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the exercise price of the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

(h) **Participation in dividends**

The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the options. If the Company is listed on ASX at the time, subject to any waiver granted by ASX, the Company will send notices to option holders at least five (5) business days prior to the record date applying to offers of securities made to shareholders during the currency of the options.

(j) **Transferability**

Subject to the Corporations Act, the ASX Listing Rules (if the Company is listed on ASX at the relevant time), and the Constitution of the Company,

and unless otherwise specified at the time of issue, the Options are freely transferable.

(k) **Rights on Share Issue**

Shares issued upon the exercise of Options will be fully paid ordinary Shares and will have the same voting and other rights as the existing Shares of the Company.

#### 10.4 **Lead Manager Options – Taylor Collison**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.40 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is 3 years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the latter of the following:

- (i) Exercise Date; and
- (ii) when excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, not later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 10.4(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 10.5 Zero exercise price options – Simon Lill and Peter Marks

(a) **Entitlement**

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

(b) **Exercise Price**

No consideration is payable upon the exercise of each ZEPO.

(c) **Expiry Date**

The ZEPOs will expire at 5:00pm two years from the date the Company lists on ASX (**Expiry Date**). The ZEPOs can be exercised by completing an option exercise form and delivering it to the registered office of the Company. Any ZEPO that has not been exercised prior to the Expiry Date automatically lapses. Holders shall not be entitled to exercise their ZEPOs (and the Company will not be required to issue shares upon such exercise) if it would be unlawful to do so.

(d) **Vesting Conditions**

The ZEPOs shall convert to Shares upon the satisfaction of the following vesting conditions, or where, despite the vesting conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested ZEPOs have vested:

- (i) 1,000,000 ZEPOs, which will vest and be convertible upon the Company achieving and maintaining a volume weighted average price (VWAP) Share price equal to \$0.50 or more for a continuous period of 20 trading days at any time on or before the date which is two (2) years from the date the Company lists on ASX;
- (ii) 1,000,000 ZEPOs, which will vest and be convertible upon your continuous service to the Company for a period of one (1) year from the date the Company lists on ASX; and
- (iii) 1,000,000 ZEPOs, which will vest and be convertible upon your continuous service to the Company for a period of two (2) years from the date the Company lists on ASX,

(together, the **Vesting Conditions**).

(e) **Exercise Period**

Once vested, the ZEPOs are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Shares issued on exercise**

All shares issued upon exercise of the ZEPOs will rank pari passu in all respects with, and will have the same terms as, the Company's then



issued ordinary fully paid shares. If the Company is listed on ASX at the time, the Company will apply for official quotation by ASX of all shares issued upon exercise of the ZEPOs, subject to any restriction obligations imposed by ASX.

(g) **Reconstruction of capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of ZEPOs shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the ZEPOs. ZEPO holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the options. If the Company is listed on ASX at the time, subject to any waiver granted by ASX, the Company will send notices to ZEPO holders at least five (5) business days prior to the record date applying to offers of securities made to shareholders during the currency of the ZEPOs.

(i) **Participation in Dividends**

The ZEPOs will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant ZEPOs.

(j) **Change in exercise price**

A ZEPO does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the ZEPO can be exercised.

(k) **Transferability**

Subject to the Corporations Act, the ASX Listing Rules (if the Company is listed on ASX at the relevant time), and the Constitution of the Company, and unless otherwise specified at the time of issue, the ZEPOs are freely transferable.

(l) **Rights on Share Issue**

Shares issued upon the exercise of the ZEPOs will be fully paid ordinary Shares and will have the same voting and other rights as the existing Shares of the Company.

(m) **Change of Control**

If the Company is subject to a takeover or change of control, and the ZEPOs have not yet vested, then the ZEPOs will vest immediately prior to the effective takeover or change of control.

## 10.6 Zero exercise price options – Bayview, Bruce Smith, Geokeys

(a) **Entitlement**

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

(b) **Exercise Price**

No consideration is payable upon the exercise of each ZEPO.

(c) **Expiry Date**

The ZEPOs will expire at 5:00pm two years from the date the Company lists on ASX (**Expiry Date**). The ZEPOs can be exercised by completing an option exercise form and delivering it to the registered office of the Company. Any ZEPO that has not been exercised prior to the Expiry Date automatically lapses. Holders shall not be entitled to exercise their ZEPOs (and the Company will not be required to issue shares upon such exercise) if it would be unlawful to do so.

(d) **Vesting Conditions**

The ZEPOs shall convert to Shares upon the satisfaction of the following vesting conditions, or where, despite the vesting conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested ZEPOs have vested:

- (i) 1,250,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of one (1) year from the date the Company lists on ASX; and
- (ii) 1,250,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of two (2) years from the date the Company lists on ASX,

(together, the **Vesting Conditions**).

(e) **Exercise Period**

Once vested, the ZEPOs are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Shares issued on exercise**

All shares issued upon exercise of the ZEPOs will rank pari passu in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. If the Company is listed on ASX at the time, the Company will apply for official quotation by ASX of all shares issued upon exercise of the ZEPOs, subject to any restriction obligations imposed by ASX.

(g) **Reconstruction of capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of ZEPOs shall be reconstructed in accordance

with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the ZEPOs. ZEPO holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the options. If the Company is listed on ASX at the time, subject to any waiver granted by ASX, the Company will send notices to ZEPO holders at least five (5) business days prior to the record date applying to offers of securities made to shareholders during the currency of the ZEPOs.

(i) **Participation in Dividends**

The ZEPOs will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant ZEPOs.

(j) **Change in exercise price**

A ZEPO does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the ZEPO can be exercised.

(k) **Transferability**

Subject to the Corporations Act, the ASX Listing Rules (if the Company is listed on ASX at the relevant time), and the Constitution of the Company, and unless otherwise specified at the time of issue, the ZEPOs are freely transferable.

(l) **Rights on Share Issue**

Shares issued upon the exercise of the ZEPOs will be fully paid ordinary Shares and will have the same voting and other rights as the existing Shares of the Company.

(m) **Change of control**

If the Company is subject to a takeover or change of control, and the vesting conditions for the ZEPOs have not yet been achieved, then the ZEPOs will vest immediately prior to the effective takeover or change of control.

## 10.7 Zero exercise price options – Silvis Capital Pty Ltd

(a) **Entitlement**

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

(b) **Exercise Price**

No consideration is payable upon the exercise of each ZEPO.

(c) **Expiry Date**

The ZEPOs will expire at 5:00pm two years from the date the Company lists on ASX (**Expiry Date**). The ZEPOs can be exercised by completing an option exercise form and delivering it to the registered office of the Company. Any ZEPO that has not been exercised prior to the Expiry Date automatically lapses. Holders shall not be entitled to exercise their ZEPOs (and the Company will not be required to issue shares upon such exercise) if it would be unlawful to do so.

(d) **Vesting Conditions**

The ZEPOs shall convert to Shares upon the satisfaction of the following vesting conditions, or where, despite the vesting conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested ZEPOs have vested:

- (i) 1,000,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of one (1) year from the date the Company lists on ASX; and
- (ii) 1,000,000 ZEPOs, which will vest and be convertible upon the Consultant's continuous service to the Company for a period of two (2) years from the date the Company lists on ASX,

(together, the **Vesting Conditions**).

(e) **Exercise Period**

Once vested, the ZEPOs are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Shares issued on exercise**

All shares issued upon exercise of the ZEPOs will rank pari passu in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. If the Company is listed on ASX at the time, the Company will apply for official quotation by ASX of all shares issued upon exercise of the ZEPOs, subject to any restriction obligations imposed by ASX.

(g) **Reconstruction of capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of ZEPOs shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the ZEPOs. ZEPO holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the options. If the Company is listed on ASX at the time, subject to any waiver granted by ASX, the Company will send notices to ZEPO holders at least five (5) business days prior to the record date applying to offers of securities made to shareholders during the currency of the ZEPOs.

(i) **Participation in Dividends**

The ZEPOs will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant ZEPOs.

(j) **Change in exercise price**

A ZEPO does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the ZEPO can be exercised.

(k) **Transferability**

Subject to the Corporations Act, the ASX Listing Rules (if the Company is listed on ASX at the relevant time), and the Constitution of the Company, and unless otherwise specified at the time of issue, the ZEPOs are freely transferable.

(l) **Rights on Share Issue**

Shares issued upon the exercise of the ZEPOs will be fully paid ordinary Shares and will have the same voting and other rights as the existing Shares of the Company.

(m) **Change of control**

If the Company is subject to a takeover or change of control, and the vesting conditions for the ZEPOs have not yet been achieved, then the ZEPOs will vest immediately prior to the effective takeover or change of control.

## 10.8 Information required by ASX Guidance Note 19 – Deferred Milestone Shares

The following additional information is provided with respect to the 55,000,000 Deferred Milestone Shares proposed to be issued to the Vendor Shareholders of Lithium Technologies and Lithium Supplies on satisfaction of the Milestones.

- (a) The Deferred Milestone Shares will be issued to the Vendor Shareholders pro-rata to their previous shareholding in the Target Companies. Details of the Deferred Milestone Shares are set out in Section 9.1.1.
- (b) Each of the Vendor Shareholders have been issued Shares in the Company to satisfy the Company's consideration obligations (excluding the Deferred Milestone Shares) under the Acquisition Agreement.
- (c) Jason Thomas Ward (**Mr Ward**) indirectly holds Shares in the Company through Condor Prospecting Pty Ltd (**Condor**). Condor is a Vendor Shareholder under the Acquisition Agreement. Mr Ward has entered into a consultancy agreement with the Company to act in the position of General Manager, Head of Exploration.
- (d) The Deferred Milestone Shares are being issued as part consideration for the Acquisition.
- (e) Upon the achievement of the relevant Milestone, the relevant Deferred Milestone Shares will be issued to the Vendor Shareholders in accordance with the Acquisition Agreement. If the applicable Milestone(s) are not

met before the End Date, then the relevant Deferred Milestone Shares will lapse and no new Shares will be issued.

- (f) The Company has elected to issue the Deferred Milestone Shares so that a portion of the consideration payable for the Acquisition is directly linked to the performance of the assets being acquired, specifically the Bynoe Lithium Project, the Company's granted exploration tenement in the Northern Territory. This is standard practice for acquisitions of exploration projects, and is designed to protect the Company and its shareholders against the inherent risk associated with such acquisitions – i.e. there can be no assurance that exploration of these assets will result in the discovery of an economic ore deposit.

The vesting conditions relate to the delineation of mineral resources on the Projects that are compliant with the 2012 edition of the JORC Code. Such conditions are quite clearly intended to manage the abovementioned risk.

- (g) The Company completed the Acquisition on 27 June 2022, where it acquired 100% of the legal and beneficial interest in the Target Companies and the Target Companies wholly owned subsidiary Synergy . Synergy holds the assets comprising a granted exploration licence in Western Australia, and two exploration licences (one granted and the other pending) in the Northern Territory. Further information on the assets is provided in Section 5.2.

- (h) Further details of the Bynoe Lithium Project are provided in the Independent Geologist's Report and the Solicitor's Tenement Report respectively.

- (i) The Board considers that the quantum of the consideration payable for the Acquisition reflects reasonable fair value of the Projects. The consideration payable was determined by the Board, following arm's length negotiations with the representatives of the Target Companies, and having regard to:

- (i) the Board's assessment of the future prospects of the Projects, based on its geological review of the Projects;
- (ii) recent market examples of comparable transactions, particularly in the lithium sector; and
- (iii) the proposed market capitalisation of the Company on Admission;
- (iv) the fact that part of the consideration payable will be deferred, i.e. the Deferred Milestone Shares are only issued in the event that the Milestones are satisfied which is expected to be a value accretive event for the Company.

As to the precise number of Deferred Milestone Shares, as well as the abovementioned factors, the Board was also cognisant of the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities in the context of an acquisition.

The Board also considers the number of Deferred Milestone Shares to be appropriate and equitable, for the reasons set out in paragraphs 10.8(j) to 10.8(k) below.

- (j) The terms of the Deferred Milestone Shares are consistent with the base requirements for performance securities as set out in section 9 of ASX Guidance Note 19, as the Deferred Milestone Shares will not be issued until the relevant Milestones are achieved under the Acquisition Agreement and until then:
- (i) are not transferrable and will not be quoted on ASX or any other exchange;
  - (ii) do not confer any right to vote, except as otherwise required by law;
  - (iii) do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors;
  - (iv) do not confer any right to a return of capital (whether in a winding up, upon a reduction of capital or otherwise);
  - (v) do not confer any right to participate in surplus profits or assets of the entity upon a winding up; and
  - (vi) do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues unless the applicable vesting condition is achieved, and the Deferred Milestone Shares have been granted.
- (k) The terms of the Deferred Milestone Shares comply with section 10 and 11 of ASX Guidance Note 19 for the following reasons:
- (i) the number of Deferred Milestone Shares received in the capital of the Company if the Milestones are met is fixed (i.e. 1 for 1) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the relevant Milestones are achieved;
  - (ii) the Milestones are objectively fair and reasonable. None of the examples set out in section 10 of ASX Guidance Note 19 that are unacceptable to ASX apply to the Deferred Milestone Shares;
  - (iii) There is an appropriate and demonstrable nexus between the Milestone and the Acquisition for the following reasons:
    - (A) the Deferred Milestone Shares are being issued to the Vendor Shareholders as part consideration for the sale of the Target Companies, which includes the Bynoe Lithium Project. Accordingly, the Milestones are linked to the results of exploration and drilling to be undertaken at the Bynoe Lithium Project (formerly the Litchfield Project) which was acquired as part of the Acquisition; and
    - (B) the Milestones attaching to the Deferred Milestone Shares are appropriately linked to the Company's exploration success at the Bynoe Lithium Project, and the requirement to demonstrate a JORC resource at the Key Project of not less than 4, 8 and 12 million tonnes respectively (in aggregate and in one or more locations) at a grade of not less than 1.1% lithium oxide, and the completion of a bankable feasibility study, which will

provide a pathway to further exploration and development of the Bynoe Lithium Project.

- (iv) The Milestones are clearly articulated by reference to objective criteria (refer to Section 9.1.1) and have reasonable certainty as to the circumstances in which the Milestones will be taken to have been met.
  - (v) The Company must use its reasonable endeavours to satisfy each Milestone as soon as possible after Completion under the Acquisition Agreement, and in any event by the End Date. If a Milestone or Milestones are not satisfied by the End Date, then the Company's obligation to make a cash payment (or issue any shares in lieu of a cash payment) shall immediately lapse and be at an end (refer to Section 9.1.1).
- (l) as the Company will apply to be listed on the ASX and the Deferred Milestone Shares (if/when issued) equate to greater than 10% of the proposed number of Shares on issue at the date of admission to the ASX, Section 13 of ASX Guidance Note 19 requires the Independent Expert's Report on the Deferred Milestone Shares be included in this Prospectus (please refer to Annexure D). The Independent Expert has concluded that the issue of the Deferred Milestone Shares under each Milestone is **not fair but reasonable** to non-associated Shareholders.

## 10.9 Employee Securities Incentive Plan

The Company has adopted an Employee Securities Incentive Plan (**Incentive Plan**) to allow eligible participants to be granted Incentives in the Company. The principal terms of the Incentive Plan are summarised below:

<b>Eligible Participant</b>	Eligible Participant means a person that is either an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate for an Invitation made while that Class Order remains in effect; or an 'ESS participant' (as that term is defined in in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company for an Invitation made on or after 1 October 2022; and has been determined by the Board to be eligible to participate in the Plan from time to time.
<b>Purpose</b>	The purpose of the Plan is to: <ul style="list-style-type: none"> <li>(a) assist in the reward, retention and motivation of Eligible Participants;</li> <li>(b) link the reward of Eligible Participants to Shareholder value creation; and</li> </ul> align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
<b>Plan administration</b>	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth). The Board may delegate its powers and discretion.



<b>Eligibility, invitation and application</b>	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
<b>Grant of Securities</b>	<p>The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.</p>
<b>Rights attaching to Convertible Securities</b>	<p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> <li>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan;</li> <li>(b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</li> <li>(c) is not entitled to receive any dividends declared by the Company; and</li> </ul> <p>is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).</p>
<b>Restrictions on dealing with Convertible Securities</b>	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>In Special Circumstances, the Board may give its consent (which may be withheld in its absolute discretion), or where the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a Security Interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. The Convertible Security is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a Security Interest other than in accordance with these rules.</p>
<b>Listing of Convertible Securities</b>	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
<b>Vesting of Convertible Securities</b>	<p>Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company</p>

	<p>informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
<p><b>Exercise of Convertible Securities and cashless exercise</b></p>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p><b>Timing of issue of Shares and quotation of Shares on exercise</b></p>	<p>As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>
<p><b>Forfeiture of Convertible Securities</b></p>	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest;</li> <li>(b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</li> <li>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</li> <li>(d) on the date the Participant becomes insolvent; or</li> <li>(e) on the Expiry Date,</li> </ul> <p>unless the Board otherwise determines.</p>

<p><b>Change of control</b></p>	<p>If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
<p><b>Plan Shares</b></p>	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
<p><b>Rights attaching to Plan Shares</b></p>	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (<b>Plan Shares</b>) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.</p>
<p><b>Disposal restrictions on Plan Shares</b></p>	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> <li>(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or</li> <li>(b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.</li> </ul>
<p><b>General Restrictions on Transfer of Plan Shares</b></p>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued on exercise of Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares during the time the holder has such information.</p>

	Any Plan Shares issued to a holder upon exercise of the Convertible Shares shall be subject to the terms of the Company's Securities Trading Policy.
<b>Adjustment of Convertible Securities</b>	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
<b>Employee Share Trust</b>	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
<b>Maximum number of Securities</b>	<p>Notwithstanding these Rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any Applicable Laws.</p> <p>(a) In particular, for Invitations made while ASIC Class Order 14/1000 remains in effect, the Company must have reasonable grounds to believe, when making an Invitation, that the total number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered, under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on ASIC Class Order 14/1000 at any time during the previous 3 year period under:</p> <ul style="list-style-type: none"> <li>(i) an employee incentive scheme covered by ASIC Class Oder 14/1000; or</li> <li>(ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,</li> </ul> <p>but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:</p> <ul style="list-style-type: none"> <li>(iii) an offer to a person situated at the time of receipt of the offer outside Australia;</li> <li>(iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors,</li> </ul>

	<p>sophisticated investors and senior managers of the Company); or</p> <p>(v) an offer made under a disclosure document, would not exceed 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of the Invitation.</p> <p>(b) For Invitations made on or after 1 October 2022, where monetary consideration is payable by the Eligible Participant, and in respect to Convertible Securities where the Exercise Price on exercise of those Convertible Securities is greater than zero, the Company must reasonably believe when making an Invitation:</p> <p>(i) the total number of Plan Shares that are, or are covered by the Securities that may be issued under an Invitation; and</p> <p>(ii) the total number of Plan Shares that are, or are covered by the Securities that have been issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 at any time during the previous 3 year period prior to the date the Invitation is made,</p> <p>does not exceed:</p> <p>(i) if the Constitution specifies an issue cap percentage, that percentage; or</p> <p>(ii) 5% (or such other maximum permitted under any Applicable Law),</p> <p>of the total number of Shares on issue at the date of the Invitation.</p>
<b>Amendment of Plan</b>	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
<b>Plan duration</b>	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
<b>Income Tax Assessment Act</b>	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

In addition to the above, the Company recognises its obligations under the ASX Listing Rules, and further states that:

- (a) It will seek Shareholder approval for Director and related party participation in the Plan in accordance with Listing Rule 10.14; and
- (b) for the purposes of ASX Listing Rule 7.2 (Exception 13(a)), the maximum number of equity securities proposed to be issued under the Plan will not exceed 10% of the total number of Shares on issue on completion of the Offer.

#### **10.10 ASX Confirmations and Waivers**

The Company has received the following confirmation and waivers from ASX:

- (a) Listing Rule 1.1 (Condition 11) with respect to cash payments to non-related parties pursuant to the Acquisition Agreement; and
- (b) Listing Rule 6.1 with respect to performance securities (ZEPOs) to be issued to certain Directors and Consultants of the Company;
- (c) Listing Rule 6.1 with respect to performance securities (Deferred Milestone Shares) to be issued to the Vendors of the Target Companies in accordance with the Acquisition Agreement.

The ASX has also confirmed it has no comment on the terms of the Acquisition Agreement or the issue of 1,828,300 shares to satisfy the Aged Payables.

#### **10.11 Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## 10.12 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Paul Dunbar and Vanessa Lickfold of Valuation and Resources Management Pty Ltd have acted as the Independent Geologists and have prepared the Independent Geologist's Report which is included in Annexure A. The Company estimates it will pay Valuation and Resources Management Pty Ltd a total of \$35,000 to \$40,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Valuation and Resources Management Pty Ltd has received \$10,000 (excluding GST) in fees from the Company for other services.

Nicholas Benbow of William Buck Audit (VIC) Pty Ltd has acted as Investigating Accountant and Auditor and has prepared the Investigating Accountant's Report which is included in Annexure C. The Company estimates it will pay William Buck Audit (VIC) Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Buck Audit (VIC) Pty Ltd has received \$48,500 (excluding GST) in fees from the Company. Taylor Collison has acted as the Lead Manager to the Offer and will receive those fees set out in Section 4.6 following the successful completion of the Offer for its services as Lead Manager to the Offer.

Taylor Collison will be responsible for paying all capital raising fees that Taylor Collison and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Taylor Collison are

summarised in Section 9.2.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Taylor Collison has not received fees from the Company for any other services.

Stantons Corporate Finance Pty Ltd (**Stantons**) has acted as Independent Expert and has prepared the Independent Expert's Report on the Performance Securities (ZEPOs) to be issued to the consultants and certain directors, and the Deferred Milestone Shares, which is included in Annexure D. The Company estimates it will pay Stantons \$25,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons has received \$2,200 (excluding GST) in fees from the Company for other services.

Steinepreis Paganin has acted as the Australian legal adviser to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Annexure B. The Company estimates it will pay Steinepreis Paganin \$150,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

### **10.13 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Paul Dunbar and Vanessa Lickfold of Valuation and Resources Management Pty Ltd have given their written consent to being named as the Independent Geologists in this Prospectus, and to the inclusion of the Independent Geologist's Report in Annexure A in the form and context in which the report is included.

William Buck Audit (VIC) Pty Ltd has given its written consent to being named as the Investigating Accountant and Auditor in this Prospectus and to the inclusion of the audited financial information of the Company contained in Section 6 and the Investigating Accountant's Report in Annexure C in the form and context in which the information and report is included.

Stantons has given its consent to being named as the Independent Expert of the Company in this Prospectus and the inclusion of the Independent Expert Report in



Annexure D to this Prospectus in the form and context in which the information is included.

Steinepreis Paganin has given its written consent to being named as the Australian legal adviser to the Company in relation to the Offer in this Prospectus and the inclusion of the Solicitor's Report on Tenements in Annexure B in the form and context in which the report is included.

Taylor Collison has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Automic Group has given its written consent to being named as the share registry to the Company in this Prospectus.

#### **10.14 Expenses of the Offer**

The total expenses of the Offer (excluding GST) are estimated to be approximately \$865,275 for Minimum Subscription and are expected to be applied towards the items set out in the table below:

<b>Item of Expenditure</b>	<b>Minimum Subscription (\$)</b>
ASIC Fees	3,206
ASX Fees	124,069
Lead Manager Fees	420,000
Legal Fees	150,000
Independent Geologist's Fees	40,000
Investigating Accountant's Fees	22,000
Investigating Expert's Report	25,000
Audit, accounting and registry Fees	44,000
Design, orienting, postage, roadshows and other miscellaneous fees	22,000
<b>TOTAL</b>	<b>865,275</b>

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**11. DIRECTORS' AUTHORISATION**

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

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



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**Simon Lill**  
**Chairman**  
**For and on behalf of**  
**Evergreen Lithium Limited**

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## 12. GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

**\$** means an Australian dollar.

**AASB** means the Australian Accounting Standards Board.

**Admission** means the admission of the Company to the Official List.

**Application Form** means the application form attached to or accompanying this Prospectus (including an online application form) relating to the Offer.

**Acquisition Agreement** means the Sale of Shares Deed entered into by the Company, Lithium Technologies Pty Ltd, Lithium Supplies Pty Ltd, Synergy Prospecting Pty Ltd, the Vendor Shareholders, and the directors of Lithium Technologies Pty Ltd and Lithium Supplies Pty Ltd in March 2022. The Acquisition Agreement completed on 27 June 2022.

**Applicable Law** means any one or more or all, as the context requires of:

- (a) the Corporations Act (including Division 1A of Part 7.12 which came into effect on 1 October 2022);
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- (e) any relevant practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), or (d) above;
- (f) any other legal requirement (including, without limitation, the rules of the general law, including common law and equity, and any judgment, order, decree, declaration or ruling of a court of competent jurisdiction or government agency binding on a person or the assets of that person) that applies to the Plan; and
- (g) in respect of acquisition or disposal of any Shares, any formal policy relating to dealings in Shares adopted by the Board from time to time, including the Share Trading Policy.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**Board** means the board of Directors as constituted from time to time.

**Business Days** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CHES** means the Clearing House Electronic Subregister System operated by ASX Settlement.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** means Evergreen Lithium Limited (ACN 656 722 397).

**Completion Date** means the date at which completion occurred under the Acquisition Agreement, that being 27 June 2022.

**Conditions** has the meaning set out in Section 4.7.

**Constitution** means the constitution of the Company.

**Convertible Security** means a right to acquire one or more Incentive Plan Shares in accordance with the Incentive Plan.

**Corporations Act** means *the Corporations Act 2001* (Cth).

**Deferred Milestone Shares** means the milestone shares which the Company has agreed, pursuant to the Acquisition Agreement, to issue to the Vendor Shareholders if certain performance milestones are met.

**Directors** means the directors of the Company at the date of this Prospectus.

**End Date** means the date that is five years after the Completion Date under the Acquisition Agreement.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**ILUA** means indigenous land use agreement.

**Incentive Plan** means the Company's Employee Securities Incentive Plan as detailed in Section 10.8.

**JORC Code** has the meaning given in the Important Notice Section.

**Lead Manager** means Taylor Collison.

**Lead Manager Mandate** means the agreement with the Lead Manager summarised in Section 9.2.

**Listing Rules** means the ASX Listing Rules.

**Milestones** means milestones one, two, three and four as they are each described in the Acquisition Agreement, and **Milestone** means any one of them.

**Minimum Subscription** means the minimum amount to be raised under the Offer, being \$7,000,000.

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

**Offer Price** means \$0.25 per Share.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Participant** has the meaning given to it in the Incentive Plan.

**Projects** means collectively the Bynoe Lithium Project, the Kenny Lithium Project, and the Fortune Lithium Project.

**Prospectus** means this prospectus.

**Recommendations** has the meaning set out in Section 8.6.

**Section** means a section of this Prospectus.

**Securities** means Shares and Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Trading Policy** means any share trading policy of the Company, as amended from time to time.

**Shareholder** means a holder of Shares.

**Special Circumstances** has the meaning given to it in the Incentive Plan.

**Tenements** means the mining tenements (including applications) in which the Company has an interest as set out in Section 5.2 and further described in the Independent Geologist's Report at Annexure A and the Solicitor's Report on Tenements at Annexure B or any one of them as the context requires.

**Vendor Shareholders** means the shareholders in Lithium Technologies Pty Ltd and Lithium Supplies Pty Ltd as they are described under the Acquisition Agreement.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**ZEPOs** means zero exercise price Options.

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**ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT**

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VRM

Valuation & Resource Management

# TECHNICAL ASSESSMENT REPORT OF EVERGREEN LITHIUM

Presented To:

Evergreen Lithium Pty Ltd



Date Issued:

20 December 2022

Document Reference	Evergreen Technical Report December 2022 Rev 7	
Distribution	Evergreen Pty Ltd Valuation and Resource Management Pty Ltd	
Principal Author	Vanessa Lickfold BSc Hons (Geology) PhD (Economic Geology) F AusIMM GAICD	 <hr/>
Contributor / Peer Review	Paul Dunbar BSc Hons (Geology) MSc (Minex) M AusIMM M AIG	 <hr/>
Report Date	20 December 2022	



## Executive Summary

Evergreen Lithium Pty Ltd (Evergreen or the Company) commissioned Valuation and Resource Management Pty Ltd (VRM) to prepare a Technical Assessment Report (Technical Assessment or the Report) on the mineral assets under consideration by Evergreen. The Report is to be included in a prospectus issued by the Company to convert to a public company and seek admission to the official list of Australian Securities Exchange (ASX) by way of an initial public offer of its securities.

This report was prepared as a public document, in the format of a Specialist Report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC).

This Report is a technical review of three lithium pegmatite projects in Australia; the Bynoe and Fortune Projects in the Northern Territory and the Kenny Project in Western Australia.

### Bynoe Project

The Bynoe Project is located south of Darwin, Australia and covers the north-eastern strike extent of the highly lithium- and tantalum-endowed Bynoe Pegmatite Field within the larger Litchfield Pegmatite Field of the Pine Creek Orogen in the Northern Territory. The Bynoe Field hosts Core Lithium's Finnis lithium deposit, which is under construction with first production expected in late-2022. The Finnis deposit appears to be contiguous to the west of the project area and surface geochemical anomalies suggest that lithium mineralisation continues along-trend into Evergreen's tenement.

Despite there being no known pegmatite mineral occurrences on the Bynoe Project, quartz blows, often indicators for pegmatites, have been identified on the tenement. In addition, known lithium-caesium-tantalum (LCT) pegmatites occur immediately east of the western boundary. Given the ~10km proximity to the parental cogenetic fertile Two Sisters Granite, it is VRM's opinion that the potential for LCT pegmatites in the northern portion of the tenement is high. There is also exploration potential elsewhere in the tenement however currently this potential is at an earlier exploration stage.

### Fortune Project

The Fortune Project covers 785km<sup>2</sup> of land in central Northern Territory, Australia ~150km northeast of Alice Springs. It lies within the Mesoproterozoic Aileron Province in the Arunta Region, which is known to host LCT pegmatites. The tenement is immediately north of recently-ASX listed Lithium Plus's Spotted Wonder sub-project in the Arunta region.

Given that LCT-type pegmatite systems are the result of extreme fractional crystallisation of S-type granites during the Proterozoic and that rare-element enrichment occurs in regional zonation patterns around the parental granites, the proximity of the tenement to the Mount Swan granite is considered by VRM to indicate high lithium prospectivity for the Fortune Project. The lithium-rich Utopia, Spotted Wonder and Delmore Downs pegmatites in the immediate vicinity provide good evidence of the prospectivity of the area.

### Kenny Project

The Kenny Project close to Norseman in the eastern goldfields of Western Australia is located at the southern

end of the Norseman-Wiluna Granite Greenstone Belt within the Archaean Yilgarn Craton close to the northern boundary of the Proterozoic Albany-Fraser Province. Outcrop is rare over the mostly soil-covered tenement and is restricted to Yilgarn Craton granites and pegmatites, particularly in the northeast quadrant.

It is close to the Mt Dean and Mt Belches-Bald Hill pegmatite fields in the Eastern Goldfields Superterrane of the Norseman-Wiluna granite-greenstone belt of the Yilgarn Craton.

Despite the proximity of the Bald Hill lithium mine and the Buldania Mineral Resources as well as elevated lithium-in-soil results, in VRM's opinion the potential within the Kenny Project is dependent on the presence of multi-phase highly fractionated granites within or adjacent to the project. At this stage from information available to VRM there are no highly fractionated granites within or in close proximity to the project. Additional work is required to determine if there are late stage fractionated granites in the area. Additionally, LCT pegmatites in the region are typically hosted in the metamorphosed greenstones adjacent to fertile highly fractionated granites rather than within the parental granites.

#### Exploration Budget

VRM has reviewed the exploration budget and work program as proposed by the company and considers that the exploration is justified and within the expected budget for the proposed activities. The work program within the Bynoe project consists of data validation, surface sampling and drilling with the work primarily targeting the geochemical targets and previously identified pegmatites. The Bynoe project exploration budget consists of \$1.9 million in the first year and \$2.2 million in the second year, with the activities in the second year being dependent on the exploration results from the first year's work. Within the Kenny project the company has proposed a work program dominated by geological data compilation, mapping, and prospecting along with geochemical sampling and a small drill program. The budget for the Kenny project is \$0.5 million in the first year and \$0.25 million in the second year at the. While there has been a minor budget for exploration within the Fortune project (\$0.35 million), mostly in the second year, that work is dependent on the tenement being granted. There is an additional budget proposed by the company of \$0.5 million each year to assist with additional target and project generation. The project generation budget and budget for the Fortune projects have not been included in the required ASX listing rule expenditure commitment of 50% of the funds raised being committed. Of the proposed capital raising, proposed to be \$7.0 million, there is a committed exploration budget of \$4.85 million on granted tenements which represents approximately 69% of the funds raised.

#### Conclusions

In VRM's opinion, there are viable and valid exploration targets within the tenement projects with high priority targets within the Bynoe project in the Northern Territory. The other projects, while at an earlier stage have targets that justify additional exploration however both the Kenny and Fortune projects are at a very early exploration stage and therefore are considered to be higher risk conceptual projects.

The exploration budget and work program proposed by the company is consistent with the geological targets within the projects and the work is recommended to be undertaken subject to sufficient funds being raised.

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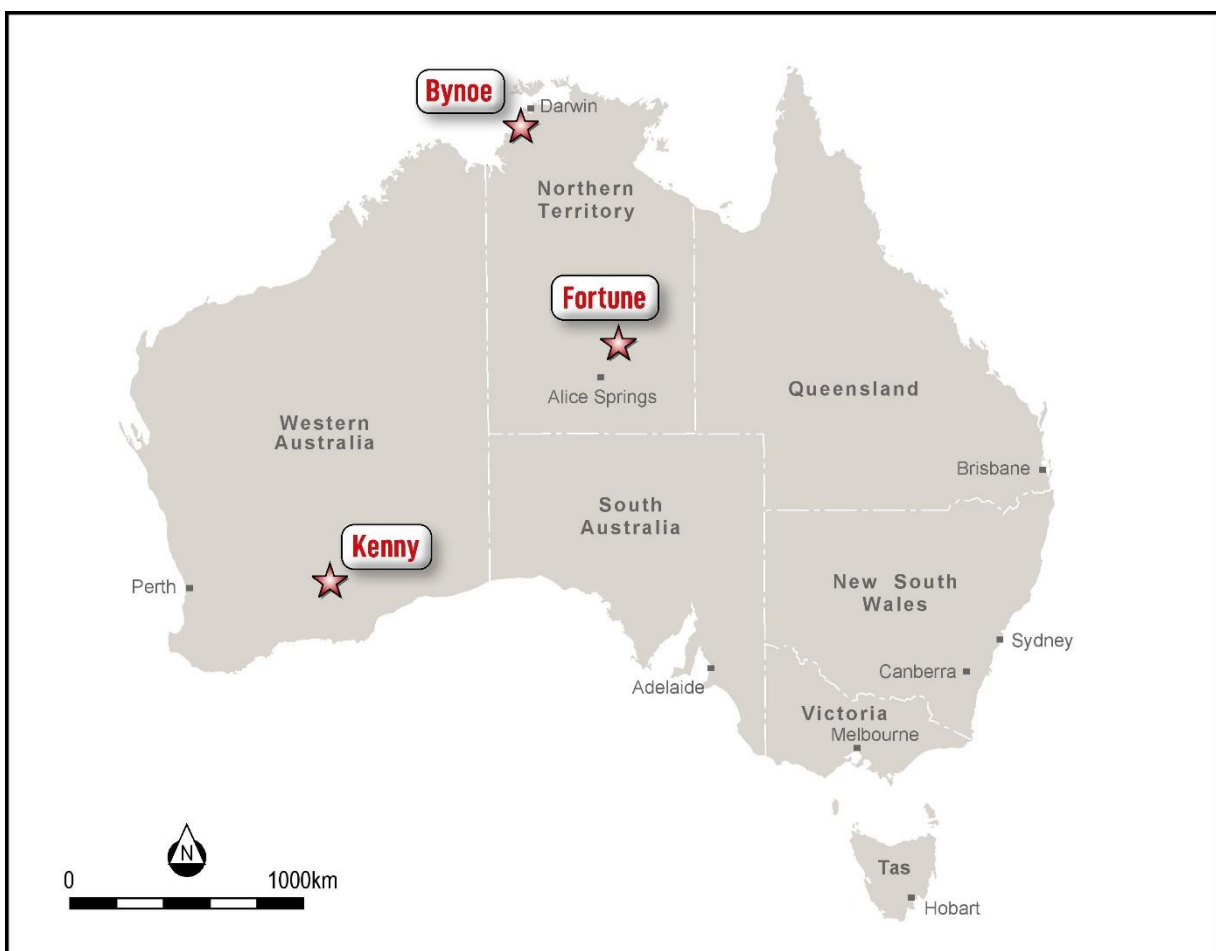
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# 1. Introduction

Valuation and Resource Management Pty Ltd (VRM) was engaged by Evergreen Lithium Pty Ltd (Evergreen or the Company) to prepare a Technical Assessment Report (Technical Assessment or the Report) on the mineral assets of Evergreen for inclusion in a prospectus to be issued by the Company for an initial public offer of 28,000,000 shares at an issue price of \$0.25 each to raise a total of \$7.0 million (before costs) (Prospectus).

The mineral assets are the Company’s three lithium pegmatite projects in Australia; the Bynoe and Fortune

Projects in the Northern Territory and the Kenny Project in Western Australia (Figure 1).



Source: Modified from Evergreen

Figure 1 Regional location of Bynoe, Fortune and Kenny Projects in Australia

## 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The Technical Assessment is prepared applying the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG).

These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This Technical Assessment is a Public Report as described in the VALMIN Code (clause 5) and the JORC Code (clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Evergreen as referenced in this Technical Assessment and additional publicly available information.

This Technical Assessment contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

## 1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects in compliance with the JORC and VALMIN Codes. These require that the Public Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the Technical Assessment based upon the principle of reviewing and interrogating both the work of Evergreen and independent specialists who have contributed to the technical information available for the projects. This report is a summary of the work conducted to June 2022 and is based on information supplied to VRM by Evergreen and its advisors as well as information that is in the public domain, to the extent required by the JORC and VALMIN Codes.

VRM understands that its review and report will be included in the Prospectus, and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the VALMIN Code.

Much of this report is based on information provided by Evergreen along with publicly available data, including ASX releases and public data from various companies currently or previously working existing and nearby tenements, the Northern Territory and Western Australia Geological Surveys, government databases and published articles. VRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data that forms the basis of this report. The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading.

## 1.3. Statement of Independence

VRM, was engaged to undertake a Technical Assessment on the mineral assets of Evergreen. This work has been conducted in accordance with the JORC and VALMIN Codes. It also complies with ASIC Regulatory Guideline 111 – Content of Expert Reports (RG111) and ASIC Regulatory Guidelines 112 Independence of Experts (RG112).

Dr Vanessa Lickfold, Mr Paul Dunbar and VRM have not had any direct association with Evergreen, its individual employees, or any interest in the securities of the company, which could be regarded as affecting the ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work on

standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated at approximately \$40,000 (excluding GST).

#### 1.4. Competent Persons Declaration and Qualifications

The information in this Report that relates to Technical Assessment of Mineral Assets reflects information compiled and conclusions derived by Dr Vanessa Lickfold, who is a Fellow of the AusIMM. Dr Lickfold has a PhD in economic geology and BSc Honours in geology, is an associate of VRM, and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Dr Lickfold consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Peer Review was completed by Mr Paul Dunbar, BSc (Hons), MSc, a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### 1.5. Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in the Northern Territory or Western Australia. In relation to the tenement standing within the Northern Territory and Western Australia, VRM has relied on the information publicly available on the Northern Territory STRIKE and Western Australia's Department of Industry and Resources (DMIRS) websites, respectively.

In respect of the information contained in this Report, VRM has relied on the following:

- Information and/or reports obtained from Evergreen;
- Various ASX releases, including from previous owners and neighbouring companies, including but not limited to Core Lithium, Charger Metals, Lithium Plus and Castillo Copper; and
- Publicly available information, including maps, datasets and technical publications of the Northern Territory and Western Australian Geological Surveys.

This report contains references or statements made by other parties sourced from the following:

- Technical papers or journal articles from the Geological Surveys of the Northern Territory and Western Australia;
- Academic and technical papers and abstracts in publicly available journals;
- ASX Releases by various Companies; and
- Published and unpublished Annual Technical reports for the Tenements.

The authors of these reports have not consented to the use of their statements in this report. These statements are issued in accordance with ASIC Regulatory Guide 55 and ASIC Corporations (Consents to Statements) Instrument 2016/72.



## 1.6. Sources of Information

All information and conclusions within this report are based on information made available by Evergreen to VRM to assist with this report and other relevant publicly available data to June 2022. Reference has been made to sources of information, published and unpublished, including government reports and reports prepared by previous parties to the areas. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Evergreen as detailed in the reference list. In addition, much of the technical information provided by Evergreen on the Bynoe and Kenny Projects is also available in ASX releases by previous owners; it is referenced as such in the report below.

A draft of this report has been provided to Evergreen to identify and address any factual errors or omissions prior to finalisation of the report.

## 1.7. Site Visits

Site visits to the Bynoe, Fortune or Kenny Projects were not undertaken during the preparation of this report. VRM has verified the information from previous owners via Government agencies and ASX releases and considered that site visits would not result in additional material information given the early-stage nature, remote location, limited outcrop, and minimal sampling associated with the tenements.

## 2. Mineral Assets

The mineral assets included in this review for Evergreen Lithium Pty Ltd comprise three tenements, one associated with each project (Table 1).

Table 1 Evergreen Lithium Pty Ltd tenements

Tenement	Area km <sup>2</sup>	Status	Granted/ Applied	Expires	Holder/Applicant	Minimum Expenditure (\$)
Bynoe (EL 31774)	231	Granted	15/02/2019	14/02/2025	Synergy Prospecting Pty Ltd	\$450,000
Fortune (EL 31828)	785	Pending	19/02/2018	-	Synergy Prospecting Pty Ltd	N/A
Kenny (E63/1888)	210	Granted	26/10/2018	25/10/2023	Synergy Prospecting Pty Ltd	\$105,000

### 2.1. Mineral Tenure

Evergreen owns 100% of the three tenements shown in Table 1. The Northern Territory Bynoe Project and Fortune Projects cover 92 blocks over 230.96km<sup>2</sup> and 250 blocks over 784.71km<sup>2</sup> respectively and the Western Australian Kenny Project 70 blocks over 210km<sup>2</sup>. According to the respective government agencies, the licences associated with the Bynoe, and Kenny Projects are active, while the one for the Fortune Project is pending after the application was submitted on 19 February 2018.

VRM has made reasonable enquiries regarding the status of these tenements and confirms that to the best of VRM's knowledge these tenements remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments. As VRM and the authors of this Report are not experts in Australian mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

### 3. Bynoe Project

The Bynoe Project is located south of Darwin, Australia and covers the north-eastern strike extent of the highly lithium- and tantalum-endowed Bynoe Pegmatite Field, which forms part of the larger Litchfield Pegmatite Field of the Pine Creek Orogen in the Northern Territory. The Bynoe Field hosts Core Lithium's Finniss lithium deposit, which is under construction and production expected in late-2022. The deposit is contiguous to the west of the project area and surface geochemical anomalies appear to show that lithium mineralisation continues along trend into Evergreen's tenement.

#### 3.1. Location and Access

The single tenement comprising the Bynoe Project is located between 15 and 45km due south of Darwin. Access is via an 80km drive on the sealed Cox Peninsula Highway, which cuts across the area in the north and the sealed Litchfield Park Road, which cuts across the tenement in the south and western portions. Fog Bay Road, which is unsealed, crosses the extreme western part of the tenement (Figure 2). A network of unsealed tracks provides additional access to the north western sections and along the western edge of the area.

Port access is via the multi-modal Darwin port, which is undergoing expansion focussed on new and expanding minerals exporters. Even without the expansions, the existing East Arm Wharf has bulk mineral handling facilities and caters to a wide range of ship sizes.

The Alice Spring – Darwin railway line runs within approximately 10km of east of the Blackmore River, which forms the eastern boundary the project area.

#### 3.2. Climate

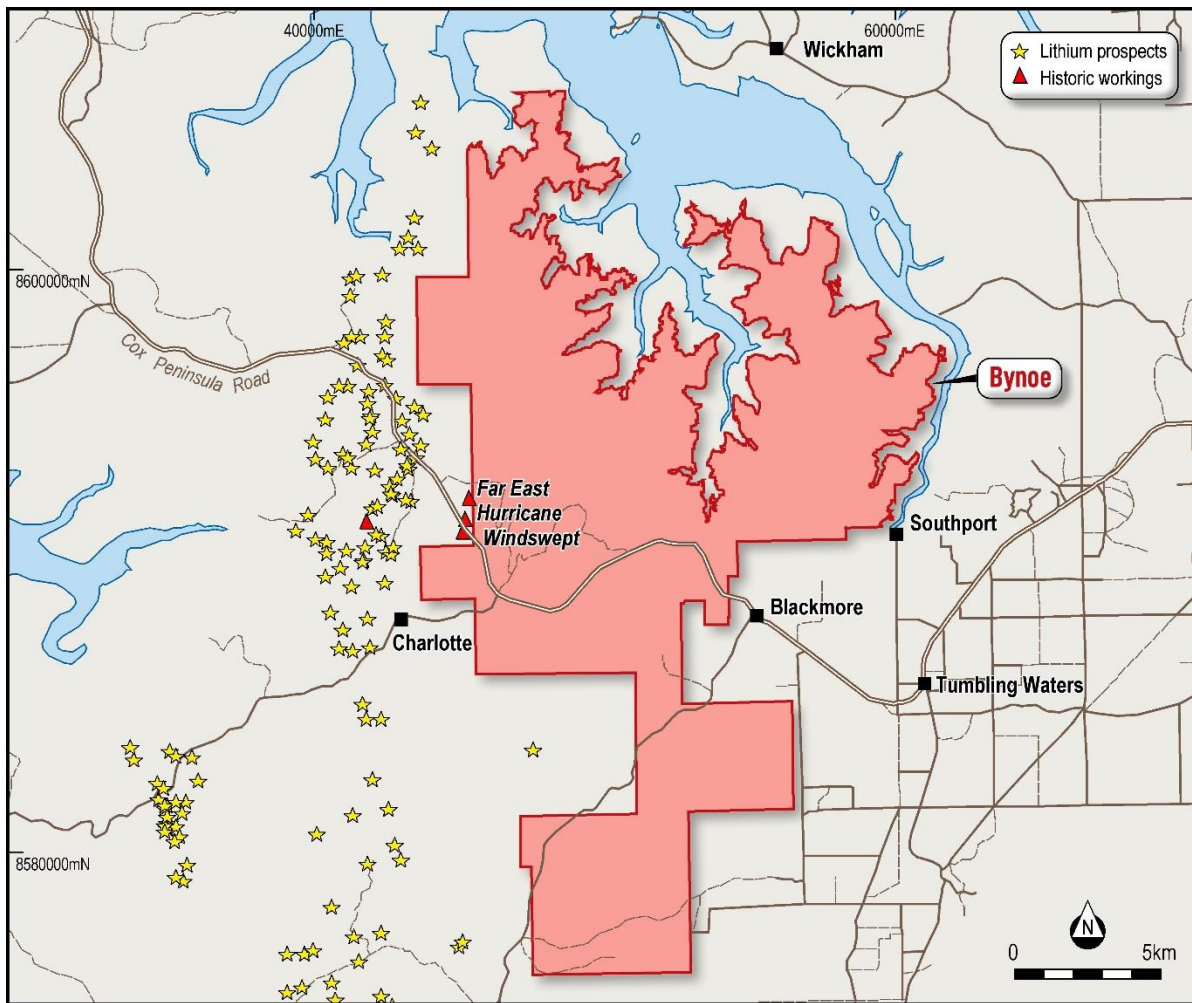
The climate of the Darwin region is typical of the tropics, with strongly seasonal wet and dry periods. The wet season, when the majority of the >1,000mm annual rainfall occurs, is usually between October to April and can be very warm with temperatures remaining around 30°C and very high humidity for days on end. Little to no rainfalls occurs between May and September, the dry season, when temperatures are around 25°C and humidity is lower. The seasonal rainfall pattern directly influences the habitats and ecosystems in the region.

In VRM's opinion, exploration activities would be limited to March through October due to the monsoonal climatic conditions.

#### 3.3. Environmental Considerations

The majority of the Bynoe Project tenement is classified for 'Conservation and Natural Environment, Production and Agriculture' use by the Northern Territory authorities and vacant crown land owned by the Northern Territory Government ([Castillo Copper 20211020](#)). The tenement lies within the Darwin Rural Water Control District and its northern portions are within the Darwin Harbour District sensitive area of conservation significance ([Sites of Conservation Significance in the NT - Map A4](#)).

There are no Native Title Determinations over the Bynoe Project tenement.



Source: [www.landtracker.com.au](http://www.landtracker.com.au)

Figure 2 Location and access to the Bynoe Project, Northern Territory

### 3.4. Regional Geology

The Bynoe Project lies in the eastern Bynoe Pegmatite Field; the northern field of the larger Litchfield Pegmatite Belt (Figure 3) in the Northern Territory. The 180km-long Litchfield Pegmatite Belt stretches along the eastern contact aureole of the Two Sisters, Allia Creek, and Soldiers Creek granites, from Darwin Harbour in the north to the Wingate Mountains in the south. These granites form part of the 'Allia Creek Suite', a late- to post-tectonic, felsic, fractionated S-type granite system emplaced along the western margin of the Pine Creek Orogen at 1,845Ma (Frater, 2005). The fractionated S-type Two Sisters granite comprises two phases: a medium-grained or porphyritic biotite granite and a coarse-grained pegmatitic phase. Frater (2005) proposed that the biotite granite straddles the boundary between the volcanic-arc and syn-collisional environment, whereas the pegmatitic granite (and associated pegmatites) represent the syn- to late-collisional setting.

The dominant host stratigraphy of the Litchfield pegmatites is a succession of psammite and slate of the Palaeoproterozoic Burrell Creek Formation of the Finniss River Group or its metamorphosed equivalent, the Welltree Metamorphics (Figure 3).

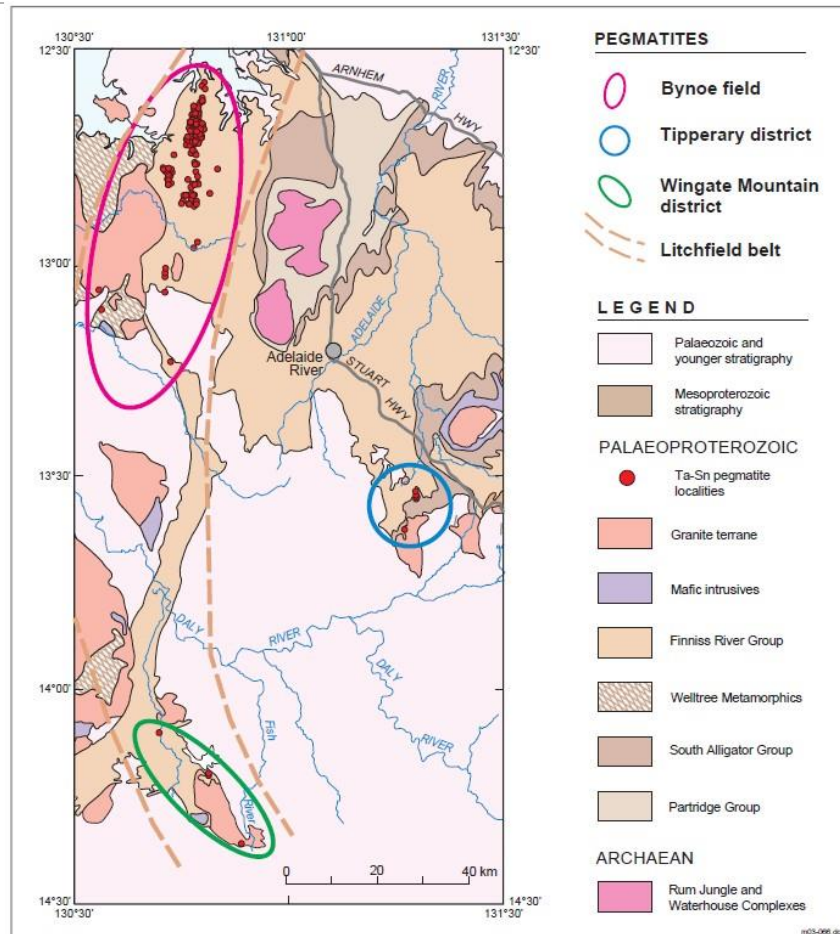


Figure 3 Regional geology of the Bynoe Project (Frater, 2005)

The Bynoe Pegmatite field, an area 70km long and 15km wide, hosts over 100 tin-tantalum mineralised pegmatites thought to be associated with discrete shallow-level granite apophyse (Frater, 2005). There are six currently known tin-tantalum pegmatite groups in the Bynoe field; namely Captains Table, Observation Hill, Leviathan, River Annie, Walkers Creek, and Labelle from north to south (Figure 4). Of these, three are important for the Bynoe Project; namely Captains Table (also known as Kings Table), Observation Hill and River Annie. The greatest pegmatite concentrations occur in the Observation Hill and River Annie groups in the area adjacent to the Bynoe Project, where pegmatites are hosted in metamorphosed pelitic and carbonaceous shale, siltstone, and wacke (Frater, 2005 and Rawlings, 2017). Pegmatites in the Captains Table group, also occur directly adjacent to the Bynoe Project in the north. The density of pegmatite occurrences varies; however, a lower pegmatite density appears to correspond to psammite-dominated country rock and a higher to finer-grained pelite-dominated stratigraphy.

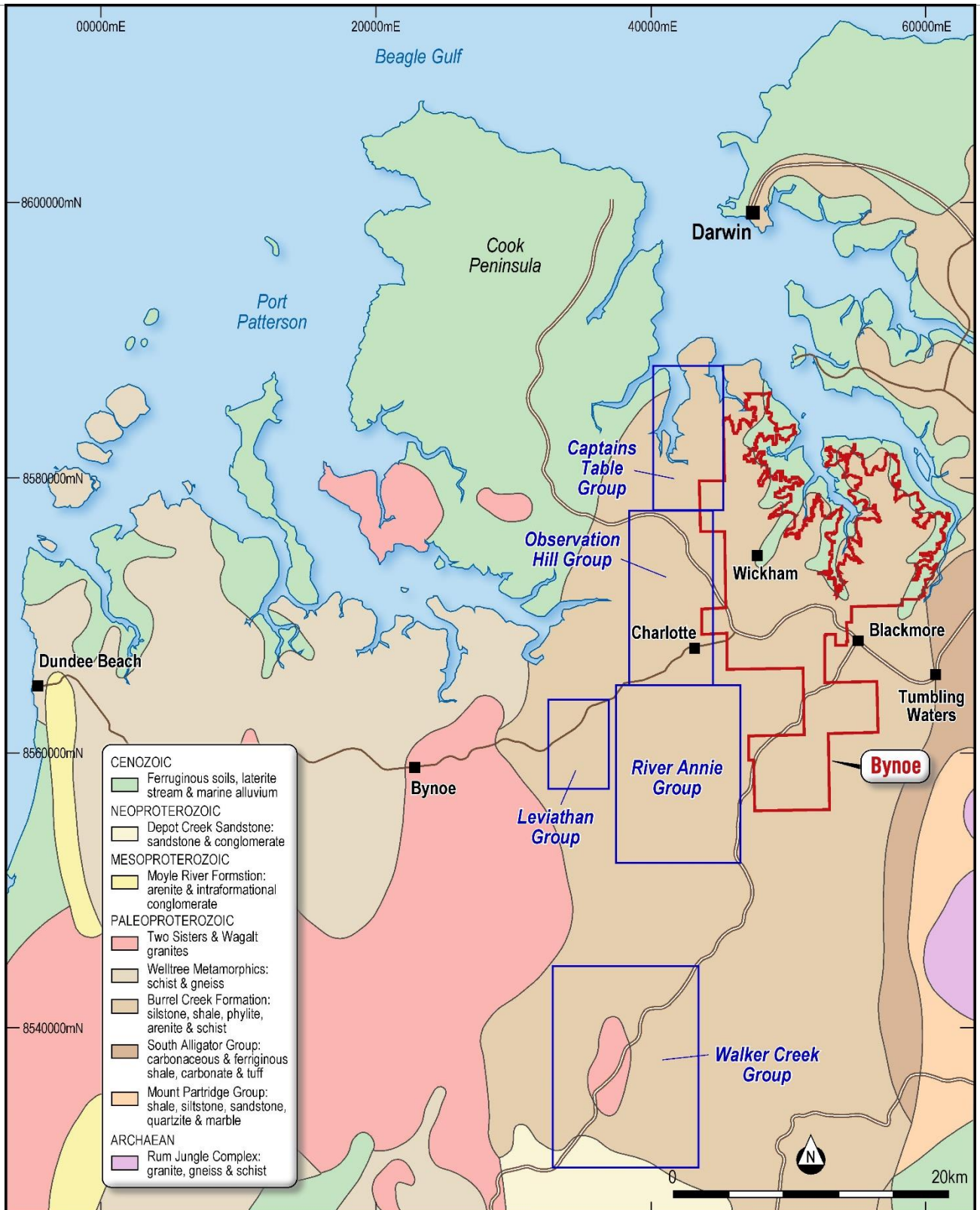


Figure 4 Overview of the location of the six groups comprising the Litchfield Pegmatite field (Frater, 2005)

### Lithium mineralisation

Frater (2005) provides a concise summary of the tin-tantalum mineralised pegmatites of the Litchfield Pegmatite Belt. The following account has been taken from this comprehensive document.

The most significantly mineralised area of the Litchfield Pegmatite Belt is the Bynoe Field, where mineralised pegmatites typically occur in linear swarms and range in size from a few metres long and less than a metre wide up to hundreds of metres long and tens of metres wide. Their shape is typically tabular or pod-like and they are generally oriented parallel to the regional fabric; however, in detail, they transgress both bedding and foliation and zones of well-developed brittle-ductile deformation commonly bound undeformed to mildly deformed pegmatite. Although contacts are usually steeply dipping, less common horizontal segments have also been observed (Frater, 2005).

Much of the surface within the Bynoe Pegmatite field is covered by ferricrete, which hampers the identification of pegmatite. Further, not only is outcrop insignificant, but it is also usually limited to sub-crop of quartz-muscovite border zones; quartz cores, or “blows” as they are commonly referred to, tend to be rare (Frater, 2005). Where a core does occur, weathering, comprising at least two periods of lateritisation, makes structural interpretation difficult.

On surface tin-tantalum mineralised pegmatites typically comprise quartz, muscovite, kaolinite, cassiterite, tantalite-columbite with rare beryl and amblygonite. They are generally zoned with a thin border zone of fine-grained quartz and muscovite, adjacent to a narrow wall zone comprising comb-textured quartz and muscovite oriented perpendicular to the wall of the pegmatite. The wall zone passes into a feldspar-dominant intermediate zone, which passes into a core zone of massive quartz (Figure 5). Narrow, steeply dipping greisen zones and veins bearing cassiterite and tantalite are a common feature of mineralised pegmatites. Tourmaline and garnet are relatively rare within the pegmatite bodies; however, tourmaline is abundant in the host rock close to the pegmatite contact, indicating that boron and fluorine are typically removed from pegmatite and dispersed in country rock adjacent to the contact. Tin-tantalum mineralisation is most common in the pegmatite wall zone adjacent to tourmaline in the host rock and within the country rock adjacent to pegmatite and cassiterite tends to be more abundant than tantalite-columbite in most prospects. Tantalite typically occurs as inclusions within cassiterite grains. There are two generations of mineralisation in the Bynoe pegmatite field; namely a coarse-grained primary phase overprinted by a finer overprint associated with greisen development.

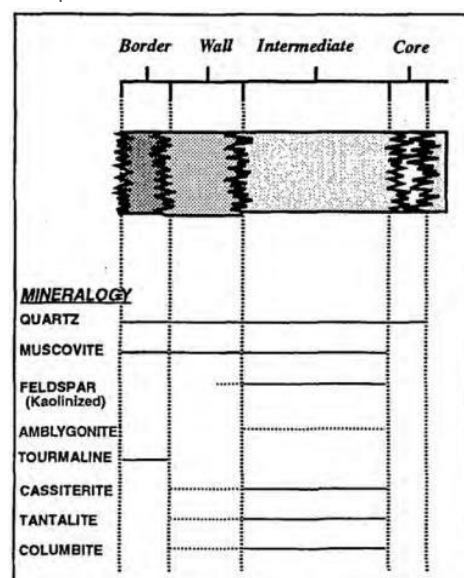


Figure 5 Diagrammatic representation of zoning and mineralogy of the Bynoe Sn-Ta pegmatites (Ahmed, 1995)

Despite Ahmad (1995) and Frater (2005) touching on the potential for lithium-bearing pegmatites in the Northern Territory, it is only in the last decade that its 'LCT' (lithium-caesium-tantalum) potential has gained momentum. In a similar fashion to the tin-tantalum pegmatites described above, the LCT pegmatites also evolved from the S-type Two Sisters Granite, which was emplaced under conditions favourable for the development and injection of volatile-rich structurally controlled pegmatite dykes into the overlying turbiditic Burrell Creek Formation (Rawlings, 2017). The relative homogeneity of this host formation appears to have been critical in confining the fertile magmatic fluids.

LCT pegmatites range in size and shape from narrow veins to broad lozenge-shaped bodies up to 500m long and 60m wide oriented in a north-north-easterly direction parallel to the regional fabric. They commonly present as extensively weathered clay-quartz (smectite-kaolinite) saprolite with little indication of lithium mineralisation. Lithium-mineralised pegmatite in drill core typically comprises spodumene, quartz, albite, microcline, and muscovite along with accessory amblygonite, apatite, cassiterite, ilmenite, rutile and rare columbite-tantalite, tourmaline (elbaite), fluorite, topaz, and beryl. Spodumene is intergrown with the other minerals but overall is late in the paragenetic sequence (Rawlings, 2017).

### 3.5. Local geology

From the Northern Territory's Geological Survey 1:100,000 map, outcrop over the tenement is mainly Cenozoic cover and the sandstones, siltstones, shales, and rare pebble conglomerates of the Palaeo-Proterozoic Burrell Creek Formation within the Finniss River Group (Figure 3). Quartz blows have been identified on the tenement (Figure 6); however, known pegmatite mineral occurrences have not, though have on the tenement immediately west of the western boundary.

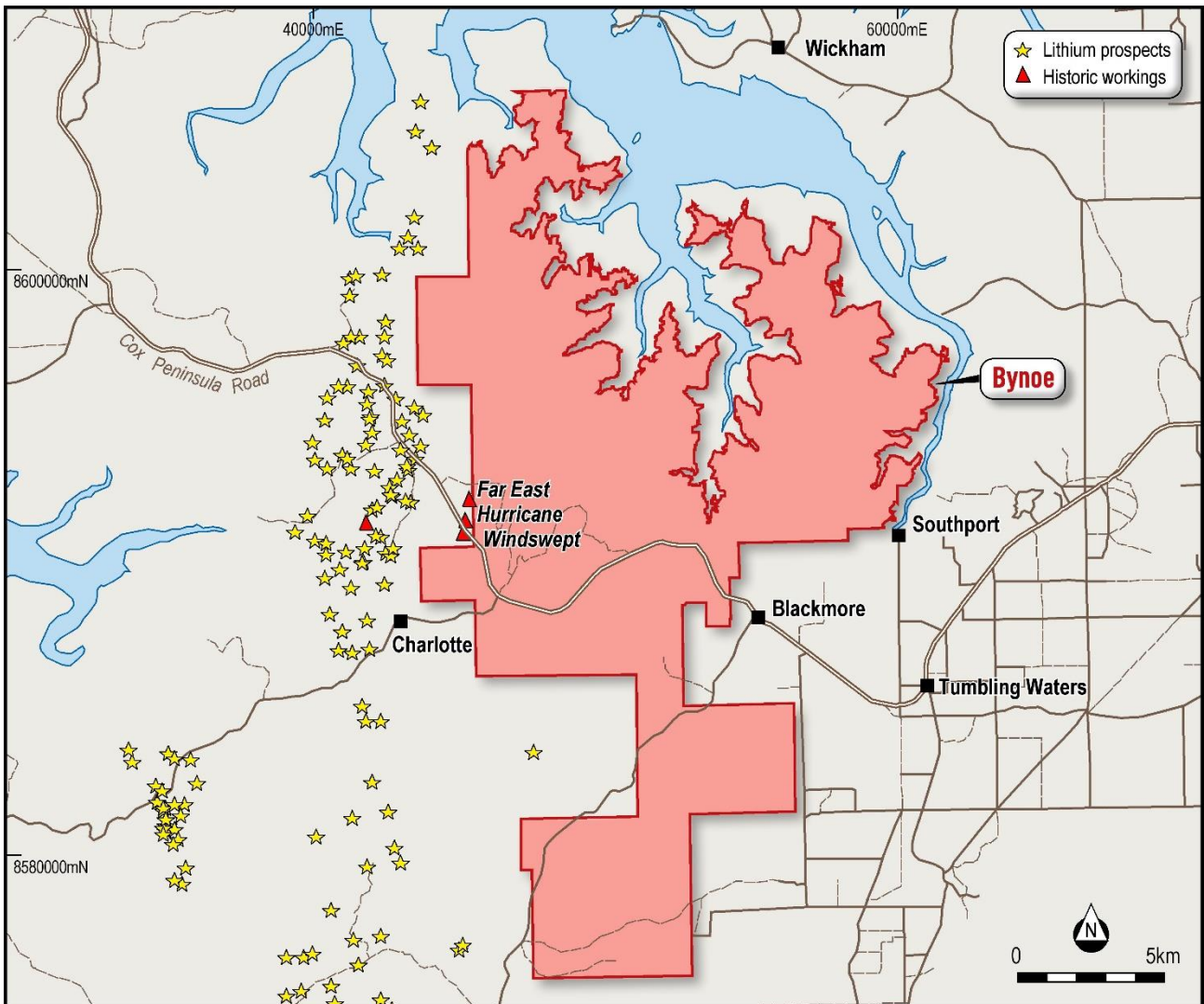


Source: Evergreen

Figure 6 Quartz outcrop on the Bynoe Project area



There are three gold occurrences (Far East (30m), Hurricane (about 300m) and Windswept (about 350m)) and two thorium (Madigans and Charlotte River) occurrences on the tenement as recorded on the Northern Territory's mineral occurrence database, MODAT (Figure 7).



Source: Evergreen

Figure 7 Known mineral occurrences on the Bynoe Project tenement from MODAT;

### 3.6. Historical production and exploration

There has been no historic production of lithium from any of the pegmatites in the Bynoe Pegmatite Field mined previously for tin and tantalum. A summary of tin-tantalum production is included for context as lithium is commonly associated with this style of mineralisation and the Bynoe Project is in the same host rocks and geological setting.

Tin-tantalum pegmatites were first discovered in the Northern Territory near Mount Shoobridge in 1882 and was followed soon after by the tin (and tantalum) discovery at Leviathan Creek (Bynoe Pegmatite Field) on the Cox Peninsula in 1886 (Frater, 2005). Since these discoveries, production of tantalum and tin from alluvial, eluvial and hard-rock deposits has been sporadic, though two main phases of production are notable in the mining record: an initial period during 1882-1910, for when production figures are scant, and

the period 1982- 1999, when larger-scale mining took place in the Bynoe pegmatite field (Frater, 2005). Operations within the Bynoe Pegmatite Field exploited mainly surface tin deposits created by the weathering and erosion of the pegmatites, where higher grades were localised in the shallow regolith, though recoveries were compromised through losses in the sluicing process as a result of the lodes being kaolinised.

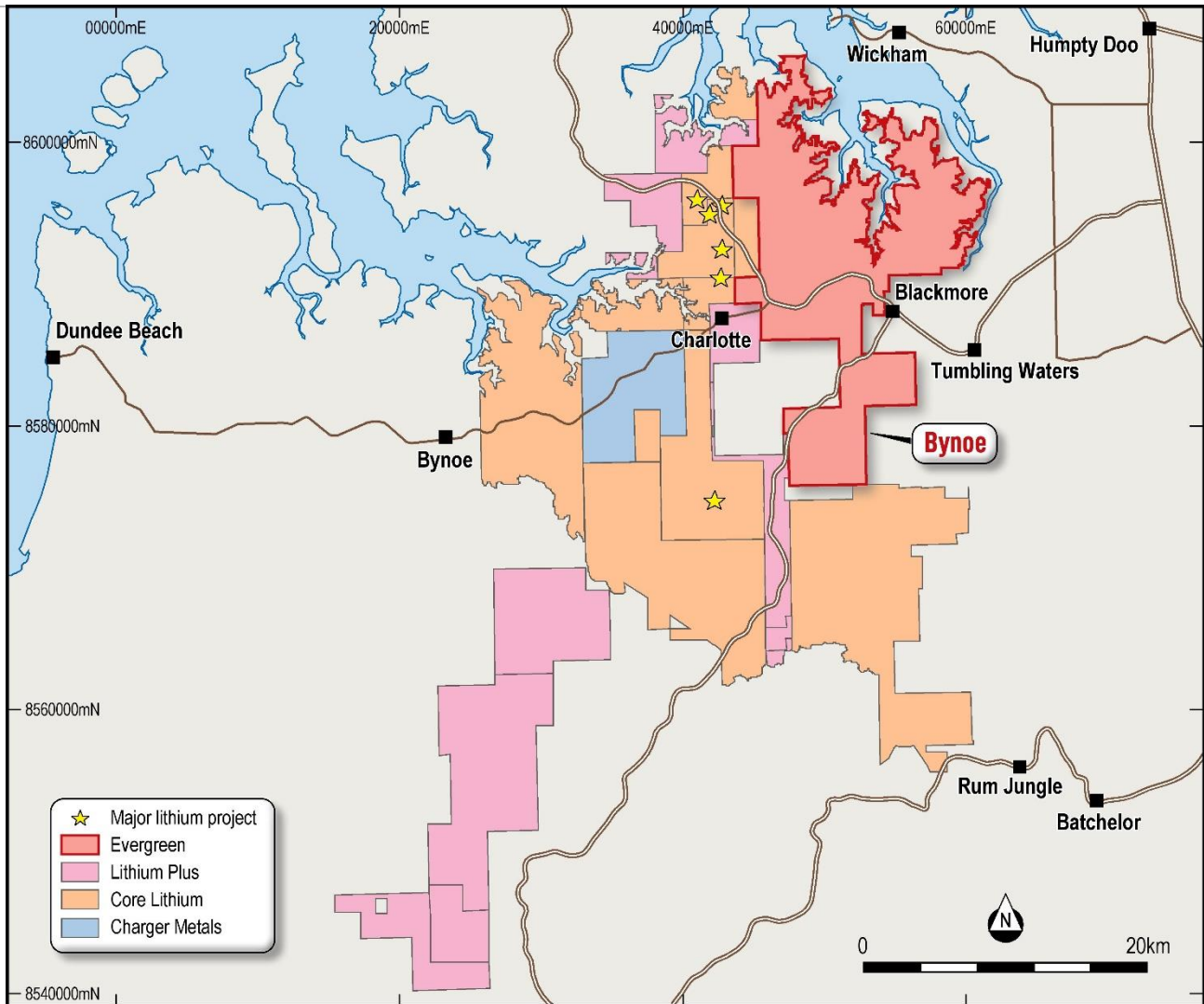
The mining record indicates Northern Territory produced approximately 237,700lb of Ta<sub>2</sub>O<sub>5</sub> and 442t of SnO<sub>2</sub> (plus a further 549t of SnO<sub>2</sub> concentrate prior to 1906); however, production was probably considerably greater given the absence of production records prior to 1927, when much of the high-grade alluvial and eluvial ore was mined (Frater, 2005). Tin and tantalum production and exploration activities ceased until the early 1980's. Below is a summary of the previous exploration between 1982 and 2012 sourced from the Charger Metals (Charger) website ([chargermetals.com.au/projects/bynoe/](http://chargermetals.com.au/projects/bynoe/)):

- Greenex Resources explored the Leviathan area between 1983 and 1990 resulting in the re-definition of over 20 of the pegmatites that had been worked at the turn of the century. Tonnes and grade estimates (non-JORC) were made for Ta<sub>2</sub>O<sub>5</sub> and SnO<sub>2</sub> in weathered pegmatites and alluvials for five groups of deposits in the Bynoe field, including the Leviathan pegmatites.
- From 1984 to 1992 Corporate Development Resources held the Leviathan leases and estimated a total pegmatite resource (non-JORC) of 81,900m<sup>3</sup> of mineralisation, with estimated grades up to 1 kg/m<sup>3</sup> SnO<sub>2</sub> were cited.
- In 2000 and 2001, Julia Corporation Ltd negotiated an option to explore the Leviathan ground with Corporate Development. They conducted a costeaning and RC drilling programme targeting several of the larger Leviathan pegmatites and discovered more than 30 pegmatites in the Leviathan area.
- Haddington Resources Ltd, on behalf of Arnhem Resources Pty Ltd and Australian Tantalum Pty Ltd, and Altura Resources Pty Ltd explored the area during 2007-2012 principally for tantalum. A programme of rock-chip and soil sampling, combined with rotary air blast (RAB) drilling was conducted and the first lithium prospect in the Bynoe Pegmatite Field, the 7-Up Prospect, was discovered during this time.

It is only in recent years, when Core Lithium (Core) undertook deep reverse circulation and diamond core drilling in 2016 and retuned intersections averaging 1.6% Li<sub>2</sub>O over 30m that the lithium potential of the pegmatites was revealed (Rawlings, 2017). The recent Core exploration identified spodumene in many of the pegmatite occurrences. The significance of the pegmatite field and the occurrence of spodumene was not noted historically because although occurrences of amblygonite, a lithium-phosphate mineral and lepidolite (a lithium rich mica) were recorded, spodumene, the dominant economic lithium ore mineral, is almost entirely absent from the 100-odd historic tin-tantalum prospects as it is not resistant to weathering (Rawlings, 2017).

### 3.7. Recent Exploration History

Since Core discovered the lithium potential of the pegmatites in the mining area adjacent to the Bynoe Project area in 2016, the Bynoe Pegmatite Field has become a significant area for further lithium exploration: Core, Charger, Lithium Plus Minerals and others are active in the vicinity (Figure 8).



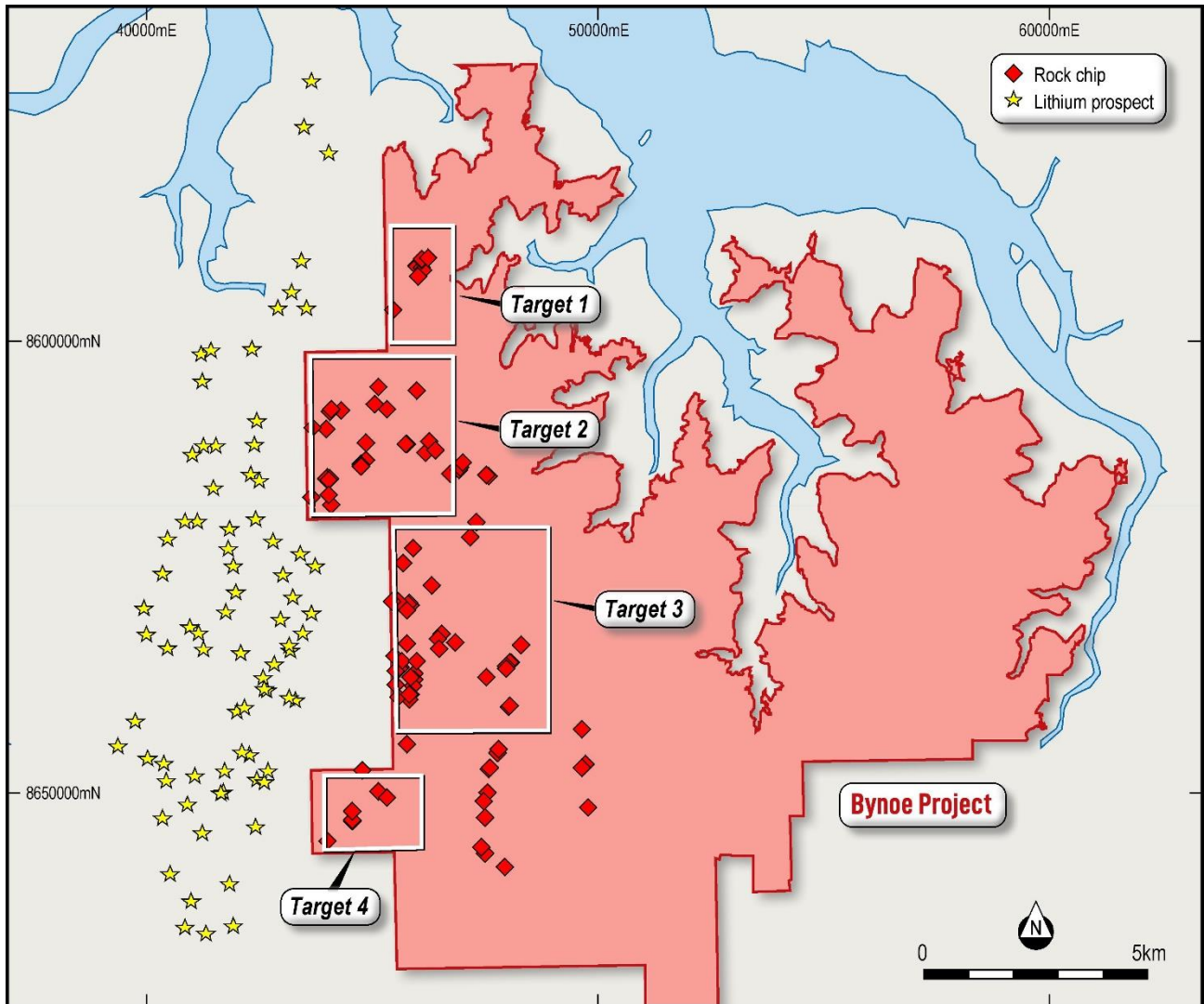
Source: Evergreen

Figure 8 Lithium exploration tenements surrounding the Bynoe Project area

Initial exploration on the Bynoe Project tenement did not focus on lithium but rather on tin-tantalum in previously-identified pegmatites and was conducted on two parts of the tenement, EL29043 and EL20944 (Figure 7), by Grigm Resources Pty Ltd (Grigm) from 2012 to 2014 (Grigm 20140307 and 20140405). Grigm’s exploration strategy was to locate pegmatite veins, find hidden granites and explore for cassiterite-bearing greisen type ore deposits near the contact zone of granitic intrusions. In the first of their six-year lease they assessed magnetics, gravity and U/Th images to understand substructures in the region, completed a desktop review and conducted two reconnaissance trips to take samples (Grigm 20130701 and 20130512). During the second year, they ground-checked the mineral occurrences reported by the NTGS, and geophysical anomalies identified in the first year but failed to find any mineralisation aside from a number of cassiterite-bearing pegmatite veins (13 float samples) in the west of EL29044 (not within the current tenement) close to two old tin diggings. Grigm concluded that although the geological setting of the EL29043 and EL29044 licences was very similar to that of the Bynoe tin-tantalum pegmatite belt, the potential to find significant large scale tin-tantalum pegmatite was not encouraging (Grigm 20140307 and 20140405) and they dropped the licences in 2014.

Lithium exploration commenced on the existing tenement by XPlor Resources, in 2019 with a preliminary

desktop study, exploration proposal and a targeting study completed prior to the first field trip in October of that year. The targeting study defined 37 points of interest. During Stage 1 of field work, from 18/09/2019 to 10/10/2019, 156 samples were collected, comprising 85 rock chip samples, 44 soil samples, 17 float samples and 10 termite mound (abandoned) biogeochemical samples (Appendix 2). Exploration was concentrated in the western and central portions of the tenement (Target Areas 1 and 2) due to the proximity of the then recently drilled Core's Finnis Project (Figure 9). Pegmatite occurrences and drilled pegmatites were visited and studied to understand their main characteristics in the area and get representative samples of the surface expressions of pegmatites and quartz dykes across these two parts of the Bynoe Project (Figure 10).



Source: Evergreen

Figure 9 Bynoe targets, Stage 1 sample locations (red dots) and historical pegmatite occurrences (Yellow stars)



Source: Evergreen

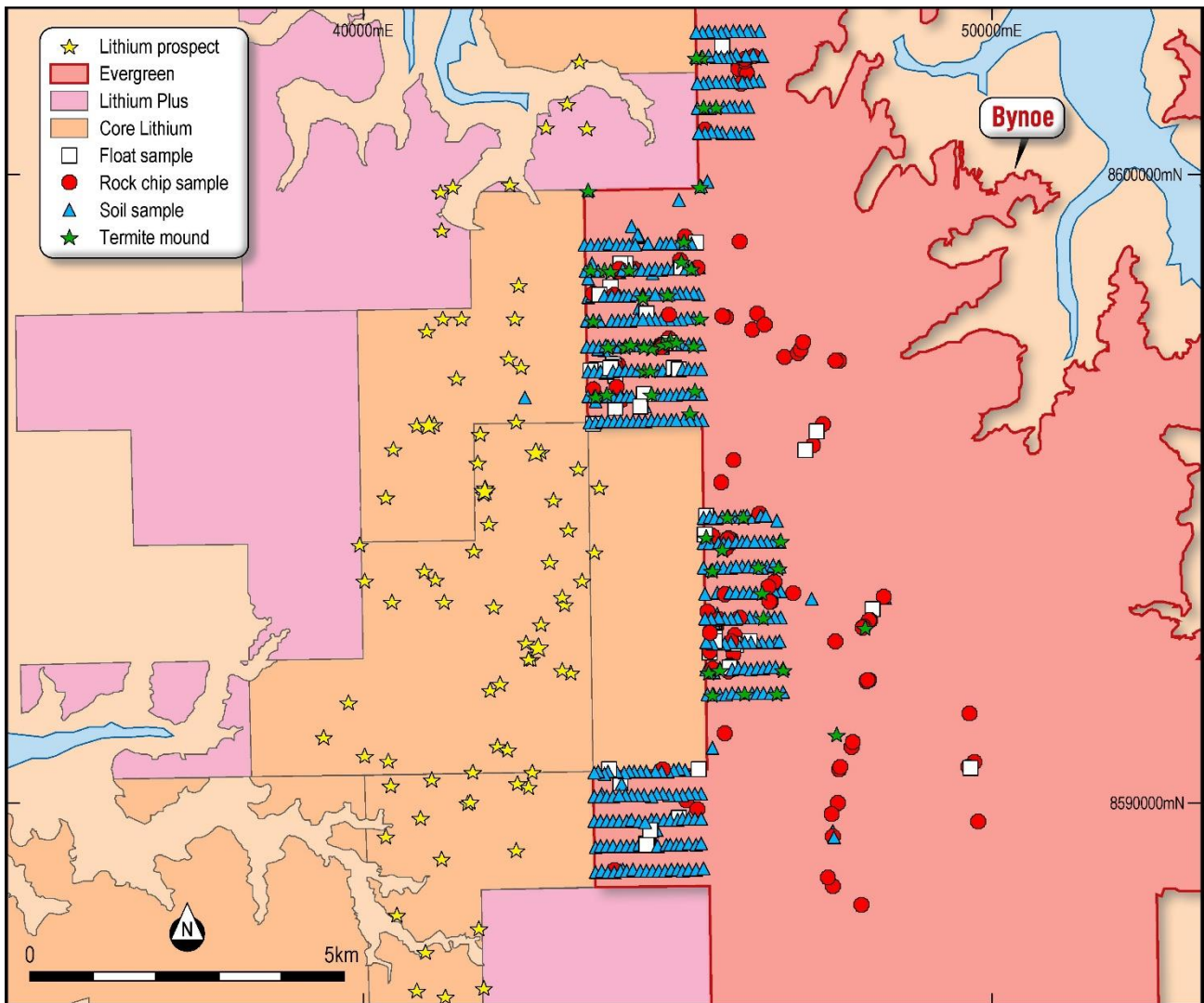
Figure 10 Various surface presentations of pegmatites and quartz dykes on the Bynoe Project tenement

The results of Stage 1 allowed for target refinement for Stage 2, which was conducted from 02/11/2019 to 20/11/2019. Focussing on the western and north-western portions 501 samples were collected, comprising of 387 soil samples, 43 (abandoned) termite mound biogeochemical samples, 39 rock chip and 32 float samples were taken (Appendix 2) over Zones 1-4 (Figure 11). The sampling programme was spread across four 400m x 100m grids during the collection of soil samples, any outcrop, float, or termite mound considered significant was also sampled. Trench and outcrop localities identified during Stage 1 were also revisited. Pegmatite (veins, dykes, float, etc.,) descriptions of the four zones are as follows (source: Evergreen):

- Zone 1: Common quartz dykes with veinlets >1cm wide filled with sphalerite; feldspar weathering to kaolinite; muscovite; hematite replacing an iron mineral (possibly magnetite?) and phosphates (potentially lithium-bearing amblygonite?) present.
- Zone 2: Pegmatite outcrops containing tourmaline, garnet, muscovite, and blue-grey quartz, where the tourmaline-muscovite association in Bynoe pegmatite border zones is noted.
- Zone 3: A large quartz dyke 600m from an outcrop with blue-grey quartz, feldspar replaced by kaolinite, muscovite, biotite, and possible phosphate.
- Zone 4: Identified as the zone of most interest, hosting pegmatite with blue-grey quartz, feldspar replaced by kaolinite, muscovite, cassiterite and possible phosphate.

The eastern sections of the tenement were not visited at all due to the lack of access and time constraints,

so the focus was the known prospective areas identified in the inaugural field trip.

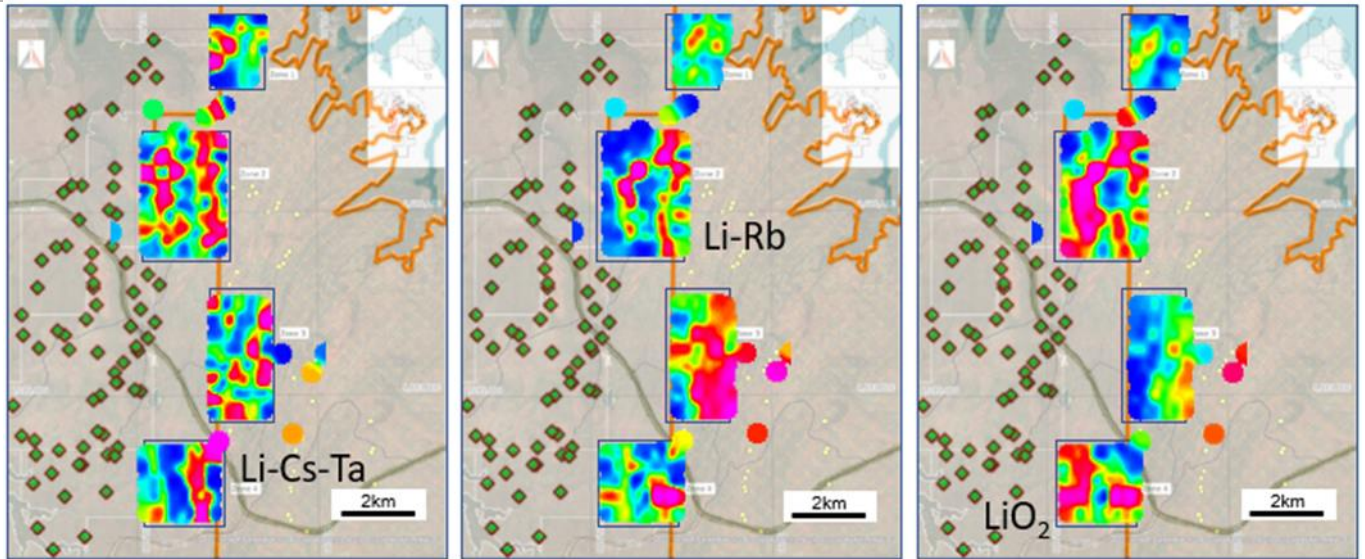


Source: Evergreen

Figure 11 Stage two exploration sample locations over the Bynoe Project tenement

Results of the 657 samples from the Bynoe Project were made available to VRM on 08/06/2022. The results indicate that while Zone 1 in the north of the Bynoe Project has a strong lithium-caesium-tantalum (Li-Ce-Ta) signature, it is not as strong in lithium-rubidium (Li-Rb) or lithium ( $\text{LiO}_2$ ) as Zone 2, which shows a strong signature (Figure 12). Zone 4 also shows a strong  $\text{LiO}_2$  signature and may be zoned with respect to caesium or tantalum, suggested by north-south depletion (blue) west compared to a similar pattern in the  $\text{LiO}_2$ . The eastern side of Zone 3 shows slight anomalies on all three plots (Figure 12).

Other plots, including various combinations of lithium, tin, beryllium, tantalum, and rubidium show similar anomalies; however, have not been included as tin and tantalum, and potentially to a lesser extent beryllium and rubidium, may mask the lithium content despite there being known correlations with these elements.



Source: Modified from Evergreen

Figure 12 Bynoe soil sample results for Li-Ce-Ta ppm (left), Li-Rb ppm (centre) and LiO<sub>2</sub>% (right) ("hotter colour higher grades, cooler colours lower assay result).

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## 4. Fortune Project

The Fortune Project northeast of Alice Springs covers over 785km<sup>2</sup> of land in central Northern Territory, Australia. It lies within the Mesoproterozoic Aileron Province in the Arunta Region, which is known to host LCT pegmatites. The tenement is immediately north of recently-ASX listed Lithium Plus's Spotted Wonder sub-project in the Arunta region.

### 4.1. Location and Access

The Fortune Project is located ~150km north-northeast of Alice Springs in the Northern Territory of Australia. It is accessed via the Utopia Homestead Road off the Sandover Highway, which is an unsealed highway off the Plenty Highway north of Alice Springs (Figure 1). The closest commercial airport for interstate flights is Alice Springs but there are also regional airstrips in the vicinity.

### 4.2. Climate

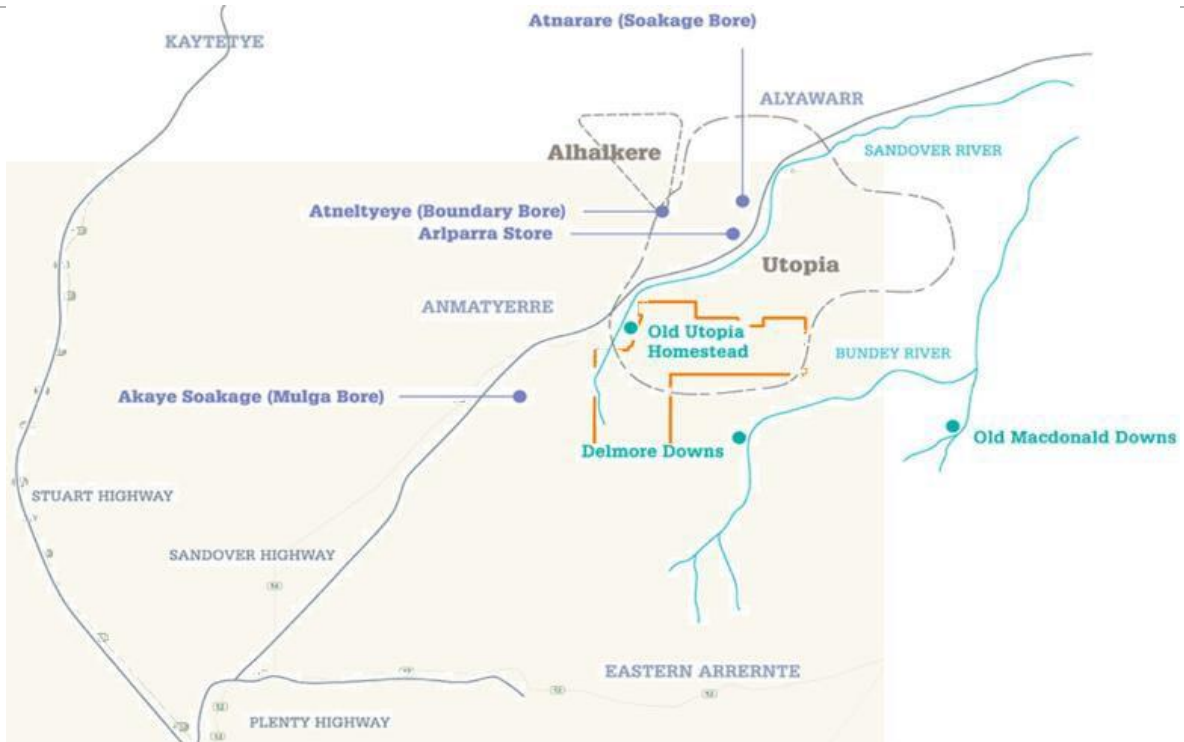
The Utopia region in southern Northern Territory has a desert climate. Summers are hot, with average temperatures of ~30°C but reaching >40°C at times, which can impede exploration activities. Winter temperatures range from 15-22°C and dip below freezing with frosts recorded a few times a year from June to August ([Utopia Airport Wind Forecast, NT - WillyWeather](#); [Utopia Community Profile RAHC](#)). Rainfall is limited to less than 250mm per year and typically falls between October and March. Wind throughout the year is predominantly from the southeast with average speeds around 13km/hr.

Most of the area is sits at an elevation of ~500m above sea level. Vegetation comprises low desert shrubs and thin grasses typical of an arid environment.

### 4.3. Environmental Considerations

A significant portion of the Fortune Project tenement falls within Utopia, an Aboriginal homeland formed in 1978 by the amalgamation of the former Utopia pastoral lease and a tract of unalienated land to its north (Figure 13). It covers 3,500km<sup>2</sup> and lies on a traditional boundary of the Alyawarra and Anmatjirra people, the dominant two language groups in the area today ([Utopia Community Profile RAHC](#)).





Source: Modified from [Utopia map \(nma.gov.au\)](http://Utopia map (nma.gov.au))

Figure 13 Map of the Utopia Aboriginal community in relation to the Fortune Project tenement

#### 4.4. Regional Geology

The Fortune Project is located in the Mesoproterozoic Aileron Province of the Arunta Region within the North Australia Craton. The Aileron Province is the Palaeoproterozoic crust that formed as part of the North Australian Craton, where almost all known metasedimentary successions were deposited between 1,860 and 1,740Ma and most of the magmatism took place between 1,820 and 1,700Ma. There are direct stratigraphic correlations with units in the Tanami Region to the northwest as well as the Tennant Region to the northeast and towards the southeast, in the vicinity of the Fortune Project area, the Province appears to have been increasingly affected by a convergent margin during the Palaeoproterozoic (Scrimgeour, 2013). The project area is located near the northern structural boundary of the Aileron Province with the Neoproterozoic Georgina Basin to the north.

Unlike most of the other Palaeo- to Mesoproterozoic orogens and basins in the Northern Territory that have not been multiply deformed, the Aileron Province has been poly deformed by a number of deformation events and metamorphic grade is commonly granulite facies. The more complex tectonic evolution of the Aileron Province has been attributed to its proximity to the southern margin of the North Australian craton, which is interpreted to have been active during the Early Mesoproterozoic (Ahmad and Scrimgeour, 2013).

Much of the Aileron Province was strongly reworked in the Early Mesoproterozoic Chewings Orogeny between 1,590 and 1,560Ma and in a series of intraplate events during the Palaeozoic, including the Alice Springs Orogeny between 450-300Ma.

## Lithium mineralisation

The Arunta Region comprises a sequence of Proterozoic rocks known to host tin-tantalum-tungsten pegmatites. Historic pegmatite-hosted workings targeting tin-tantalum and mica are recorded in the vicinity of the Fortune Project area.

Ahmad and Munson (2013) describe three tin-tantalum-tungsten pegmatite fields in the Aileron Province; namely the Anningie field 80km southwest of Barrow Creek, the Barrow Creek field ~100km north-northwest of the Alcoota field and the Alcoota field within which Fortune Project is located (Figure 14).

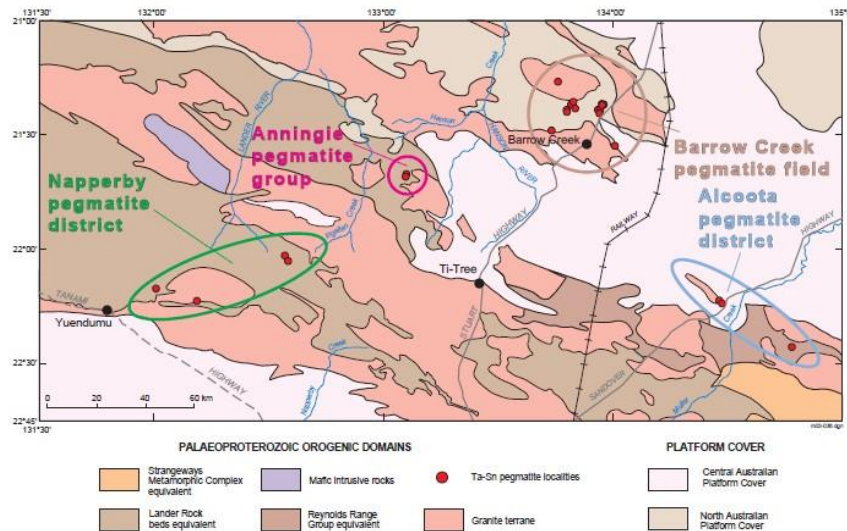


Figure 14 Regional geology of the Alcoota pegmatite district (Frater, 2005)

In the Alcoota field, known tin-tantalite mineralisation occurs at three small prospects collectively known as Utopia (approximately 10km west of the Utopia homestead) and Spotted Wonder, a small prospect 5km northwest of Delmore Downs homestead (Frater, 2005).

The Utopia prospects has been described as a tourmaline-muscovite-feldspar-quartz pegmatite intruded parallel to the foliation of the muscovite-biotite gneiss host. Old workings are found at Utopia 1 and Utopia 3, 1.8km apart. Utopia 1 is the smaller occurrence in the south and contains minor tantalite, while Utopia 3 in the north is the larger prospect. Utopia 3 comprises numerous pegmatite outcrops varying in size from <1m thick veins to large pods big enough to host two small open pit mines.

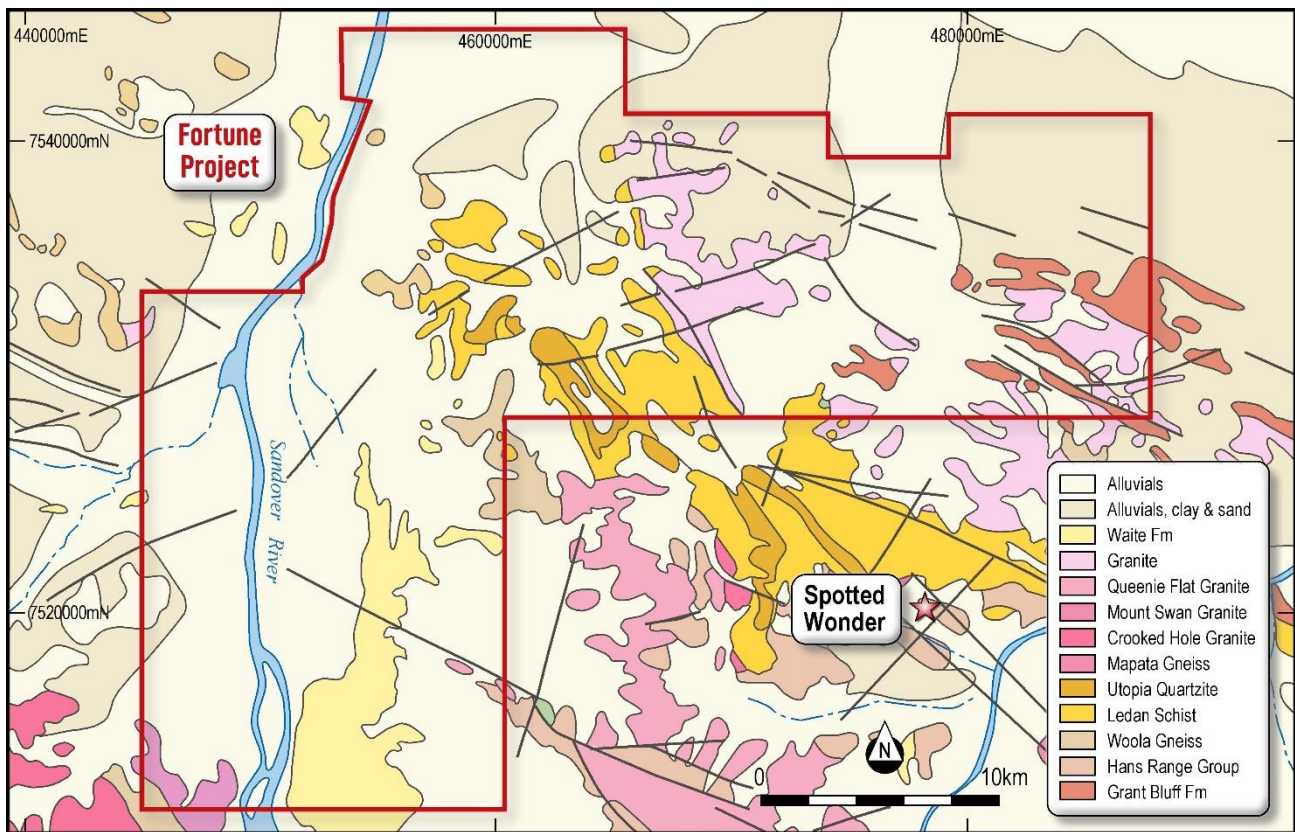
Tantalite has also been produced from greisenised pegmatite at Spotted Wonder, which comprises two small open cuts ~3m deep in pegmatite vein and greisen within amphibolite and quartz-biotite schist.

Similarly, to the Bynoe Project, until recent years, there has been little exploration for lithium in the region, although the presence of historic tin-tantalum-tungsten occurrences in pegmatites is a strong indicator that the extensive pegmatites in the area may be LCT type pegmatites known to host lithium mineralisation in other hard rock pegmatite fields.

## 4.5. Local Geology

The geology of the Fortune Project is dominated by the Palaeoproterozoic Ledan Schist outcropping in a northwest-southeast orientation across the bulk of the central area and the Mount Swan granite in the upper and eastern parts; younger cover sequences obscure the project area in the west and south (Figure 15). The

Sandover River runs a few kilometres east of the western boundary.



Source: Evergreen and NTGS 1:250,000 geological mapping (Alcoota SF 53-10)  
 Figure 15 Local geology of the Fortune Project

The Matapa gneiss of Strangways Range Metamorphic Complex and other Palaeoproterozoic metamorphic rocks of the, Delny gneiss and Delmore Downs sequence and similarly aged intrusions of the Copia and Ida granites occur throughout the area. Major faults and foliation have a west-northwest trend, dipping to the northeast.

The Utopia pegmatites intrude undifferentiated Palaeoproterozoic gneiss and schist, whereas the Spotted Wonder pegmatites intrude pelitic gneiss, quartzite, and cordierite-bearing schist of the Delmore Downs Metamorphics. The parent granite is unknown, but the most likely sources are 1,713Ma fractionated I-type granites of the Jinka Granite Suite (including the Mount Swan Granite), which has known scheelite and fluorite deposits (Frater, 2005).

#### 4.6. Historical production and exploration

There has been no historic production of lithium from the Fortune Project or from any of the tin-tantalum pegmatite occurrences in the vicinity of the tenement.

#### 4.7. Exploration History

It is understood that there has been no exploration activity on the Fortune Project tenement specifically. However, the lithium prospectivity of the Alcoota pegmatite field has only been tested in recent years, commencing with Kingston Resources (AXS: KNS or Kingston) in 2016. By 2017, they announced a 9.63%

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Li<sub>2</sub>O rock chip sample from pegmatite outcrop at Spotted Wonder ([Kingston 20170324](#)).

Kingston started exploring for lithium mineralisation on the adjacent tenements to the southeast in 2017 and undertook geochemical surface sampling and mapping activities to locate pegmatites and existing access tracks ([Lithium Plus Mining Management Plan 2018](#)). They completed mapping and identified a number of LCT-type pegmatite occurrences and early exploration identified two priority targets, Delmore and Tank Hill, from 38 lithium-in-soil anomalies (>100 ppm Li plus elevated Cs and Ta) associated with quartz blows, pegmatite outcrops and patches of quartz lag. The Delmore project comprises ~500m exposed west-northwest-striking very coarse-grained pegmatite dipping shallowly to the north. Rock chip sampling of exposed amblygonite mineralisation at Delmore has returned up to 10.2% Li<sub>2</sub>O in assay.

In late 2018, Lithium Plus Pty Ltd completed 29 RC holes (1,888m) at the Delmore and Tankhill prospects. They intersected thick (>30m) shallow-dipping pegmatites that assayed low- to moderate lithium values (best result: 4m@0.29% Li<sub>2</sub>O from 19m in SWRC011) but very high caesium and tantalum values common to LCT-type pegmatite geochemistry ([Lithium Plus Prospectus 20220329](#)).

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## 5. Kenny Project

The Kenny Project close to Norseman in the eastern goldfields of Western Australia is located at the southern end of the Norseman-Wiluna Granite Greenstone Belt within the Archaean Yilgarn Craton close to the northern boundary of the Proterozoic Albany-Fraser Province. It is close to the Mt Dean and Mt Belches-Bald Hill pegmatite fields in the Eastern Goldfields Superterrane of the Yilgarn Craton.

### 5.1. Location and Access

The Kenny Project is located 50km east of the town of Norseman, in the Eastern Goldfields of Western Australia. (Figure 16). It is situated roughly 300m above sea level at the beginning of the Eyre Highway; it is 726km east of Perth and is the last major town before the South Australia border 720km to the east. Kalgoorlie, the centre of mining activity in the goldfields and site of the closest commercial airport, is located 260km to the north-northwest of the tenement. Local labour, exploration equipment and other supplies can be readily sourced from Kalgoorlie.

The area has been classified entirely as 'minimal use' by the Australian Government's Department of Agriculture and Water Resources, which are areas of land that are largely unused.

Access for exploration activities for the Kenny Project is via the sealed Eyre Highway and then unsealed farm tracks, which are passable most of the year.

### 5.2. Climate

Norseman Aerodrome is the closest location to the Kenny Project for which there are climate records with these sourced from the Australian Government Bureau of Meteorology (BoM). The average temperatures range from 10 to 25°C, with maximum temperatures in January of 17 to 33°C and minimums of 4 to 17°C in July. Average annual rainfall of ~290mm occurs over ~45 days and it rains throughout the year, but heavier rain, as thunderstorms are more common in January, March, and November. Winds are mostly northerly with average speeds of 17km/hr in the mornings and 19km/hr in the afternoons. Humidity averages 63% in the mornings and 37% in the afternoons.

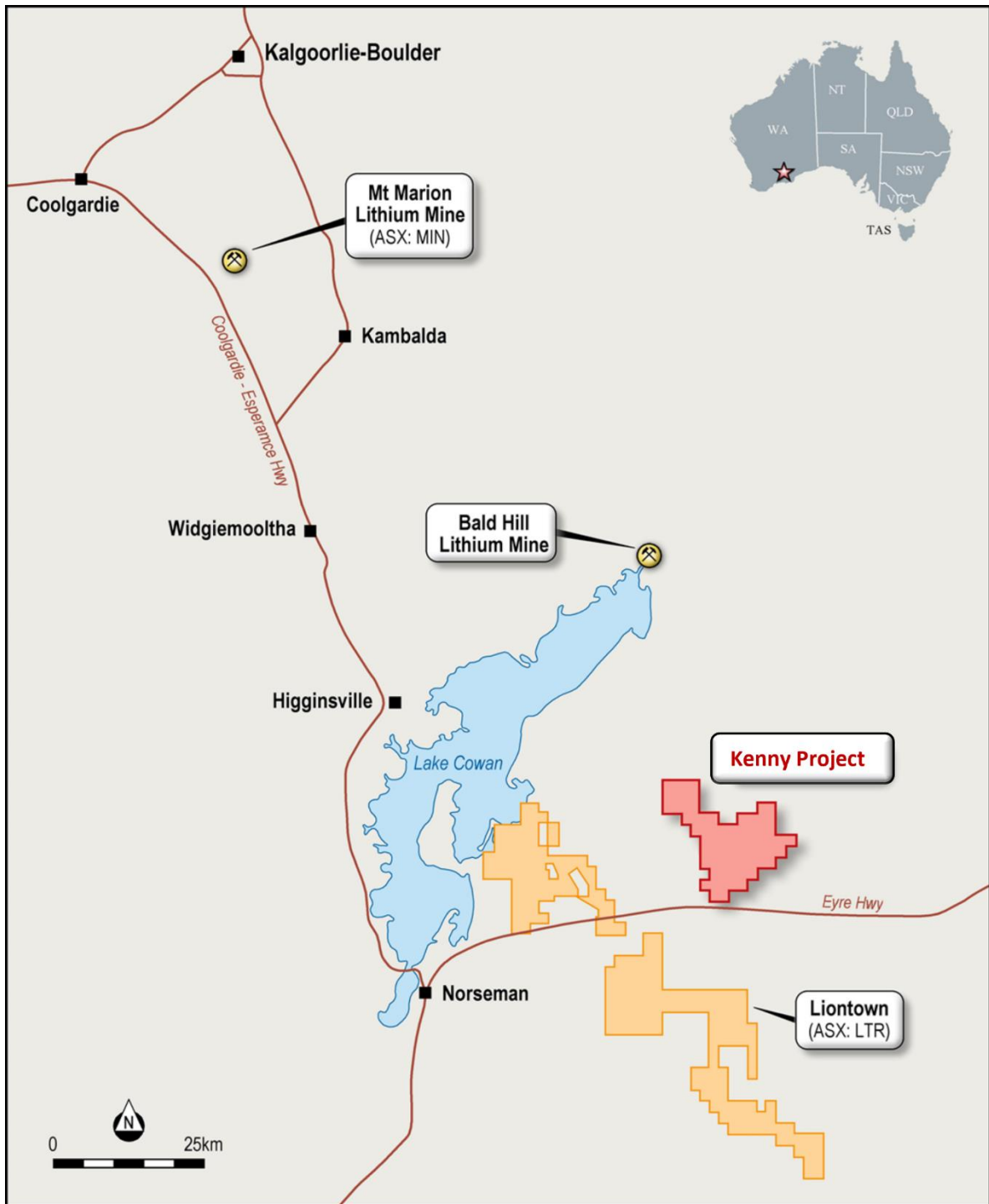
### 5.3. Native Title

The Kenny Project falls within the WCD2014/004 native title area granted to the Ngadju people by the Federal Court of Australia on 21 November 2014. The Ngadju people's traditional ownership covers 102,000 km<sup>2</sup> of land surrounding Norseman was recognised, including exclusive native title rights to 41,300 km<sup>2</sup>, which is the highest form of native title that can be granted.

VRM understands that there have been no native title agreements signed between the Ngadju and the company.

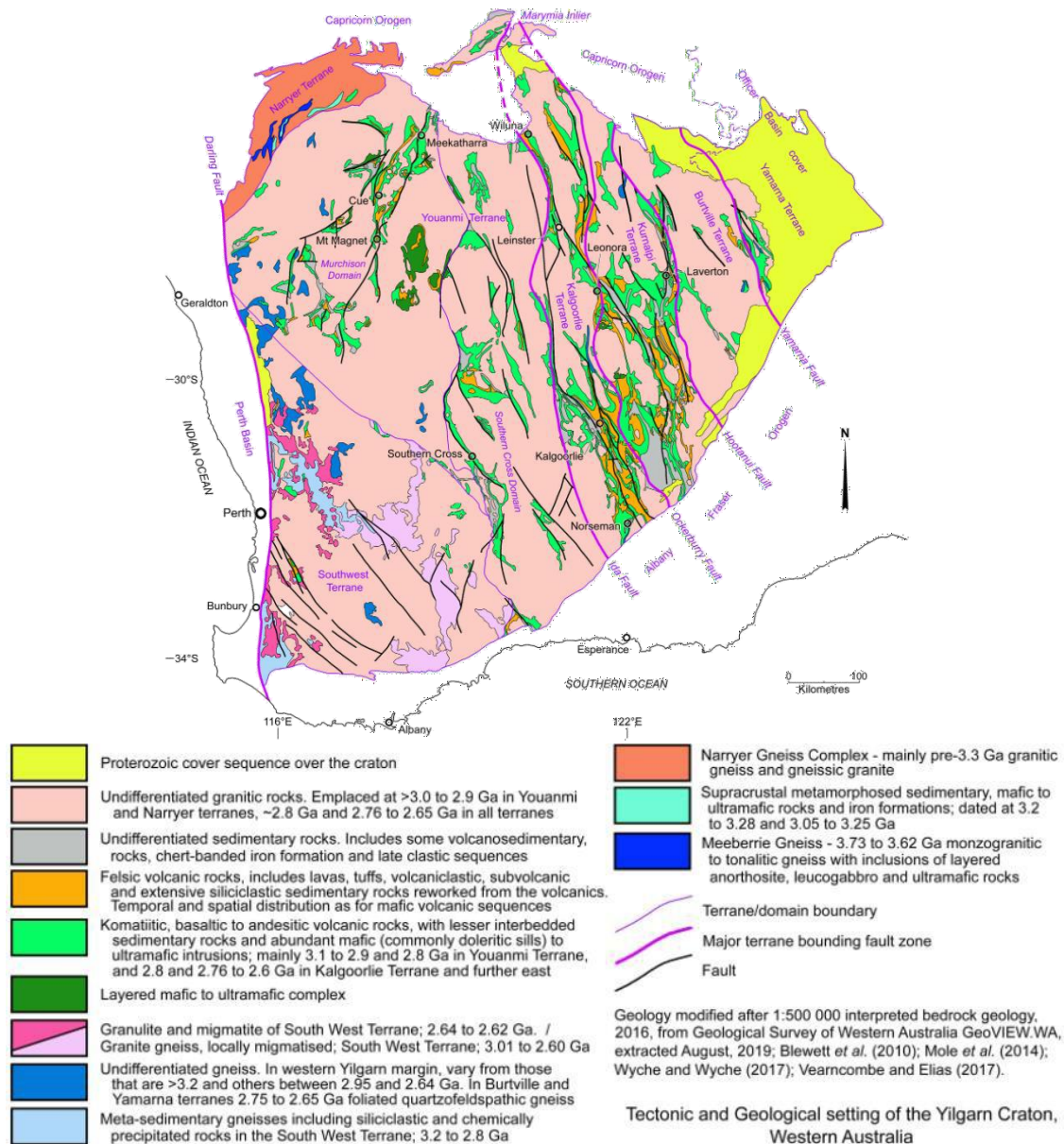
### 5.4. Regional Geology

The Kenny Project is located at the southern end of the Norseman-Wiluna Granite Greenstone Belt within the Archaean Yilgarn Craton close to the northern boundary of the Proterozoic Albany-Fraser Province. The Norseman-Wiluna Belt is part of the Eastern Goldfields Superterrane, a 600km long 200km wide semi-continuous belt of Archean age rocks in the east of the Yilgarn Craton that extends from Norseman in the south to Wiluna in the north (Figure 17).



Source: Evergreen

Figure 16 Location of the Kenny Project



Source: [PorterGeo Database](#)

Figure 17 Regional geology of the Eastern Goldfields Superterrane showing Norseman in the southeast

The Archaean granite-greenstone terranes comprise elongated greenstone belts of deformed and metamorphosed volcano-sedimentary rocks interleaved with ultramafic and mafic rocks (commonly extrusive komatiites), and extensive areas of granitoid and gneiss. A change from volcanic-dominated to plutonic-dominated magmatism occurred in the Norseman-Wiluna Greenstone Belt at approximately 2,685-2,675Ma, marked by voluminous high-Ca and low-Ca granites intrusions at 2,670-2,655Ma and 2,650-2,620Ma respectively (Weinberg, *et al.*, 2003 and Sweetapple, 2017).

The ~1,300Ma Albany-Fraser Orogen bounding the Eastern Goldfields Superterrane to the southeast, comprises primarily amphibolite- to greenschist facies sedimentary protolith gneisses, migmatites and granites. The Albany-Fraser Orogen displays both subduction-related and prolonged strike-slip tectonic structures and is intimately interconnected with the other Proterozoic basins and mobile belts of Australia.

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## Lithium mineralisation

The Yilgarn Craton lithium-mineralised pegmatites tend to cluster along the western and eastern margins of the Kalgoorlie Terrane of the Eastern Goldfields. They typically occur no more than 10km from major faults or lineaments, commonly show a preference for mafic or ultramafic host rocks metamorphosed from greenschist- to amphibolite grade and are potentially linked with the temporally related suite of voluminous ~2.65-2.62Ga low Ca granites of (Sweetapple, 2017).

Summarised from Sweetapple (2017), many examples of lithium-rich (spodumene) pegmatites in the Yilgarn craton display similar petrological characteristics and with chemistries typical of LCT petrogenetic family, based on the occurrence of characteristic mineral suites. These albite-spodumene pegmatites do not display classic concentric zoning around a quartz core, instead display layered internal fabrics and commonly take the form of sub-horizontal to shallow dipping sheeted bodies ranging in thickness from a few metres up to >40m. Internally, they comprise coarse elongated spodumene crystals subnormal to wall rock contacts in a fine- to medium-grained matrix of quartz, albite, and minor muscovite. Other common petrological features are the occurrence of lenses or discrete units of coarse microcline and fine-grained bands of fine-grained albite-quartz-white mica intergrowths along wall rock contacts, which may also be interspersed between layers of coarse spodumene. Quartz rarely occurs as small 'cores' and tourmaline and beryl may occur as accessories, together with columbite-tantalite and cassiterite. Another primary lithium aluminium silicate, petalite ( $\text{LiAlSi}_4\text{O}_{10}$ ), is known as an economic mineral of past interest from the Londonderry pegmatite of the Coolgardie pegmatite district, it is also known from the Mt Deans pegmatite field, where it occurs with spodumene. Other lithium minerals of possible economic interest are amblygonite ( $\text{Li,NaAlPO}_4(\text{F,OH})$ ), eucryptite ( $\text{LiAlSiO}_4$ ), and lithium-rich micas such as the lepidolite and zinnwaldite series.

There are several known lithium occurrences near the Kenny Project; namely, Mt Marion, Mt Deans, Bald Hill, Buldania, Lepidolite Hill and Spargosville (Figure 18).

### 5.5. Local Geology

Outcrop is rare over the mostly soil-covered Kenny Project tenement and is restricted to Yilgarn Craton granites and pegmatites, particularly in the northeast quadrant (Figure 19, Figure 20 and Figure 21). Where pegmatite encountered, it comprises almost exclusively quartz and alkali feldspars (with rare biotite and magnetite and/or haematite) and outcrops are typically narrow, with most being no thicker than 0.3m wide.

To the east of the tenement, felsic volcanoclastic and siliciclastic rocks of the Black Flag Group and mostly mafic intrusive rocks of the Eastern Goldfields Superterrane greenstones dominate the geology. The metagranite and metamafic rocks of the Northern Foreland metagranite unit of the Albany-Fraser belt dominate to the south.

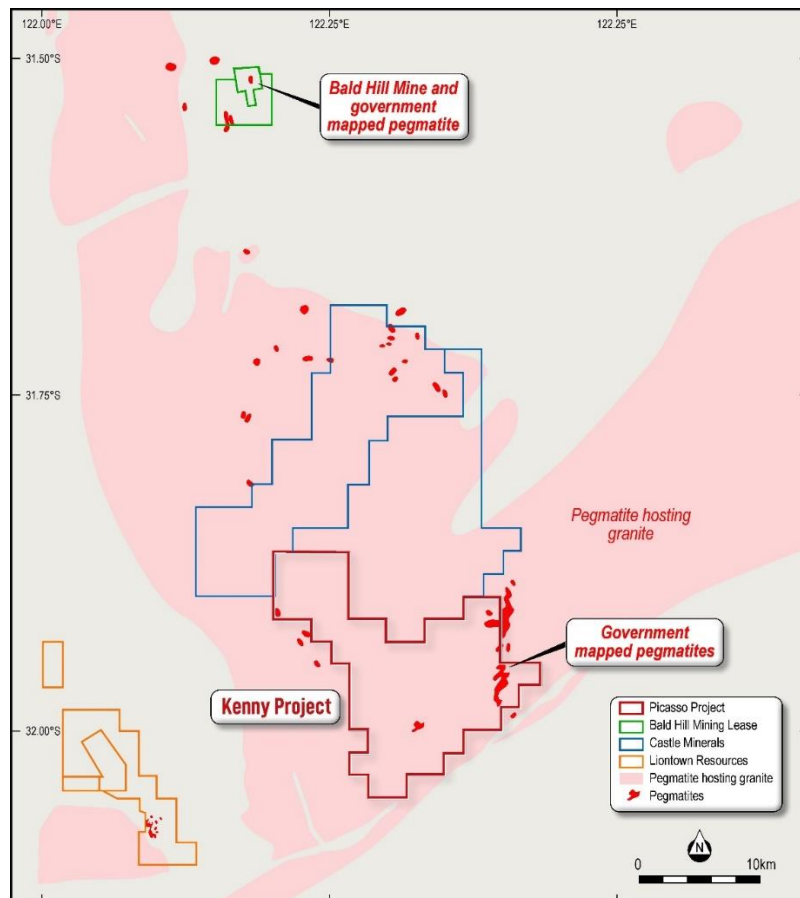
The Widgiemooltha Dolerite is also intermittently present to the south and southeast of the Kenny Project. The metamorphosed quartz sandstones, quartz conglomerates and mudstones of the Woodline Formation occur to the northeast (Figure 19).





Source: [Evergreen](#)

Figure 18 Known lithium-in-pegmatite occurrences in the vicinity of the Kenny Project



Source: [Castillo Copper 20211004](#)

Figure 19 Mapped pegmatites on or adjacent to the Kenny Project



Source: [Castillo Copper 20211004](#)

Figure 20 Pegmatite outcrop on the Kenny Project

## 5.6. Historical production and exploration

There has been no historic production from the Kenny Project.

Historic production from the Bald Hill Mine 50km to the north of the Kenny Project is included for the sake of completeness; however, the difference in host rocks between the two areas should be noted; namely Bald Hill is hosted in the Eastern Goldfields Superterrane and the Kenny Project is in the Yilgarn Craton granites.

Haddington Resources Ltd produced 145,000 pounds per year of tantalum concentrate from 2001 to 2005, during which time 1.35Mt of ore was processed to produce 820,000 pounds of concentrate ([Bald Hill, Alliance Mineral Assets](#)). Under different owners, Alita Minerals, the mine commenced lithium concentrate in March 2018 and cumulative production until January 2019 was 13,160t ([Mining Technology 20200320](#)). No further production has been recorded from the mine.

## 5.7. Exploration History

Similarly to both the Bynoe and Fortune Projects described above, most previous exploration of pegmatites in the region was not conducted for lithium: Rather, much of it was undertaken to better understand the basement geology or to target other commodities (Table 2 and Table 3). Goldfields, Newmont, Sipa, Avoca and WMC amongst others explored for lode style gold mineralisation and Epsilon and CRA explored for uranium/lignite in palaeo-channels. Asarco, as one of the earlier explorers in the area, explored for palaeo-placer deposits of both gold and uranium ([Castillo 20211004](#)). All drilling on the tenement (21 aircore holes for 483m (A92239)) was targeting gold with no anomalies >4ppb Au identified. There has been no historical lithium drilling within the project.

Table 2 Historical exploration operators over the Kenny Project tenement

PERIOD	OPERATOR
1953	WESTERN MINING CORPORATION LTD
1953	INCO AUSTRALIA LTD
1966-1971	NEWMONT PTY LTD
1981-1985	CRA EXPLORATION PTY LTD
1985-1986	WESTERN MINING CORPORAION LTD
1986	AUST CONSOLIDATED MINERALS LTD
1986	CRA EXPLORATION PTY LTD
1987-1988	WESTERN MINERALS AUST PTY LTD
1989	CRA EXPLORATION PTY LTD
1990	ORION RESOURCES NL
1991	GOLDEN PLATEAU NL
1992	POSEIDON GOLD LTD
1994	NEWCRIST MINING LTD
1995	BHP MINERALS PTY LTD
1995	DELUGE HOLDINGS PTY LTD
1996-1997	AUSTRALIAN GOLD RESOURCES LTD
1997-1998	PAN AUSTRALIAN EXPLORATION PTY LTD
1998	AUSTRALIAN GOLD RESOURCES LTD
2003-2008	AVOCA RESOURCES LTD
2008-2013	ANGLOGOLD ASHANTI AUSTRALIA PTY
2011-2012	AVOCA RESOURCES LTD
2012	ALACER GOLD CORPORATION
2013-2014	HERON RESOURCES LTD
2014-2016	METALS X LIMITED

Source: [Evergreen \(WAMEX Report A122205\)](#)

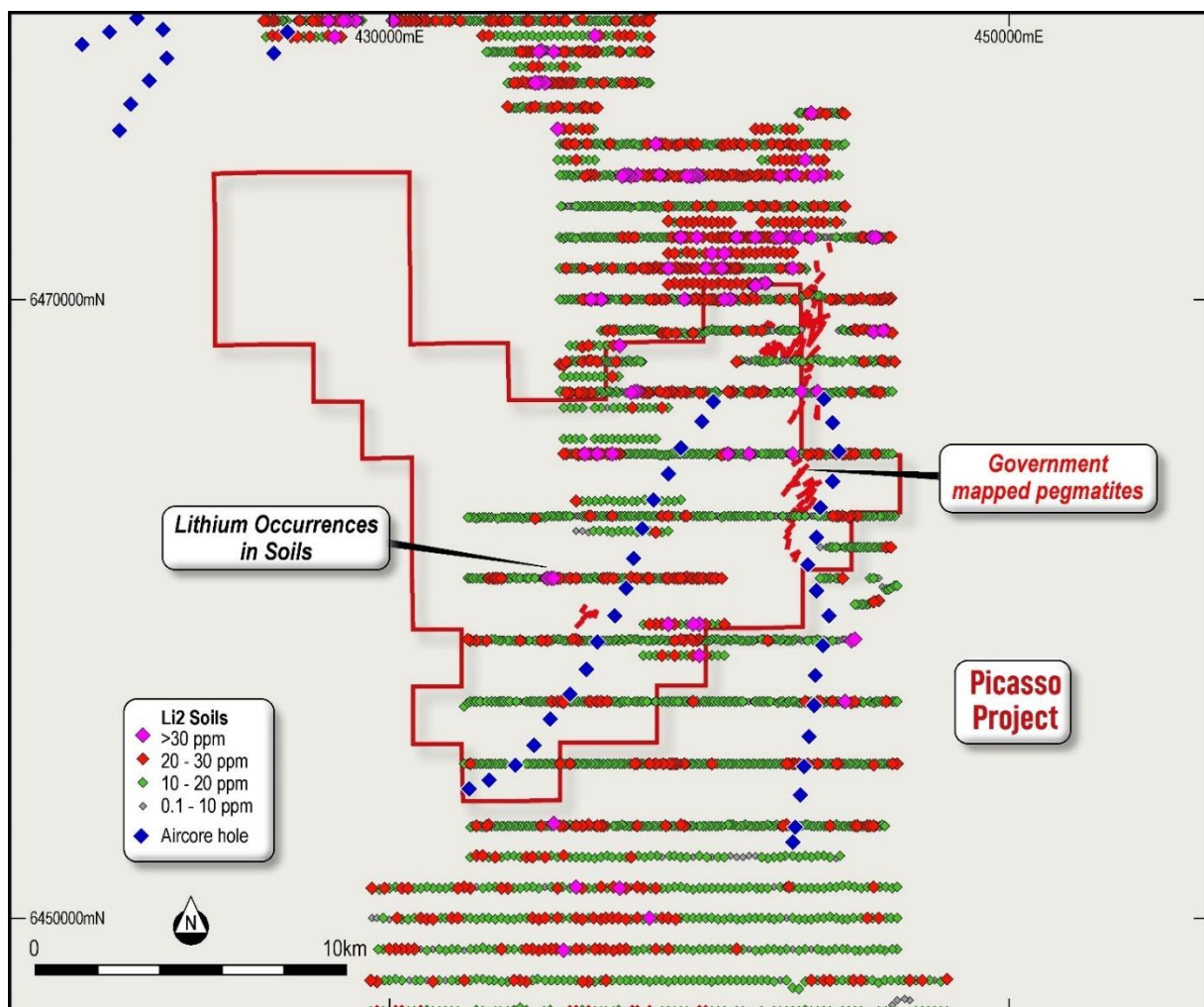
Table 3 Summary of previous exploration on the Kenny Project

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Regional aircore drilling was undertaken within tenements E15/946 and E63/1083-1084 (Now part of Picasso) in late 2010. Bostech Drilling was contracted to complete this work utilising their light truck mounted Bostech Drillboss 200 (Atlas Copco XRV9, Compressor — capacity 350psi &amp; 600cfm). Holes were drilled to blade refusal along existing tracks in a program of regional traverses. These traverses were completed to better understand the depth of cover and the regolith environment and to gain an understanding of the basement geology.</p> <p>All air core samples were submitted to Genalysis Intertek Laboratory Services for analysis. At the laboratory, samples were dried in an oven at 120 degrees and then pulverised in an LMS mill to a nominal size of -75 microns. The milled pulps were weighed out (to 25g) and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace AAS (method AR25/GF) for gold analysis, with the detection limit for this method being 1 ppb Au.</p> <p>1,743 unique surface geochemistry samples – historical company samples (Anglo Gold<sup>21</sup>). The majority of the geochemical sampling had been completed by Anglo Gold Ashanti Australia focussed solely on gold mineralisation. This program was not specifically targeting lithium, though results show elevated lithium, including over 40ppm (Figure 1). It is apparent that outcropping granite and/or pegmatites may have been a hindrance to soil sampling in areas and in fact contributed to less sampling near known pegmatites. Rock chip sampling was not conducted in the area as granites/pegmatites were historically not considered a target.</p> <p>Low-impact surface sampling by LV-mounted mechanical auger was completed by Prodrill Pty Ltd. Auger holes were drilled to a maximum depth of 2.5m, with single samples taken from the zone of greatest carbonate reactivity down-hole. Samples were not sieved and averaged approximately 300–500g. Sample hole locations were acquired using a GPS device attached to a Trimble Nomad rugged PDA. Standards and blanks were routinely submitted approximately every 50 samples as part of quality control.</p> <p>Auger Samples were sent to Genalysis in Perth for preparation and analysis. Samples were dried in an oven at 100 degrees and then pulverised in an LM2-sized robotic mill to a nominal size of -75 microns. The milled pulps were weighed out at 25g and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace and AAS for gold analysis (method code B25/EETA or B/ETA), followed by ICP mass spectrometry (B25/MS) and optical emission spectrometry (method code B25/OES) for multi-element analysis.</p>

Source: [Castillo Copper 20211004](#)

Several lithium projects in the region, notably Alita Resources' (formerly a JV between Tawana Resources and Alliance Mineral Assets Limited) Bald Hill and Liontown's Buldonia revived interest in the region from around 2015 onwards.

Lithium exploration on the existing tenement is limited. In 2019, a preliminary desktop study, exploration proposal and targeting study was completed to inform a reconnaissance trip undertaken by XPlor Resources later that year. The desktop study revisited the Geological Survey of Western Australia's pegmatite mapping work and resulted in a reinterpretation of the available geochemical data, which included an assay for one borehole returning elevated lithium levels (up to 75ppm Li). With lithium levels of >30ppm Li being deemed significant, these results were followed by the reconnaissance trip, which focused primarily on a north/south oriented trend of pegmatitic outcrops with some elevated lithium results within the tenement that had been identified ([Castillo 20211004](#)). A sampling campaign was conducted in late 2019, with 29 rock chip samples from outcropping K- feldspar and/or muscovite pegmatites within the granite, three soil samples and one stream sediment sample (Figure 21). The results from this campaign have not been reported. In November 2021, Castillo Copper announced that pegmatites on the Kenny Project significantly exceeded previously Government mapped occurrences and confirmed a 10km pegmatite zone in the north eastern portion of the tenement ([Castillo 20211122](#)).



Source: Evergreen

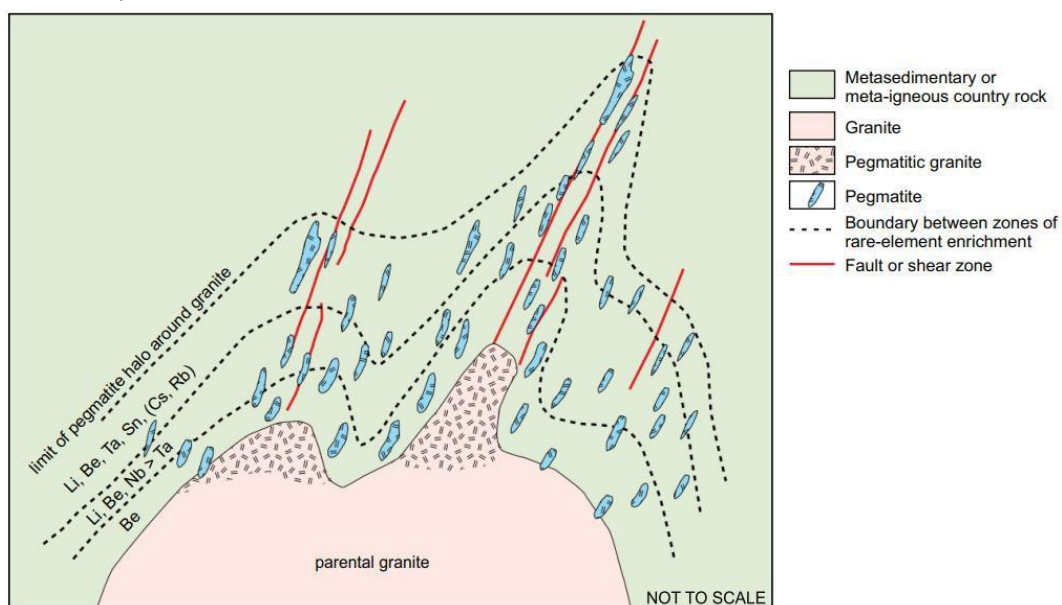
Figure 21 Sampling locations on the Kenny Project

## 6. Lithium Potential

Duuring, 2020 (and references therein) summarises a mineral systems approach for LCT pegmatites in WA. Despite it being Western Australia focused, it is VRM’s opinion that the overview, which is presented below, provides good context for assessing the exploration potential for all three of Evergreen’s tenements.

From Duuring, 2020, LCT pegmatites are present in all continents and span three billion years of Earth history. In Proterozoic and Palaeozoic settings, where collisional tectonic processes are well documented, LCT pegmatites were most likely formed in orogenic hinterlands related to plate convergence and arc-related processes. The pegmatites therefore tend to be hosted in metamorphosed supracrustal rocks and are products of extreme fractional crystallisation of S-type granites derived from melting of metasedimentary rocks in continental collision zones and their location is controlled by existing faults, fractures, foliation, and bedding in country rocks. The Archaean examples from the Pilbara and Yilgarn Cratons in Western Australia are generally associated with highly fractionated I-type granites emplaced into mafic or ultramafic host rocks within greenstone belts, where regional-scale structures controlled their distribution by being responsible for focusing and transporting fluids and magmas.

Most LCT pegmatite melts are enriched in H<sub>2</sub>O, F, P and B, depressing the solidus temperature, lowering the magma density, and increasing rates of ionic diffusion thereby allowing the pegmatites to form relatively thin dykes with large crystals at lower temperatures compared to common granitic melts. Because the rates of crystallisation are thought to be remarkably short (days to years; e.g., London, 2018), pegmatites tend to be located within 10km of cogenetic peraluminous and leucogranites, where the roof zones of large plutons are the most favourable positions (London, 2018). Pegmatites developed closest to the cogenetic granite are typically least evolved and poorly mineralised. In contrast, the most distal and evolved pegmatites may include beryl, tantalite-columbite and lithium-bearing minerals (Figure 22). The spatial zonation of pegmatites around a common granitic source is a fundamental starting point for exploration models (London, 2018).



Source: [Duuring, 2020 and references therein](#)

Figure 22 Schematic model of a LCT pegmatite showing zoning pattern associated with the parental granite

There are four critical features or components that must be present in a mineral system for LCT pegmatites to be present and potentially mineralised (Table 4).

A “mineral system tree”, or graphical representation of these key mineral system components is included as Appendix 1 for reference.

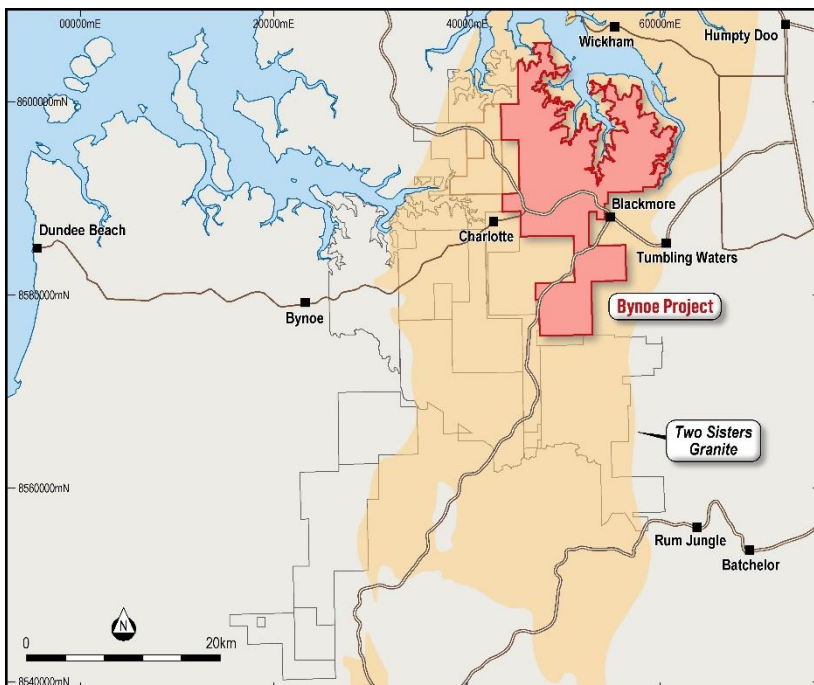
Table 4 Critical features of LCT pegmatite mineral systems

Critical process	Description
Source	Formation of fertile magmas as a source for fluids and metals
Pathway	Host rock structures for fluid pathways (e.g., shear zones, faults, fabrics)
Trap	Cooling and chemical diffusion in fractionating melts
Preservation	Erosion and uplift of pegmatite-hosting crustal successions

Source: Duuring, 2020

### 6.1. Bynoe Project

The Bynoe Project lies in the eastern Bynoe Pegmatite Field; the northern pegmatite field of the larger Litchfield Pegmatite Belt (Figure 3) in the Northern Territory. Quartz blows have been identified on the tenement (Figure 5); however, known pegmatite mineral occurrences have not, but have in the same host rock on several tenements immediately east of the western boundary. Using the mineral system framework presented above, particularly the ~10km proximity to the cogenetic fertile granite, in combination with an interpreted boundary of the parental Two Sisters Granite (Figure 23), it is VRM’s opinion that the potential for LCT pegmatites in the tenement is high. This is supported by the geophysical target zones outlined by Evergreen (Figure 23).



Source: Evergreen

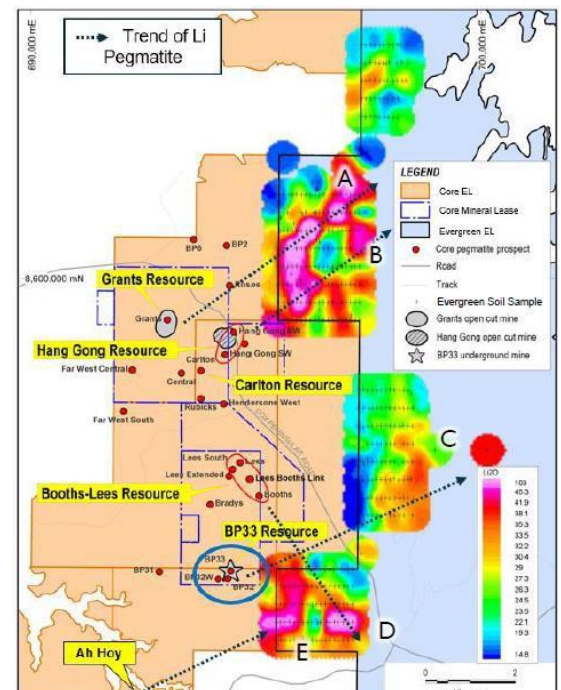
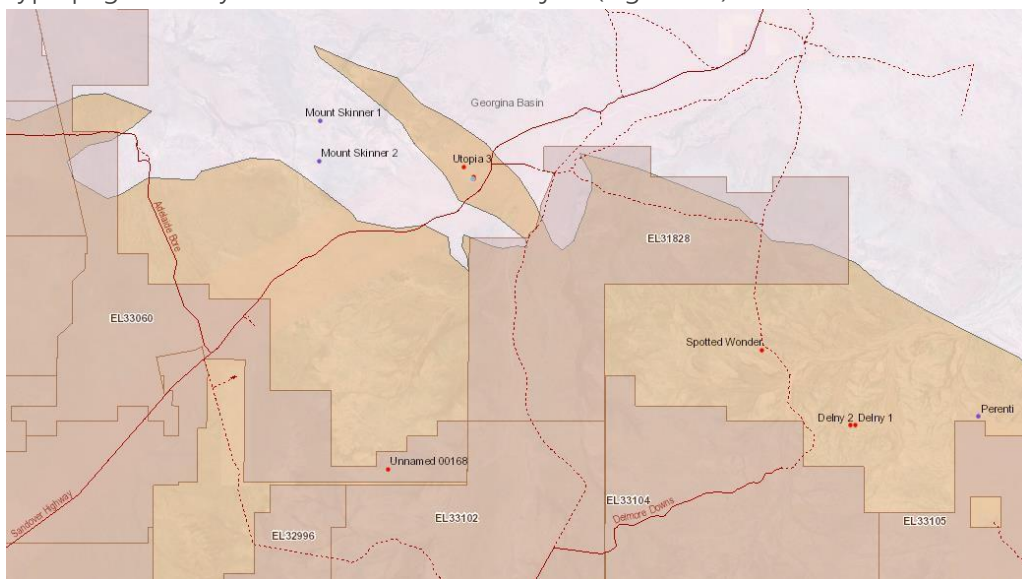


Figure 23 Maps showing the interpreted boundary of the parental Two Sisters Granite and the Bynoe Project (left) and Zones A/B and C/D/E targeted by Evergreen supported by geophysics (right)

## 6.2. Fortune Project

Given that LCT-type pegmatite systems are the result of extreme fractional crystallisation of S-type granites during the Proterozoic and that rare-element enrichment occurs in regional zonation patterns around the parental granites, the proximity to the Mount Swan granite is considered by VRM to indicate high lithium prospectivity for the Fortune Project. This, in conjunction with the lithium-rich Utopia, Spotted Wonder and Delmore Downs pegmatites being in the immediate vicinity is thought to offer sufficient evidence that the historical workings at Spotted Wonder prospect and elevated lithium in soil anomalies with exposed amblygonite mineralisation around Tank Hill provide a regional prospectivity model indicating the presence of a local LCT-type pegmatite system for the Fortune Project (Figure 25).



Source: [STRIKE \(nt.gov.au\)](http://strike.nt.gov.au)

Figure 24 Known lithium occurrences (red) and the pegmatite-hosting metamorphic Aileron Province (tan)

## 6.3. Kenny Project

Although lithium-in-soil anomalies available from previous exploration show some elevated assays, with the exception of one cluster in the southeast and another smaller and less intense surface anomaly (but 75ppm at 12-13m depth – sample NAC099) in the centre, the larger lithium anomalies occur outside the tenement boundary (Figure 20). In addition, Liontown’s Buldania 14.9Mt @ 0.97% LiO<sub>2</sub> Mineral Resource ([Liontown 20181108](#)) is hosted in the metasediments of the Mount Kirk Formation adjacent to the Yilgarn Craton granites that outcrop on the Kenny Project and in VRM’s opinion, the Buldania pegmatites are likely sourced from the adjacent Buldania Granodiorite. Further, the Bald Hill lithium mine 40 km to the north is hosted in the Eastern Goldfields Superterrane greenstones. With the exception of the Londonderry Pegmatite 1, approximately 150km to the northwest, all other known lithium occurrences in the region are hosted in the metamorphosed sediments and volcanics surrounding fertile granites of the Archaean granite-greenstone belt rather than within the parental granites (Table 5).

In VRM’s opinion, the prospectivity for an economic lithium occurrence in the Yilgarn Craton granites on the Kenny Project is dependent on the proximity of the project to complex multi-stage evolution granitic intrusions. There is currently limited evidence to support complex multi- phase granite intrusions within the project and, as far as VRM can determine, the source of the lithium-in-soil anomalies in the area is unknown. LCT pegmatites that host economic lithium mineralisation occur adjacent to and are spatially

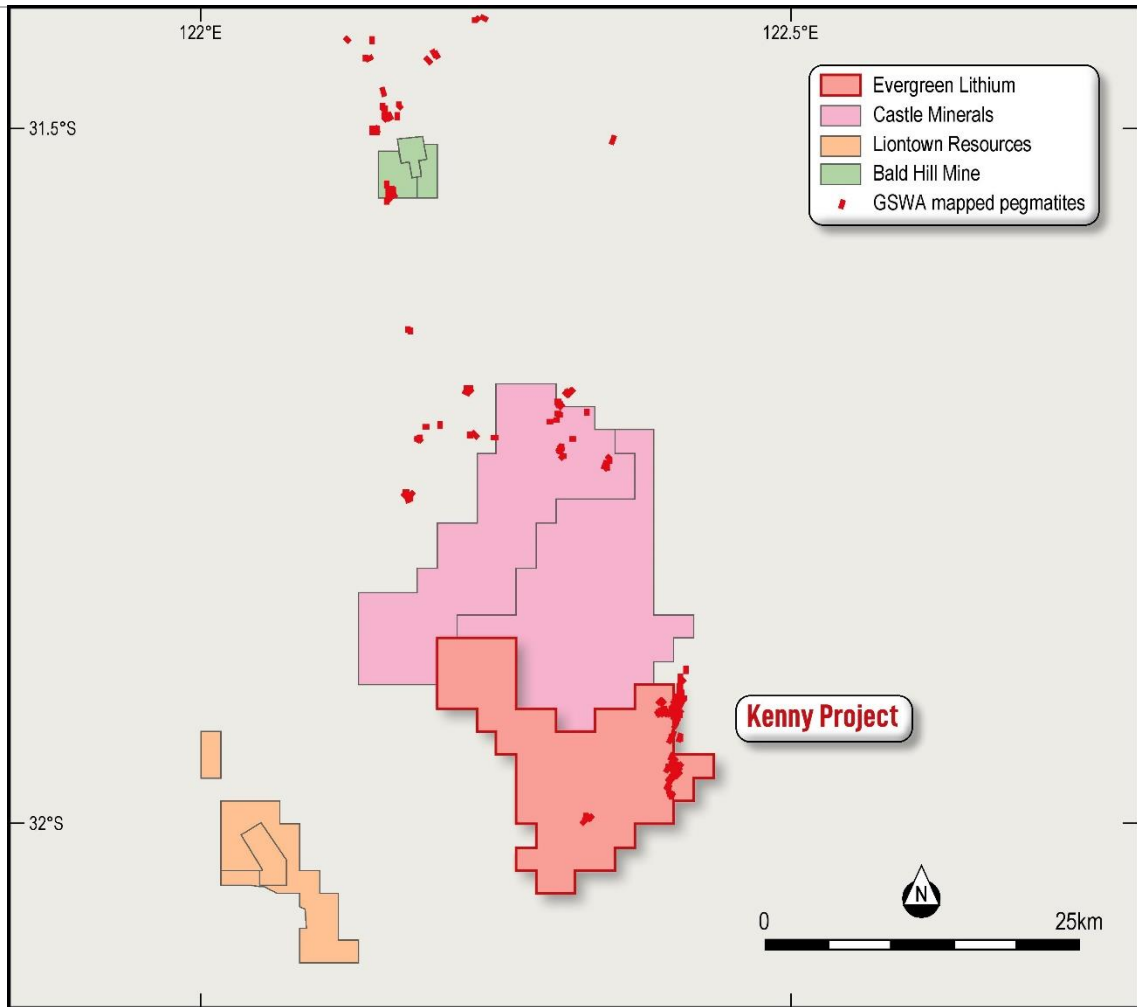
associated with highly evolved and fractionated granite intrusions, no such intrusions have been identified on the tenement. Therefore, VRM considers the Kenny Project to be an early-stage project with regional work required to identify potentially fractionated granite intrusions and potential target zones for LCT pegmatites.

Table 5 Geological unit hosting known LCT pegmatites in the Kenny Project region

Occurrence name (in clusters)	Host unit
Buldania (Anna, Anna North, Conda and one other)	Mount Kirk Formation
Bald Hill (Central Pit and Central South)	Eastern Goldfields Superterrane greenstones
P49, P23, P33	Eastern Goldfields Superterrane greenstones
Northwest Lithium	Black Flag Group
Manna 1 and Manna 2	Eastern Goldfields Superterrane greenstones
Mt Thirsty	Black Flag Group
Pegmatite 9A (Pioneer Dome)	Kalgoorlie Group
Pegmatite 9B	Kambalda Komatiite
Sinclair Cs Zone and Pioneer Dome Peg 8	Kambalda Komatiite
Heller Li, Davy and Cade South	Kalgoorlie Group
Cade, Cade East, Cade West, and Cade Northeast	Black Flag Group
WID 2 Pegmatite	Kambalda Komatiite
WID 1	Eastern Goldfields Superterrane greenstones
Munda Pegmatite	Kambalda Komatiite
Larkinville West Pegmatite	Kambalda Komatiite
Atomic Three	Lunnon Basalt
Lefroy Pegmatite and Lefroy Target 1	Kalgoorlie Group
Landor	Paringa Basalt
Mt Dean (swarm of 71 pegmatites in 4.5 x 1.5km)	Dundas Greenstone Belt
Spargosville (close to Lefroy cluster)	Kalgoorlie Group?
Mt Marion Area 4	Kalgoorlie Group
Mt Marion Pit CO1, MMN1 Stage 6 and MMN4	Kambalda Komatiite
Mt Marion Area 5 and Mt Marion Area 3	Lunnon Basalt
Nepean Lithium	Eastern Goldfields Superterrane greenstones
Londonderry 1 (and possibly Lepidolite Hill 1km north)	Yilgarn Craton Granite

Source: [Geological Survey of Western Australia 1: 100,000 and 1: 500,000 maps and related data sheets](#)





Source: Geological Survey of Western Australia 1: 100,000 and 1: 500,000 maps and related data sheets  
Figure 25 Known mapped pegmatites in the vicinity of the Kenny Project

## 7. Risks and Opportunities

Several opportunities and risks have been identified for Evergreen. These, as well as project-specific risks and opportunities detailed below:

### Opportunities

- The proximity to known lithium occurrences at all three tenements under review provides the advantage that some infrastructure will already exist should an economic lithium occurrence be discovered on the Bynoe, Fortune or Kenny Projects.

### Risks

- The large number of lithium exploration companies available in the current market will require that Evergreen's exploration approach be aimed at winnowing out tenements that do not show potential early in order to focus on and use existing funds on those that are more likely to create value – either as a consolidation for surrounding operators or as a standalone operation.
- Given that the Bynoe, Fortune and Kenny Projects are early stage in nature, it is uncertain at this time whether the proposed exploration activities will result in the identification of a lithium Mineral Resource on any of the tenements.

### 7.1. Bynoe Project

#### Opportunities

- The proximity to Core Lithium's Finnis Project is considered a significant opportunity because by not being the first operator in the region provides the advantage that some infrastructure will already exist should the Bynoe Project yield an economic lithium occurrence.

#### Risks

- The majority of the Bynoe Project tenement is classified for 'Conservation and Natural Environment, Production and Agriculture'. Further, its northern portions are within the Darwin Harbour District sensitive area of conservation significance. In this regard, licencing for an operation in the more sensitive regions will likely be complex and may have an extended approvals timeframe.
- Having focused initial exploration activities in the vicinity of known lithium occurrences is considered prudent; however, given the vast extent of the Project, it will be important not to overlook other potential areas given it is all in the same host rock succession.

### 7.2. Fortune Project

#### Opportunities

- The proximity to Lithium Plus's lithium occurrences in the Alcoota region provides the advantage of additional local exploration knowledge from public sources to help prioritise and focus efforts.

#### Risks

- A significant portion of the Fortune Project tenement falls within Utopia, an Aboriginal homeland formed in 1978. Community engagement will be a key success factor in this regard, not only for exploration but also for ongoing activities.

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### 7.3. Kenny Project

#### Opportunities

- The proximity to Liontown's Buldonia lithium Mineral Resources could provide the advantage that some infrastructure will already exist should the Kenny Project yield an economic lithium occurrence.

#### Risks

- The Kenny Project falls within the WCD2014/004 native title area granted to the Ngadju people by the Federal Court of Australia on 21 November 2014 ([National Native Title Register](#)). VRM notes that there is no agreement in place between the company and the Ngadju.

## 8. Proposed Exploration and Budget

### 8.1. Proposed exploration

#### Bynoe Project

Within the Bynoe Project the company has proposed the following activities;

- Desktop review, data compilation, and verification of the historical exploration activities and permitting for ground-based surveys (geochemical and drilling activities)
- Geological mapping and geological prospecting of the currently identified pegmatite targets including obtaining access
- Soil and Rock chip surveys over the project area to further delineate and plan specific drill locations for initial drill testing, using various geochemical and geophysical techniques.
- Drilling with the drilling likely to consist of reverse circulation (RC) and diamond drilling due to the pegmatite bodies usually being resistive to erosion and weathering. Drilling in year one would target the initially identified pegmatite bodies and geochemical anomalies with the exact location of the drilling being refined by the infill soil and rock chip sampling. Drilling in year two would consist drilling of both extensional holes around the drill results from the first year and regional targets. Drilling in the second year would be dependent on the results of the geochemical and drilling from the first year.

#### Fortune Project

As the Fortune Project consists on one tenement application the planned exploration activities for the first year (2022 – 2023) are limited to desktop data review and analysis

In the second year (2023 – 2024) planned work consists of additional review and compilation work, geological prospecting, and mapping along with geochemical surveys and potentially a small drilling program assuming encouraging geochemical targets are identified by the geochemical sampling, geological mapping, and prospecting. The expenditure within year two (2023 – 2024) is contingent on the tenement being granted and the company obtaining access to undertake exploration.

#### Kenny Project

Within the Kenny Project the company has proposed the following activities;

- Desktop review, data compilation, and verification of the historical exploration activities and permitting for ground-based surveys (geochemical and drilling activities)
- Geological mapping and geological prospecting of the currently identified pegmatite targets including obtaining access
- Soil and Rock chip surveys over the project area to further delineate and plan specific drill locations for initial drill testing, using various geochemical and geophysical techniques.
- Drilling with the drilling likely to consist of reverse circulation (RC) and diamond drilling due to the pegmatite bodies usually being resistive to erosion and weathering. Drilling in year one would target the initially identified

pegmatite bodies and geochemical anomalies with the exact location of the drilling being refined by the infill soil and rock chip sampling. Drilling in year two would be dependent on the results from the drilling in year one and would likely consist drilling of both extensional holes around the drill results from the first year and regional targets.

## 8.2. Exploration budget

VRM has reviewed the proposed work program (above) and exploration budget (Table 6). The work program is consistent with the targets and potential within the projects and overall the budget is consistent with the current exploration and evaluation costs in the Northern Territory and Western Australia however it should be noted that in the current higher inflationary environment these costs are expected to escalate with the rate of increase dominantly driven by costs that are out of control of the company, these include fuel and drilling costs along with external geochemical analysis. Additionally, the budget presented to VRM is based on the exploration costs and excludes the exploration management and staffing costs associated with the exploration activities. The company has presented those costs in the prospectus to which this report is appended as administration and overhead costs in an overall corporate budget.

The budget consists of \$2.4 million in expenditure on granted tenements in the first year and \$2.45 million in the second year for a total of \$4.85 million on the currently granted projects. In addition to this further expenditure has been proposed to identify additional projects and exploration on the current tenement application at Fortune Project in the Northern Territory.

The exploration budget on granted tenements constitutes approximately 69% of the funds being to be raised under the prospectus.

Table 6 Summary of exploration expenditure by Project and activity

Project	Expenditure per year		
	Year 1 \$	Year 2 \$	Total \$
<b>BYNOE - Northern Territory - Granted</b>			
Permitting / Desktop Reviews	150,000	150,000	300,000
Mapping / Ground Surveys	150,000	150,000	300,000
Geochemical Surveys (Soil and Rock Chip)	350,000	150,000	500,000
Drilling	1,000,000	1,500,000	2,500,000
Assaying and test work	250,000	250,000	500,000
<b>Sub-Total</b>	<b>1,900,000</b>	<b>2,200,000</b>	<b>4,100,000</b>
<b>KENNY – Western Australia – Granted</b>			
Permitting / Desktop Reviews	50,000	50,000	100,000
Mapping / Ground Surveys	50,000	50,000	100,000
Geochemical Surveys (Soil and Rock Chip)	250,000		250,000
Drilling	100,000	100,000	200,000
Assaying and test work	50,000	50,000	100,000
<b>Sub-Total</b>	<b>500,000</b>	<b>250,000</b>	<b>750,000</b>
<b>Total Exploration Expenditure – Granted Tenure</b>	<b>2,400,000</b>	<b>2,450,000</b>	<b>4,850,000</b>
<b>FORTUNE - Northern Territory - Application</b>			
Permitting / Desktop Reviews	50,000	50,000	100,000
Mapping / Ground Surveys	-	50,000	50,000
Geochemical Surveys (Soil and Rock Chip)	-	100,000	100,000
Drilling	-	50,000	50,000
Assaying and test work	-	50,000	50,000
<b>Sub-Total</b>	<b>50,000</b>	<b>300,000</b>	<b>350,000</b>
<b>Project Identification and Acquisition</b>	<b>500,000</b>	<b>500,000</b>	<b>1,000,000</b>
<b>Total Exploration Expenditure</b>	<b>2,950,000</b>	<b>3,250,000</b>	<b>6,200,000</b>

Note the exploration budget does not include exploration management or staff costs associated with exploration supervision.

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## 10. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org),

*The following terms are taken from the 2015 VALMIN Code*

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information. Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act. Independent Expert's Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being Material requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.



Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) Early-stage Exploration Projects – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) Advanced Exploration Projects – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) Pre-Development Projects – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) Development Projects – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) Production Projects – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information. Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and Petroleum Reserve are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre- Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being Transparent requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of

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Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

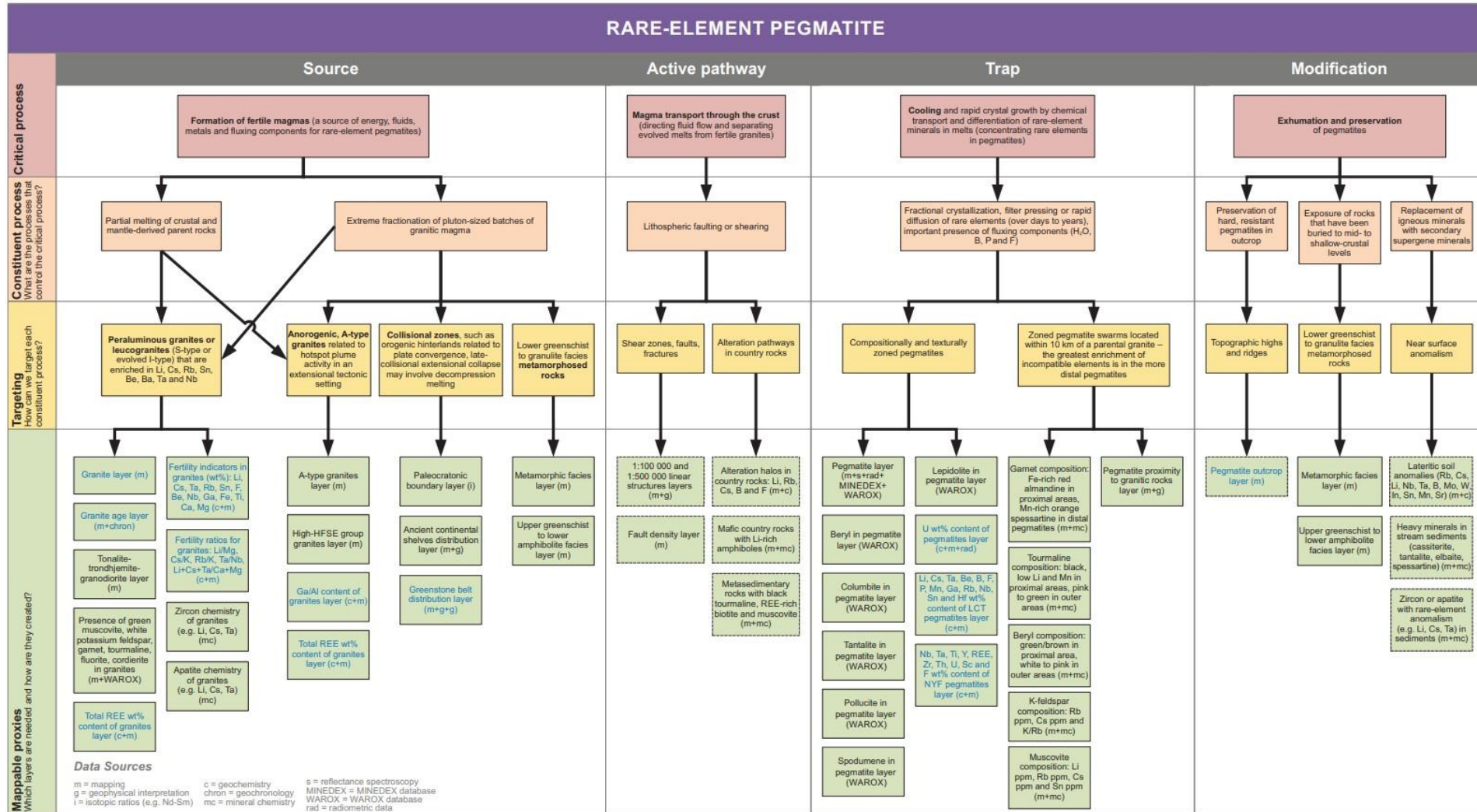
Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

# Appendix 1 – Mineral System Tree for rare-element pegmatites (Duuring, 2020)



## Appendix 2 – JORC Table 1 – All Projects

It is believed by the nature of the data presented in the historic reports that the soil sampling, and rock chip sampling have been conducted using industry standard practices, however details have largely not been documented in the historic reports used to compile this document and are largely not included in this JORC table. Further information regarding work conducted by previous parties can be obtained from the various exploration reports referenced in Section 9 of this report.

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	No drilling or sampling has been conducted by the Evergreen.  All sampling has been validated and compiled from Annual Technical reports (including WAMEX reports) which largely do not contain details of the sampling methods.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	No sampling has been conducted by the Evergreen.  All sampling has been validated and compiled from Annual Technical Reports which largely do not contain details of the sampling methods
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information	Historical work is believed to be undertaken according to industry standards at the time the work was undertaken. How the samples were collected, and the specifics of the assay techniques has either not been documented or is poorly documented when compared to current industry standards.
Drilling techniques	Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit, or other type, whether core is oriented and if so, by what method, etc).	No lithium exploration drilling has been undertaken by Evergreen nor the previous explorers of the projects. No lithium drilling has been documented in this Report.  Previous drilling within the Kenny Project consists of Aircore gold exploration drilling with a total of 21 holes drilled for 438m with no anomalous (>4ppm) gold intersections reported.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed	No lithium drilling has been undertaken by Evergreen nor the previous explorers of the projects. No lithium drilling has been documented in this Report.
	Measures taken to maximise sample recovery and ensure representative nature of the samples Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	No lithium drilling has been undertaken by Evergreen nor previous the explorers of the projects. No lithium drilling has been documented in this Report.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged	

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	The sampling techniques are poorly documented however they are all surface samples (rock chip or soil samples) with no drilling reported within in the Projects.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The sampling techniques are poorly documented.
	For all sample types, the nature, quality, and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The sampling and sample preparation techniques are unclear and poorly documented in the historical reports. QAQC in historical is poorly documented
Quality of assay data and laboratory tests	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	It is uncertain what measures were taken to ensure the samples were representative
	Whether sample sizes are appropriate to the grain size of the material being sampled.	It is uncertain if the sample size is appropriate
	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	QAQC in historical and recent drilling is poorly documented
Verification of sampling and assaying	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools have been used in the historical results nor in this report.
	Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.	
	The verification of significant intersections by either independent or alternative company personnel.	Significant assays documented in this report have been checked against the historical reports.
Location of data points	The use of twinned holes.	N/A
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The majority of the results documented in this report are historical and there is poor documentation of the data entry, data verification or data storage of the results, the results documented in this report are mostly extracted from historical reports
	Discuss any adjustment to assay data.	No adjustments to the assays have been undertaken by VRM
Data spacing and distribution	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Most of the recent results are located using handheld GPS equipment
	Specification of the grid system used.	
	Quality and adequacy of topographic control.	The results are historical and therefore there is limited topographical control.
Orientation of data in relation to geological structure	Data spacing for reporting of Results.	The results detailed in this report are wide spaced geochemical samples, not drilling is reported.
	Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The reported results are not sufficient to establish a Mineral Resource estimate – No lithium drilling has been reported nor undertaken.
	Whether sample compositing has been applied.	
Sample security	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Only surface geochemical samples have been reported
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No lithium drilling has been reported
Audits or reviews	The measures taken to ensure sample security.	There is no information of sample security with respect to the historic work. No Recent samples have been collected by Evergreen.
	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been carried out. VRM has compared the compilation undertaken by Evergreen with the previous Annual Technical reports and has found no material differences.

## Section 2 Reporting of Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The project's tenements are detailed in the tenure section of the report.
Exploration done by other parties	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. Acknowledgment and appraisal of by other parties.	There are two granted tenements (The Bynoe and Kenny Projects) and one tenement application (the Fortune Project). All granted tenements are in good standing. Environmental and Heritage aspects of the projects are detailed in the report. All activities detailed in this report are from previous explorers. These previous reports are referenced within the Report and included in the References - Section 9.
Geology	Deposit type, geological setting, and style of mineralisation.	Deposit styles and mineralisation targeted within the Evergreen project include LCT Pegmatite mineralisation targeting Spodumene rich pegmatites.
Drill hole Information	A summary of all information material to the understanding of the results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.	No lithium drilling is reported on the Projects nor is any included in this Report.
Data aggregation methods	In reporting Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No lithium drilling is included in this Report and any results are surface geochemical samples.
Relationship between mineralisation widths and intercept lengths	The assumptions used for any reporting of metal equivalent values should be clearly stated. These relationships are particularly important in the reporting of Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').	No metal equivalent values have been used or reported. At this reconnaissance stage the geometry of the targets is not defined. No Drill intersections are reported. The orientation of the target pegmatites are at this stage unknown. True widths of pegmatites are not currently known and will only be able to be determined after the targets are drilled as a part of the proposed and recommended exploration activities.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate plans are included in the body of the Report.
Balanced reporting	Where comprehensive reporting of all Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Results.	All previous geochemical samples have been included in this report
Other substantive data	Other data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical	Geophysical and geochemical surveys have been undertaken on the tenements with these included in the body of the report.

Criteria	JORC Code explanation	Commentary
	survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	<p>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</p>	Additional work is proposed and recommended with details covered in the body of this Report



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**ANNEXURE B – SOLICITOR’S REPORT ON TENEMENTS**

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Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000  
GPO Box 2799 Perth WA 6001  
Telephone: +61 8 9321 4000  
Facsimile: +61 8 9321 4333  
Web: www.steinpag.com.au

Perth | Melbourne

9 January 2023

Our Ref: RCS:MLF:5715-01  
Contact: Roger Steinepreis  
Partner  
roger@steinpag.com.au

Evergreen Lithium Limited  
Suite 205  
9-11 Claremont Street  
SOUTH YARRA VIC 3141

Dear Directors

### **SOLICITOR'S REPORT ON TENEMENTS**

This Report is prepared for inclusion in a prospectus for the initial public offer of shares in the capital of Evergreen Lithium Limited (ACN 656 722 397) (**Company**) (**Prospectus**).

In connection with the public offer, the Company completed a share transaction where it acquired 100% of the shares in:

- (a) Lithium Technologies Pty Ltd (ACN 619 683 859) (**Lithium Technologies**); and
  - (b) Lithium Supplies Pty Ltd (ACN 621 172 478) (**Lithium Supplies**),
- (the **Acquisition Agreement**).

Through the acquisition of Lithium Technologies and Lithium Supplies, the Company also acquired a 100% interest in Lithium Technologies and Lithium Supplies' jointly held subsidiary, Synergy Prospecting Pty Ltd (**Synergy**).

A summary of the material terms and conditions of the Acquisition Agreement is contained in Section 9.1.1 of the Prospectus.

#### **1. SCOPE**

We have been requested to report on certain mining tenements in which the Company has an indirect interest, through its wholly owned subsidiary, Synergy (the **Tenements**).

The Tenements comprise of:

- (a) the granted exploration licence E63/1888 in Western Australia (**Kenny Lithium Project**); and

- (b) the granted exploration licence EL31774 (**Bynoe Lithium Project**) and application for exploration licence ELA31828 (**Fortune Lithium Project** in the Northern Territory,

(together, the **Projects**).

Details of the Tenements are set out in Part I and Part II of this Report.

This Report is limited to the Searches set out in Section 2 of this Report.

## 2. SEARCHES

### 2.1 WA Searches

For the purposes of this Report, we have conducted the following searches and made enquiries in respect of the Kenny Lithium Project as follows (together, the **WA Searches**):

- (a) we have obtained a mining tenement register search of the Kenny Lithium Project from the registers maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) (**Tenement Searches**). This search was conducted on 13 December 2022 and updated on 8 January 2023. Key details on the status of the Kenny Lithium Project is set out in Part I of this Report;
- (b) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 14 December 2022 and updated on 9 January 2023. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 7 of this Report and Part III of this Report;
- (c) we have obtained searches from the online Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage (**DPLH**) for any Registered Aboriginal Sites or Other Heritage Place registered on the Western Australian Register of Aboriginal sites over the Kenny Lithium Project (**Heritage Searches**). These searches were conducted on 14 December 2022 and updated on 8 January 2023, details of which are set out in Section 6.3 of this Report; and
- (d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMIRS to obtain details of features or interests affecting the Kenny Lithium Project (**Tengraph Searches**). These searches were conducted on 13 December 2022 and updated on 8 January 2023. Details of any material issues identified from the Tengraph Searches are set out in the notes to Part I of this Report.

### 2.2 NT Searches

For the purposes of this Report, we have conducted the following searches and made enquiries in respect of the Bynoe Lithium Project and the Fortune Lithium Project (together, the **NT Searches**):

- (a) we have obtained Minister's Certificates for the Bynoe Lithium Project and the Fortune Lithium Project from the Department of Industry, Trade and Tourism (**DITT**) pursuant to section 128 of the *Mineral Titles Act 2010* (NT) (**Mineral Titles Act**) on 16 December 2022 and updated on 9 January 2023. Details of any material issues identified in the Minister's Certificates are set out in Part II of this Report;
- (b) email enquiries for information available on the Register pursuant to section 121(5) of the Mineral Titles Act on the underlying land tenure of the Bynoe Lithium Project and the Fortune Lithium Project on 16 December 2022 and updated on 9 January 2023. Details of the underlying land tenure of the Bynoe Lithium Project and Fortune Lithium Project tenements are set out in Sections 5.2, 5.3 and 5.4 and Part II of this Report;
- (c) we have obtained copies of the Notice of Intention to Grant and Confirmation of Grant letters to obtain details of the grant conditions imposed on the Bynoe Lithium Project from the DITT on 26 July 2022. Details of any material issues are set out in Part II of this Report;
- (d) we have obtained a copy of the Instrument of Grant for the Geothermal Exploration Permit which partially overlaps the Bynoe Lithium Project (identified at Section 5.5(b) of this Report) from the Energy Division of the DITT on 29 July 2022. Details of any material issues are set out in Section 5.5(b) of this Report;
- (e) searches and review of underlying Aboriginal Land and Aboriginal Land Claims through the online NT Strike system maintained by DITT (**NT STRIKE**) on 14 December 2022 and updated on 8 January 2023. (**Aboriginal Land Claims Search**). Details of any material issues identified in the Aboriginal Land Claims Search is set out in Section 5.3 and Part III of this Report.
- (f) searches and review on NT STRIKE, conducted on 14 December 2022 and updated on 8 January 2023, of any:
  - (i) sites of conservation significance (details of which are set out in Section 5.6 of this Report);
  - (ii) threatened and significant flora and fauna (details of which are set out in Section 5.7 of this Report);
  - (iii) water control districts (details of which are set out in Section 5.8 of this Report); and
  - (iv) petroleum reserves (details of which are set out in Section 5.9 of this Report),

which exist concurrently with the tenements in the Northern Territory.

- (g) searches and review on NT STRIKE of mineral titles, geothermal and energy titles, and petroleum and pipeline titles on 14 December 2022 and updated on 8 January 2023. Details of any material issues identified are summarised in Section 5.5;
- (h) We have obtained heritage and archaeological site information from the Heritage Branch of the Department of Territory Families, Housing and

Communities on 15 December 2022 and updated on 9 January 2023, details of which are set out in Sections 6.5 and Part III of this Report; and

- (i) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 14 December 2022 and updated on 9 January 2023. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 7 of this Report and Part III of this Report.

### 3. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) **Company's interest**

The Company's interest in the Tenements.

- (b) **Good standing**

The validity and good standing of the Tenements.

- (c) **Third party interests**

Third party interests, including encumbrances, in relation to the Tenements.

### 4. KENNY LITHIUM PROJECT

#### 4.1 Description of the Kenny Lithium Project

The Kenny Lithium Project consists of the granted exploration licence 63/1888 (**E63/1888**) which was applied for under the *Mining Act 1978* (WA) (**Mining Act**). A description of the nature and key terms of this type of mining tenement is set out below.

- (a) **Application**

A person may lodge an application for an exploration licence in accordance with the Mining Act. If the application is not subject to any objection, the mining registrar may forward to the Minister a report which recommends or refuses the grant of the exploration licence. An application for an exploration licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

- (b) **Rights**

The holder of an exploration licence is subject to the Mining Act (and any conditions imposed) is entitled to:

- (i) enter and re-enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient;
- (ii) explore for minerals and carry on such works as are necessary for that purpose;
- (iii) excavate, extract or remove earth, soil, stone, fluid or mineral bearing substances in such amount as does not exceed the prescribed limit of 1000 tonnes over the term of the licence, or in such amount as approved by the Minister; and
- (iv) take and divert, subject to the *Rights in Water Irrigation Act 1914* (WA), water from the land, sink a well or bore on the land, and use that water for domestic purposes and for any purpose in connection with prospecting for minerals on the land.

(c) **Term**

An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

(d) **Retention status**

The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

(e) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence or the warden may impose a fine.

(f) **Compulsory partial surrender**

The holder of an exploration licence applied for prior to 10 February 2006 must be reduced at the end of its 3rd and 4th years by 50% each year. It is possible to apply for an exemption from the requirement to surrender ground at the end of the 3rd and 4th years where holders, for specified reasons, are unable to conduct or complete planned exploration programmes.

The holder of an exploration licence applied for and granted after 10 February 2006 which contains more than 10 blocks must be reduced by 40% at the end of its 6<sup>th</sup> year of its term. There is no ability to apply for an exemption or deferral of this compulsory surrender requirement.

If the holder fails to lodge the required partial surrender, the Minister must by written notice, require the holder to lodge the surrender within a specified period. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

(g) **Priority to apply for mining lease**

The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(h) **Transfer**

No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

## 4.2 Unallocated Crown land

As set out in Part I of this Report, land the subject of the Kenny Lithium Project overlaps unallocated Crown Land as set out in the table below.

Tenement	Crown land	% overlap
E63/1888	Unallocated Crown Land; 1 land parcel affected	100.00

Unallocated Crown Land refers to Crown Land in which no interest is known to exist, but in which native title (as it is defined under the NTA) may or may not exist. Unallocated Crown Land is not reserved, declared or otherwise dedicated under the *Land Administration Act 1997 (WA)*, or any other written law.

For mining tenements which overlap unallocated Crown Land, there is no requirement for a tenement holder to obtain third-party consent to access that land.

## 5. NT PROJECTS

### 5.1 Description of the NT Projects

The NT Projects comprise of exploration licence EL31174 (**Bynoe Lithium Project**) granted under the Mineral Titles Act and exploration licence application ELA31828 (**Fortune Lithium Project**) applied for under the Mineral Titles Act. Part II of this Report provides a list of the tenements the subject of the NT Projects. A description of the nature and key terms of these types of mining tenements is provided below.

(a) **Application**

A person may apply for an exploration licence (**EL**) in the approved form (Approved Form 1) to the Minister. The application must be lodged with DITT and include a description of the blocks comprising the proposed title area of the EL and a technical work program for the first 2 operational years of the EL.

(b) **Rights**

The holder of a mineral exploration licence:

- (i) has the right to occupy the title area specified in the EL;
- (ii) has exclusive rights to conduct exploration for minerals in the title area, including other authorised activities for the purposes of exploration for minerals such as:
  - (A) digging pits, trenches and holes, and sinking bores (subject to the *Water Act 1992* (NT)) and tunnels, in the title area;
  - (B) activities for ascertaining the quality, quantity or extent of ore or other material in the title area by drilling or other methods; and
  - (C) the extraction and removal of samples of ore and other substances from the title area in amounts reasonably necessary for the evaluation of the potential for mining in the area; and
- (iii) may apply for a mineral lease for all or part of the title area.

(c) **Term**

The Minister may grant an EL for a term not exceeding 6 years. Before the end of the term of the EL, the holder may apply in the approved form to the Minister for the renewal of the EL for all or some of the blocks in the title area. The Minister may renew the EL for a term not exceeding two years. The EL may be renewed more than once.

(d) **Retention status**

The holder of an EL may, before the end of the term, apply in the approved form (Approved Form 2) to the Minister for all or part of the EL to be designated as an exploration licence in retention (**ELR**).

The holder of the EL may apply for the designation of an ELR only if:

- (i) an ore body or anomalous zone of possible economic potential has been found on the proposed ELR; and
- (ii) the holder reasonably believes that mining minerals in the proposed title area is not currently commercially viable or may be currently commercially viable but further work is required to assess its feasibility.

An application for an ELR must include a description of the ELR title area and a technical work programme for the proposed title area for the first operational year of the ELR. The Minister may decide to designate all or part of an EL as an ELR if they are satisfied with the information provided in the application, and the applicant for the ELR has the technical and financial capacity to develop and mine the mineral deposits in the title area of the ELR.



The holder of an ELR has the right to occupy the ELR's title area, conduct the activities consistent with an EL, and the exclusive right to apply for a mineral lease for all or part of the title area.

(e) **Rent**

The prescribed rent for an exploration licence in the Northern Territory, for the purposes of the Mineral Titles Act, are set out in the *Mineral Titles Regulations 2011 (NT) (NT Regulations)*.

(f) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are detailed in Part II of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

In accordance with Section 32(2)(a)(ii) of the Mineral Titles Act, every exploration licence shall be granted subject to the expenditure conditions imposed by or under Section 85 of the Mineral Titles Act. The licensee will expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area.

The NT Minister may amend, suspend or remove a condition of the exploration licence.

(g) **Ministerial Consent**

Prior to the commencement of any activity on tenure and consistent with the *Mining Management Act 2001 (NT) (Mining Management Act)* (other than for exploration that does not involve substantial disturbance) requires the NT Minister to grant ministerial authorisation before that activity can commence.

(h) **Reduction in title area**

Unless the Minister decides otherwise, the title area of an EL must be reduced at the end of each period of 2 operational years (**Reduction Period**), including the last 2 operational years if the holder applies for a renewal of the EL. The Mineral Titles Act defines an operational year for a mineral title to mean the period of 12 months immediately after the title comes into force, and each subsequent period of 12 months.

Before the end of a Reduction Period, the holder must give the Minister a notice nominating the blocks to be retained in the title area of the EL so that the title area after reduction will comprise no more than 3 separate areas of at least 4 adjoining blocks each. The Minister may, upon application by the holder or on the Minister's own initiative, decide:

- (i) no reduction or a lesser reduction is required of the title area at the end of the reduction period; or
- (ii) to defer the reduction of the title area by a period, not exceeding 12 months.

Before making any decision regarding the area reduction of an EL, the Minister must take into account the impact of the reduction on the authorised activities on the EL and any other matter prescribed by regulation.

(i) **Transfer**

No legal or equitable interest in an EL can be transferred to another person without first applying to the Minister for the approval and registration of the transfer. The application for transfer must be in the approved form, include the details of the proposed transfer, and signed by all the parties to the transfer. The Minister must approve and register the transfer unless there are circumstances which warrant its refusal. The instrument of transfer has no effect under the Mineral Titles Act until it is added to the mineral titles register.

## 5.2 Vacant Crown Land

The Bynoe Lithium Project overlaps Vacant Crown Land as set out in Part II of this Report.

Vacant Crown Land is land to which no person is recorded in the land register as a registered owner or registered proprietor.

However, if the Vacant Crown Land is subject to a licence granted under Part 7 of the *Crown Lands Act 1992* (NT), then the Company must give the holder of the licence a notice of its intention to conduct preliminary exploration (or take reasonable steps to give notice), prior to commencing any preliminary exploration on the area of the vacant Crown Land.

## 5.3 Aboriginal Freehold Land

The application for the Fortune Lithium Project, wholly overlaps Aboriginal Freehold Land as set out in the table below.

Tenement	Aboriginal Freehold Land	Relevant Land Council
ELA31828	NT Portion 4029, Alkwert Aboriginal ALT and NT Portion 705, Angarapa ALT.	Central Land Council (CLC)

Aboriginal Freehold Land (**Aboriginal Land**) is held under a trust in fee simple or subject to a deed of grant held in escrow by a Land Council, granted under the provisions of the *Aboriginal Land Rights (Northern Territory) 1976* (Cth) (**ALRA**). The ALRA establishes Aboriginal land trusts (**ALT**) which hold title to the Aboriginal Land for the benefit of the traditional Aboriginal owners. The provisions of the Native Title Act do not apply to the beneficial land rights or interests of any person under the ALRA.

Under the ALRA, an application for an exploration licence made on Aboriginal Land will not be granted unless

- (a) the relevant Land Council gives its consent; or
- (b) the Governor-General declares that the national interest requires that the licence be granted,

and the Land Council and the exploration licence applicant (the **Applicant**) have entered into an agreement as to the terms and conditions to which the grant of the licence will be subject.

Under the Mineral Titles Act, an applicant must not enter into negotiations with the relevant Land Council under the ALRA unless it has lodged an exploration licence application under the Mineral Titles Act and the Minister has consented to the applicant entering into the negotiations.

The Applicant must, within three (3) months of obtaining the Minister's consent, provide the relevant Land Council a written application for consent to the grant of the exploration licence.

The relevant Land Council must notify the Applicant of its decision to grant, or refuse, the consent to the grant of the exploration licence within the period of 22 months beginning on 1 January in the calendar year after the calendar year in which the application is first received by the relevant Land Council, unless further extended in accordance with the provisions of the ALRA.

If the relevant Land Council refuses an application to consent to the grant of an exploration licence, the ALRA provides that the land subject to the exploration licence application is to be placed in moratorium for a period of five years (**Moratorium Period**). During the Moratorium Period, no person may apply for an exploration licence in respect of that land and the Applicant retains a priority right to re-apply for an exploration licence over that land for a 30-day period after the end of the Moratorium Period (**Re-application Period**).

The Fortune Lithium Project wholly overlaps Aboriginal Freehold Land, the relevant Land Council for which, is the Central Land Council (**CLC**). Accordingly, ELA31828, being the tenement the subject of the Fortune Lithium Project will not be granted unless the CLC provides its consent to the grant of the exploration licence.

The Company has confirmed that Synergy obtained consent to negotiate from the Minister on 19 November 2021 and submitted its proposal to the CLC on 28 January 2022. On 13 December 2022, the Company received confirmation that its proposal was accepted by the CLC.

The Company has advised that it has engaged with the CLC to arrange an on-country meeting to present its proposal to the traditional owners, the date of which is yet to be confirmed.

#### 5.4 Private Land

EL31774, the tenement the subject of the Bynoe Lithium Project, overlaps a significant number of private land parcels in the Northern Territory. Details of the private land parcels are set out in Part II of this Report.

Private land is defined under the Mineral Titles Act as land in relation to which a person is entitled to a fee simple interest or a lease from the Crown under the *Crown Lands Act 1992* (NT) or the *Special Purposes Leases Act 1953* (NT) (**Private Land**).

##### (a) Consent to conduct preliminary exploration on Private Land

The title holder may only conduct preliminary exploration on Private Land if written consent from the relevant landowner has been obtained.

The landowner who consents to preliminary exploration on the Private Land may impose reasonable conditions on the entry and use of the land for conducting preliminary exploration.

The Mineral Titles Act provides that a private landowner must not unreasonably withhold consent for the tenement holder to conduct preliminary exploration of the Private Land. If consent cannot be obtained, the title holder may refer the matter to the Civil and Administrative Tribunal.

Before commencing authorised activities, under an exploration licence, the title holder must provide notice to any affected landowners or occupiers of the land in the tenement area:

- (i) of the title holder's intention to commence any authorised activities; and
- (ii) of the title holder's entry onto that land to conduct the authorised activities.

(b) **Access authority**

The mineral title holder may apply for an access authority to permit entry to land outside the area in which they are allowed to explore or mine, to construct, maintain and use infrastructure for the exploration activities.

The holder of an exploration licence must gain the consent of private landowners to enter the Private Land in order to construct, maintain and use infrastructure associated with conducting authorised activities under the exploration licence before the Minister can grant an access authority under the Mineral Titles Act (**Access Authority**).

The Minister may only grant an Access Authority to the mineral title holder if, 14 days' prior to making an application for an Access Authority, the mineral title holder:

- (i) gives written notice of its intention to apply for an Access Authority to each landowner of the relevant private land;
- (ii) publishes a notice of the intention in a newspaper circulating in the area in which the private land is situated;
- (iii) obtains the consent of the landowner; and

the Minister is satisfied that the infrastructure to be constructed is necessary for conducting the approved exploration activities.

(c) **General entitlement to compensation**

Under the Mineral Titles Act, a landowner is entitled to compensation from the title holder for:

- (i) damage to the land, and any improvements on the land caused by the activities of the title holder; and
- (ii) any loss suffered as a result of that damage, including loss suffered as a result of being deprived use of the land.

The landowner is not entitled to compensation in relation to minerals or extractive minerals known or thought to be on or under the land.

## 5.5 Overlapping titles

Our Searches show that titles under the Mineral Titles Act, *Geothermal Energy Act 2009* (NT) (**Geothermal Energy Act**) and the *Petroleum Act 1984* (NT) (**Petroleum Act**) have been granted or applied for over land within the NT Projects as follows:

### (a) Extractive Mineral Permit (EMP)

The Bynoe Lithium Project, overlaps the following granted mineral title:

Affected Tenement	Overlapping EMP	Permit Holder	Date Granted	Expiry Date	Overlap
EL31774	EMP31056	Seth Pty Ltd (ACN 062 084 119)	25 October 2018	24 October 2023	13.54 ha; 0.05%

Where a granted mineral exploration licence overlaps an application, or granted title, for an exploration licence in retention (**ELR**), a development title (defined under the NT Regulations as a mineral lease (**ML**), extractive mineral lease (**EML**), or EMP, the holder of the underlying exploration licence cannot undertake any activities within that area until the application is withdrawn or the granted title ceases.

These rights apply in recognition of the hierarchy of occupation rights under the NT Regulations, meaning ELRs and development titles hold higher occupation rights than an exploration licence.

As the Bynoe Lithium Project overlaps a granted EMP, the Company will not be able to undertake any exploration activities within the overlapping area until the EMP expires or is withdrawn. This may impact how the Company conducts its exploration activities on the Tenement.

The Company has confirmed to that it considers the overlapping area between EL31774 and the EMP small, and unlikely to impact the Company's proposed exploration activities on the Bynoe Lithium Project.

### (b) Geothermal Exploration Permit (GEP)

A GEP has been granted under the Geothermal Energy Act which overlaps over a portion of the northern most point of the Bynoe Lithium Project, as follows:

Affected Tenement	Overlapping Geothermal Permit	Permit Holder	Date Granted	Expiry Date
EL31774	GEP32833	Good Water Energy Darwin Pty Ltd (Formerly Good H2 Darwin Pty Ltd) (ACN 652 409 302)	28 April 2022	27 April 2024

A GEP gives the geothermal permit holder (**Permit Holder**) the right to occupy the permit area and the exclusive right to conduct exploration for geothermal energy resources in the permit area.

Where a mineral title overlaps a geothermal energy title (such as the GEP), the Northern Territory does not have legislation which addresses the priority of occupation rights of these titles.

However, there are provisions contained within the Geothermal Energy Act which requires the Permit Holder to:

- (i) consult with the holder of a mineral title about geothermal activities to be conducted on land in relation to which that person holds a mineral title (the **Overlapping Area**), prior to conducting the geothermal activities; and
- (ii) compensate any owner or occupier of the land for any loss or damage in relation to the person's interest in the land which results from geothermal activities conducted on that land.

There is no legal restriction on mining activities on mineral titles occurring within the area of a geothermal energy title under the Geothermal Energy Act. However, as a point of practicality, the title holder may wish to consult with the permit holder if it proposes to undertake exploration activities within the Overlapping Area, which may impact the permit holder's rights.

(c) **Extractive Mineral Exploration Licence (EMEL) applications**

The following applications for extractive mineral exploration licences partially or wholly overlap the Bynoe Lithium Project:

Affected Tenement	EMEL Applications	Applicant	Application Date
EL31774	EMEL33353, EMEL33354, EMEL33355, and EMEL33356	AKJ Services Pty Ltd	18 October 2022

An extractive mineral exploration licence (**EMEL**) may be applied for the purpose of conducting exploration for extractive minerals pursuant to the Mineral Titles Act. The Minister may grant an EMEL for a term not exceeding two years.

If the Minister grants all or part of the EMEL applications, AKJ Services Pty Ltd can conduct exploration for extractive minerals on the area of overlap within the Fortune Lithium Project.

Prior to commencing activities on an EMEL, the holder must provide notice to landholders and occupiers in the title area that it intends to enter the area and commence activities. An EMEL holder is only permitted to remove small amounts of extractive minerals for evaluation.

Where a granted EMEL partially or wholly overlaps an existing mineral exploration licence, the Northern Territory does not have legislation which addresses the priority of occupation rights of these titles.

However, the Mineral Titles Act contains a general obligation that the holder of a tenement must conduct authorised activities in relation to the title area in a way that interferes as little as possible with the rights of other occupiers of land in the vicinity of the title area. If a proposed activity will interfere with the

rights of another titleholder, an appropriate consultation process will need to take place with the relevant titleholder.

(d) **Onshore Exploration Permit (EP) application**

An application for an onshore petroleum exploration permit partially overlaps the Fortune Lithium Project as follows:

Affected Tenement	Onshore Exploration Permit	Applicant	Application Date
ELA31828	EP201	Wiso Oil Pty Ltd	14 January 2011 Revised application date: 14 July 2020

An EP may be applied for the purpose of petroleum exploration pursuant to the Petroleum Act.

If the Minister grants EP201, Wiso Oil Pty Ltd will be permitted to conduct exploration for petroleum on the area of overlap within the Fortune Lithium Project.

There is no legal restriction on mining activities on mineral titles occurring within the area of a title granted under the Petroleum Act. However, the Mineral Titles Act contains a general obligation that the holder of a tenement must conduct authorised activities in relation to the title area in a way that interferes as little as possible with the rights of other occupiers of land in the vicinity of the title area. If a proposed activity to be carried out on the tenements will interfere with the rights of another titleholder, an appropriate consultation process will need to take place with the relevant titleholder.

## 5.6 Sites of Conservation Significance (Darwin Harbour)

As set out in Part II of this Report, the Bynoe Lithium Project overlaps the Darwin Harbour Site of Conservation Significance.

Sites of conservation significance are identified by the Northern Territory Government as areas important for biodiversity conservation requiring further protection.

Where planned exploration activities fall within a site of conservation significance, an application for Authorisation and approval of a Mining Management Plan (**MMP**) may be referred to the Environmental Protection Authority (**NT EPA**) for assessment under the Mining Management Act and the *Environment Protection Act 2019* (NT) (**EP Act**).

The Minister must not approve a MMP unless the NT EPA determines that:

- (a) an environmental impact assessment (**EIA**) is not required under the EP Act for the proposed exploration activity; or
- (b) an EIA is required, and environmental approval has been granted for the activity; or
- (c) the EP Act otherwise permits the granting of the approval of the MMP and the granting of that Authorisation.

If the Minister refuses to approve a MMP and grant the Authorisation, then the Minister must provide written reasons for the refusal.

We recommend the Company lodges any applications for Authorisation and seeks approval of its MMP prior to commencing exploration activities on the area which overlaps the Darwin Harbour Site of Conservation Significance to ensure compliance under the Mineral Titles Act, Mining Management Act and the EP Act.

## 5.7 Flora and Fauna

The Bynoe Lithium Project and the Fortune Lithium Project overlap sites containing threatened and significant flora and fauna as classified as critically endangered, endangered, vulnerable or near threatened, under the *Territory Parks and Wildlife Conservation Act 1976* (NT) or the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

If it is likely threatened flora or fauna may be located at or near a proposed exploration activity, the title holder will be required to undertake a significant impact assessment to accompany an application for approval of a MMP and grant of Authorisation. The MMP may be referred to the NT EPA for assessment pursuant to the Mining Management Act and the EP Act.

## 5.8 Water Control District

The Bynoe Lithium Project wholly overlaps the Darwin Rural Water Control District. The Northern Territory Government identifies water control districts as being those areas of the Northern Territory where there is a high level of competition for water and/or a need for improved management of water resources under the *Water Act 1992* (NT) (**NT Water Act**).

Under the NT Water Act, the Minister may declare a part of the Northern Territory to be a water control district and require the development of a water allocation plan with respect to that water control district.

An application by the Company for approval of a MMP or Authorisation for proposed exploration may be referred to the Department of Environment, Parks and Water Security for consideration prior to approval.

Water management rules may apply to access and use of water within the water control district. We recommended the Company contacts the Department of Environment, Parks and Water Security to ascertain whether any additional policies affect the Darwin Rural Water Control District prior to commencing exploration activities on the tenement.

## 5.9 Petroleum reserves

The NT Projects wholly or partially overlap current petroleum onshore reserves:

Tenement	Petroleum Reserve
EL31774	Current Petroleum Onshore Reserves RB51, RB56, RB167 and RB225.
ELA31828	Current Petroleum Onshore Reserve RB144.

A petroleum reserved block is an area of land which forbids the exploration or drilling for petroleum resources.



The Mineral Titles Act provides that an area of land is considered a reserve if it is defined to be so under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), the *Territory Parks and Wildlife Conservation Act 1976* (NT) or the *Cobourg Peninsula Aboriginal Land, Sanctuary and Marine Park Act 1981* (NT).

The Mining Management Act excludes petroleum, as that term is defined in the Petroleum Act, from the definition of mineral. This means that those areas identified as petroleum reserves on the NT Projects are unlikely to be affected by granted petroleum permits or licences in the future.

## 6. ABORIGINAL HERITAGE

### 6.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) seeks to preserve and protect all Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

### 6.2 Western Australian legislation

Tenements located in Western Australia are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DPLH or the Aboriginal Cultural Material Committee).

An Aboriginal site is defined under the WA Heritage Act to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent. Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites. Tenement holders customarily consult with Aboriginal traditional owners of the tenement land and undertake Aboriginal heritage surveys to ascertain whether any Aboriginal sites exist and to avoid inadvertent disruption of these sites.

The consent of the Minister for Aboriginal Affairs (WA) is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site. This requires submissions from the tenement holder to the DPLH on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.

### 6.3 Western Australian Heritage Sites

No Aboriginal Registered Sites or Other Heritage Places were identified on the Kenny Lithium Project from the Heritage Searches. However, there is no obligation under the relevant legislation to register sites or objects and the exact location of Aboriginal sites within the area of a known site cannot be ascertained from these searches.

It is important to note that an Aboriginal site may:

- (a) exist in any area of Western Australia;
- (b) not have been recorded in the Register of Aboriginal Sites or elsewhere; and
- (c) not have been identified in previous heritage surveys or reports on that area,

but remains fully protected under the WA Heritage Act . Therefore, the absence of any reference to an Aboriginal site of interest from the Aboriginal Heritage Inquiry System is not conclusive.

We have not obtained information from the Commonwealth in connection with any places, areas and objects, which are registered or recognised in the National Heritage List, the Commonwealth Heritage List or other heritage lists or registers maintained by the Commonwealth.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

### 6.4 Northern Territory legislation

The NT Projects are subject to the *Heritage Act 2011* (NT) (**NT Heritage Act**) which provides for the conservation of the Northern Territory's cultural and natural heritage.

It is an offence under the NT Heritage Act to knowingly engage in conduct that results in the damage of a heritage place or heritage object (collectively referred to as archaeological sites), unless it is approved in accordance with the NT Heritage Act.

"Heritage places" and "heritage projects" are places and objects that have been declared to be such under the NT Heritage Act. Broadly, an archaeological place includes a place relevant to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists. An "archaeological object" generally includes a relic relevant to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory.

### 6.5 Northern Territory heritage sites

As set out in Part III of this Report, no nominated, provisional or declared heritage places have been located on ELA31828 or EL31774. There are also no previously recorded Aboriginal archaeological sites located on ELA31828. Numerous

archaeological sites have been recorded on EL31774. Refer to Part III of this Report for further details of these archaeological sites.

Undiscovered archaeological sites may exist within the NT Projects. It is recommended the Company conduct comprehensive archaeological surveys of the NT Projects prior to commencing exploration activities to avoid breaching the NT Heritage Act or the *Aboriginal Sacred Sites Act 1989* (NT) (**Sacred Sites Act**).

## 6.6 Northern Territory sacred sites

The NT Projects are subject to the Sacred Sites Act which provides for the protection of all sacred sites (**Sacred Sites**) in the Northern Territory.

Sacred Sites are defined under the Sacred Sites Act and the ALRA as sites which are sacred to Aboriginals or are otherwise significant to Aboriginal tradition, and includes any land that, under a law of the Northern Territory, is declared to be sacred to Aboriginals or significant to Aboriginal tradition.

The Aboriginal Areas Protection Authority (**AAPA**) maintains records of Sacred Sites which have been made known to the AAPA by Aboriginal custodians and includes registered and recorded Sacred Sites. A registered Sacred Site is a site that has been comprehensively documented and evaluated by the AAPA and added to the register of Sacred Sites. Sites which have been identified to the AAPA by Aboriginal custodians that have not been evaluated or registered under the Sacred Sites Act are referred to as recorded Sacred Sites and include recorded sacred burial sites.

There is no obligation to register Sacred Sites and accordingly the register of Sacred Sites is not considered comprehensive.

It is an offence to enter onto, work on, or desecrate a Sacred Site other than in accordance with the Sacred Sites Act.

A person proposing to carry out works on tenements in the Northern Territory may apply for an authority certificate from the AAPA (**Authority Certificate**). The AAPA may issue an Authority Certificate if it is satisfied that the works to be undertaken can proceed without substantive risk or interference with or near a Sacred Site, or the applicant and the Aboriginal custodians of that Sacred Site have reached an agreement. An Authority Certificate may detail the areas of the land the proposed work may be undertaken, identify which areas of the land are restricted, and impose any conditions it deems necessary.

As at the date of this Report, the Company confirms that it has not applied for any Authority Certificates.

The Sacred Sites Act prohibits disclosure of information considered secret under Aboriginal tradition that is acquired by a process under the Sacred Sites Act.

We do not provide certainty as to the extent of any Sacred Sites which may be located on the NT Projects.

The Company should conduct searches of the register maintained by the Northern Territory Department of Tourism and Culture and the Register of Sacred Sites maintained by the AAPA prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the Sacred Sites Act occur.

The Company, through Synergy, will apply for any Authority Certificates from the AAPA to ensure compliance with Aboriginal heritage legislation. Authority Certificates are usually issued by the AAPA within 6 months of application.

## 7. NATIVE TITLE

### 7.1 General

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands<sup>1</sup>. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring exclusive possession such as a freehold interest in the land; or
- (b) in part by the grant of an interest conferring non-exclusive possession including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The *Native Title Act 1993 (Cth)* (**NTA**):

- (a) provides a process for indigenous people to claim native title rights<sup>2</sup> and compensation<sup>3</sup>;
- (b) confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State governments<sup>4</sup>; and
- (c) specifies the procedures requiring compliance to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid.

The NTA has been adopted in Western Australia by the enactment of the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 (**Titles Validation and Native Title Act**).

In the Northern Territory, the NTA has been adopted by the enactment of the *Validation of Titles and Actions Amendment Act 1998 (NT)*.

### 7.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims (**RNTC**) maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their

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<sup>1</sup> *Mabo v Queensland (No 2)* (1992) 175 CLR 1

<sup>2</sup> Parts 3 and 4 of the NTA

<sup>3</sup> Part 3, Division 5 of the NTA

<sup>4</sup> Part 2, Division 2 of the NTA

native title claim is registered at the time the State issues a notice of the proposed grant of the mining tenement (**Section 29 Notice**), or if their claim becomes registered within four months after the Section 29 Notice.

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register (**NNTR**).

### **7.3 Grant of tenements and compliance with the NTA**

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the State is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court subsequently determines that native title rights exist over the land subject to the tenement.

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the **Future Act** procedures) include four alternatives:

1. the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
2. the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences;
3. an indigenous land use agreement; and
4. the infrastructure process.

Future Act procedures are provided below.

### **7.4 Right to negotiate**

The primary Future Act procedure prescribed by the NTA is the right to negotiate.

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the State government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is six months from the date on which the State issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial six month period, any party may refer the matter to arbitration before the NNNT, which then has six (6) months to determine whether the tenement can be granted and if so, on what conditions.

## 7.5 Expedited procedure

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land or waters, the NTA permits the State to follow an expedited procedure for the grant of a tenement.

The State applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of four months following the issue of the Section 29 Notice by the State (**Objection Period**).

If no objections are lodged or if the objections are withdrawn, the State may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.

If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the Expedited Procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement.

The DMIRS currently has a policy of requiring applicants for prospecting licences and exploration licences to sign and send a Regional Standard Heritage Agreement (**RSHA**) to the registered native title claimant, or prove they have an existing RSHA or Alternative Heritage Agreement in place.

The RSHA provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

If the registered native title claimant does not execute the RSHA within the Objection Period (and no objections are otherwise lodged), the tenement may still be granted at the expiry of the Objection Period. If the tenement applicant refuses or fails to execute or send the RSHA to the registered native title holder, the DMIRS will process the application under the right to negotiate procedure.

## 7.6 Indigenous land use agreement

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (**ILUA**) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

### **7.7 Infrastructure process**

The right to negotiate and expedited procedures also do not apply for grants of tenements for the sole purpose of the construction of an infrastructure facility.

In Western Australia, the DMIRS applies the infrastructure process to most miscellaneous licences and general purpose leases, depending on their purpose. For these types of tenements, an alternative consultation process applies, and in the absence of an agreement between the native title claimants and the applicant, the matter can be referred to an independent person for determination.

The Northern Territory follows the same infrastructure process for those mineral title applications that are for ancillary purposes only. That is, the ancillary purpose is for the construction of an infrastructure facility (as that term is defined under section 253 of the NTA) associated with mining.

### **7.8 Renewals**

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

### **7.9 Native title claims and determinations affecting the Tenements**

Our searches indicate: that the Kenny Lithium Project is wholly (100%) within the external boundaries of the Ngjadu native title determination (WCD2014/004) as specified in Part III.

### **7.10 Indigenous land use agreements affecting the Tenements**

As at the date of this Report, there are no registered ILUA's in respect of the Tenements.

## **8. QUALIFICATIONS AND ASSUMPTIONS**

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNNT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to mining or mineral titles already granted, we have assumed that the applicant strictly complied with all requirements under the Mining Act with respect to E63/1888 and the Mineral Titles Act with respect to EL31774 during the application process;
- (f) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (g) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (h) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (i) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (j) references in Parts I, II and III of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (k) the information in Parts I, II and III of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (l) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (m) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation in Western Australia, or consulted the Contaminated Sites Register maintained by the Northern Territory Environment Protection Authority ;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of



those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and

- (o) Aboriginal heritage sites or objects (as defined in the WA Heritage Act, the NT Heritage Act, or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or Sacred Sites Act respectively or is the subject of a declaration under the Commonwealth Heritage Act other than the Heritage Searches. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

## 9. LIMITATION OF LIABILITY

We do not accept any liability, nor shall we be liable for anything stated in or done in connection with the documents reviewed, this Report or any related enquiries and work:

- (a) for any aspect, issue, subject or consideration which falls outside the scope of the review as set out in Section 1 of this Report; or
- (b) for any incorrect or incomplete information provided to us.

Without limiting the foregoing, the partners and employees of Steinepreis Paganin or any of its affiliates shall not be liable in their personal capacity for any claim whatsoever arising, directly or indirectly, in connection with any advice or opinions given in, views expressed in, errors in, or omissions from, this Report, and all such claims shall be enforceable only against the partnership and may be satisfied only from the assets of the partnership, including the partnership's professional indemnity cover (and not from the personal estates of any individual referred to above).

## 10. CONSENT

This Report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



**STEINEPREIS PAGANIN**

**PART I – TENEMENT SCHEDULE – WESTERN AUSTRALIA**

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	NON-STANDARD CONDITIONS AND ENCUMBRANCES	REGISTERED DEALINGS / ENCUMBRANCES
E63/1888	Synergy Prospecting Pty Ltd (ACN 622 779 980)	100/100	26/10/2018	25/10/2023	70 BL	Rent year ending 25/10/2024: \$26,320	For expenditure year ended 25/10/2022: \$70,000 (actual expenditure \$166,889.17 – expenditure lodged 26/10/2022) For expenditure year ended 25/10/2021: \$70,000 (actual expenditure \$26,801.18). Application for exemption from expenditure lodged with DMIRS on 23/12/2021. Application for exemption from expenditure refused 16/08/2022; Pecuniary penalty of \$4,319 imposed, paid in full before due date.	Non-standard conditions: nil Non-standard endorsements: Refer to Table 1.	

**Key to Tenement Schedule**

E – Exploration Licence

References to numbers in the Notes column refers to the notes following this table.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part III of this Report for further details on native title and Aboriginal heritage matters.

**Notes:**

**Table 1: Non-standard endorsements – Tenement E63/1888**

ENDORSEMENTS	
1.	<p><b>In respect to Proclaimed Ground Water Areas (GWA 21 Goldfields) the following endorsement applies:</b></p> <p>The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.</p>

**Table 2: Tengraph interests**

	Land Type	Description
1.	Historical Pastoral Lease (C)	<p>A Historical Pastoral Lease is a pastoral lease which has been surrendered, the boundaries of which, are still recorded and recognised by the State on the DMIRS Tengraph register. The obligations attached to a Pastoral Lease under the Mining Act, do not apply to a Historical Pastoral Lease. As such, the tenement holder will not be required to seek consent of any pastoral lease holder or enter into any compensation agreements in relation to a Historical Pastoral Lease.</p> <p>E63/1888 overlaps with Historical Pastoral Lease (C) Land ID 393 418 (39.45%)</p>
1.	Unallocated Crown Land	<p>Unallocated crown land is crown land in which no proprietary interest other than native title is known to exist, and which is not reserved, declared or otherwise dedicated under the Land Administration Act 1997 (WA).</p> <p>E63/1888 overlaps with 1 parcel of Unallocated Crown Land (100%)</p>
2.	Ground Water Area (GWA)	<p>Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems.</p> <p>Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914.</p> <p>There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water and Environmental Regulation is responsible for managing proclaimed areas under the Act.</p> <p>E63/1888 overlaps with GWA 21 - Groundwater Area Goldfields (100.00%)</p>
3.	Mineralisation Zone (MZ)	<p>Mineralisation Zones are areas of the state that represent Brown Field areas where exploration licence applications are restricted to a maximum of 70 Blocks. Outside of these areas, (Green Field), exploration licence applications are permitted up to 200 blocks.</p> <p>Mineralisation Zones are designated areas under Section 57 - Mining Act 1978.</p> <p>E63/1888 overlaps with MZ 2 (100.00%)</p>

**PART II – TENEMENT SCHEDULE – NORTHERN TERRITORY**

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	NOTES	REGISTERED DEALINGS / ENCUMBRANCES
EL31774	Synergy Prospecting Pty Ltd (ACN 622 779 980)	100/100	15/02/2019	14/02/2025	92 BL	Previous Tenement Year -\$6,992 (paid) Current Tenement Year – \$14,536 (paid)	Covenant expenditure for expenditure year ending 14/02/22: \$60,000. Actual expenditure \$70,649.20 Proposed expenditure for operational year ending 14/02/2023: \$450,000	Refer to Tables 1 and 2 of Part II.	There are no registered dealings against EL31774.
ELA31828	Synergy Prospecting Pty Ltd (ACN 622 779 980)	100/100	Application (Date applied: 19/02/2018)	N/A	250 BL	N/A.	N/A.	N/A.	There are no registered dealings against ELA31828.

**Key to Tenement Schedule**

EL – Exploration Licence

ELA – Exploration Licence Application

EMEL - Extractive Mineral Exploration Licence

EP - Onshore Exploration Permit

GEP - Geothermal Exploration Permit

References to numbers in the Notes column refers to the notes following this table.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

**Table 1: Conditions – Tenement EL31774**

1.	EL31774 is subject to standard conditions which require the holder to pay rent, meet the minimum expenditure, provide annual reports to the Department of Industry, Tourism and Trade, comply with the Mineral Titles Act and hold valid authorisations to explore consistent with the requirements under the <i>Mining Management Act 2001</i> (NT).
2.	EL31774 is also subject to further conditions which require consultation with Native Title Parties, site protection, minimisation of environmental impact and environmental rehabilitation requirements.

**Table 2: Non-Standard Conditions – Tenement EL31774**

1.	The title holder must ensure that a minimum amount of \$30,000 in the first operational year and \$45,000 in the second operational year, is expended in carrying out exploration activities in the title area
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**Table 3: Concurrent interests – Tenement EL31774**

	Land Type	Description												
1.	Vacant Crown Land	Vacant Crown Land is defined in the Mineral Titles Act as land in relation to which no person is recorded in the land register as a registered owner or registered proprietor. Where the vacant Crown land is subject to a licence granted under the <i>Crown Lands Act 1992</i> (NT), a person may conduct preliminary exploration on the vacant Crown Land by first giving the licence holder notice of the intention to do so (or taking or reasonable steps to give notice). EL31774 partially overlaps vacant Crown land as set out in the table below. <table border="1" data-bbox="465 962 2072 1420"> <thead> <tr> <th>Hundreds</th> <th>Parcel Numbers</th> </tr> </thead> <tbody> <tr> <td>Hundreds of Hughes</td> <td>67, 901, 903, 907, 911,1706, 1707, 1719, 1724, 1725, 1726,1727, 1732, 1733, 1734, 1735, 2522, 2523, 2536, 2537, 2548, 2562, 2563, 2564, 2699, 2702, 2703, 2704, 2742 and 2746.</td> </tr> <tr> <td>Hundreds of Cavenagh</td> <td>41, 42, 43, 44, 45, 47, 48, 49, 68, 69, 71, 612, 613, 773, 774, 775, 776, 777, 779, 780, 781, 782, 783, 784, 787, 788, 790, 791, 1708, 1709, 1710, 1713, 1717, 1718,1740, 1748, 1749, 2355 and 2408.</td> </tr> <tr> <td>Hundreds of Ayers</td> <td>1663, 1664, 1680, 1681,1682, 1685, 1686, 1687, 1690, 1692, 1769, 1720, 1770, 1772, 1773, 1775, 1776, 1777, 1778, 1780, 1825, 1826, 1827, 1828, 1829, 1830 and 1832.</td> </tr> <tr> <td>Townsite of Tumbling Waters</td> <td>Lot 1, 2, 3, 5, 6, 7, 9, 11, 28, 29, 30, 31, 32 and 33.</td> </tr> <tr> <td>Hundreds of Parsons</td> <td>1 and 2.</td> </tr> </tbody> </table>	Hundreds	Parcel Numbers	Hundreds of Hughes	67, 901, 903, 907, 911,1706, 1707, 1719, 1724, 1725, 1726,1727, 1732, 1733, 1734, 1735, 2522, 2523, 2536, 2537, 2548, 2562, 2563, 2564, 2699, 2702, 2703, 2704, 2742 and 2746.	Hundreds of Cavenagh	41, 42, 43, 44, 45, 47, 48, 49, 68, 69, 71, 612, 613, 773, 774, 775, 776, 777, 779, 780, 781, 782, 783, 784, 787, 788, 790, 791, 1708, 1709, 1710, 1713, 1717, 1718,1740, 1748, 1749, 2355 and 2408.	Hundreds of Ayers	1663, 1664, 1680, 1681,1682, 1685, 1686, 1687, 1690, 1692, 1769, 1720, 1770, 1772, 1773, 1775, 1776, 1777, 1778, 1780, 1825, 1826, 1827, 1828, 1829, 1830 and 1832.	Townsite of Tumbling Waters	Lot 1, 2, 3, 5, 6, 7, 9, 11, 28, 29, 30, 31, 32 and 33.	Hundreds of Parsons	1 and 2.
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Townsite of Tumbling Waters	Lot 1, 2, 3, 5, 6, 7, 9, 11, 28, 29, 30, 31, 32 and 33.													
Hundreds of Parsons	1 and 2.													

	Land Type	Description										
2.	Freehold/Private Land	<p>Private land is defined under the Mineral Titles Act as land in relation to which a person is entitled to a fee simple interest or a lease from the Crown under the Crown Lands Act 1992 (NT) or the Special Purposes Leases Act 1953 (NT) (<b>Private Land</b>). EL31774 overlaps with Private Land as set out in the table below.</p> <table border="1"> <thead> <tr> <th>Hundreds</th> <th>Parcel Numbers</th> </tr> </thead> <tbody> <tr> <td>Hundreds of Hughes</td> <td>902, 904, 905, 906, 908, 909, 910, 964, 965, 1723, 2565, 2698, 2711, 2712, 2713, 2735, 2736, 2737 and 2739.</td> </tr> <tr> <td>Hundreds of Cavenagh</td> <td> <p>Sections 40, 46, 70, 618, 619, 778, 785, 786, 789, 792, 1712, 1715, 1746, 1747, 1750, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2305, 2374, 2440, 2491, 2598, 2599, 2748, 2747, 2780, 2781, 2794, 2795, 2796, 2797, 2798, 2877, 2878, 2879, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2809, 2812, 2813, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889</p> <p>Lots: 14, 13, 5, 4, 3, 7, 2, 26, 25, 24, 23, 6, 1, 8, 9, 10, 12 and 11</p> </td> </tr> <tr> <td>Hundreds of Ayers</td> <td>1774.</td> </tr> <tr> <td>Townsite of Tumbling Waters</td> <td>Lot 4 and 8.</td> </tr> </tbody> </table>	Hundreds	Parcel Numbers	Hundreds of Hughes	902, 904, 905, 906, 908, 909, 910, 964, 965, 1723, 2565, 2698, 2711, 2712, 2713, 2735, 2736, 2737 and 2739.	Hundreds of Cavenagh	<p>Sections 40, 46, 70, 618, 619, 778, 785, 786, 789, 792, 1712, 1715, 1746, 1747, 1750, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2305, 2374, 2440, 2491, 2598, 2599, 2748, 2747, 2780, 2781, 2794, 2795, 2796, 2797, 2798, 2877, 2878, 2879, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2809, 2812, 2813, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889</p> <p>Lots: 14, 13, 5, 4, 3, 7, 2, 26, 25, 24, 23, 6, 1, 8, 9, 10, 12 and 11</p>	Hundreds of Ayers	1774.	Townsite of Tumbling Waters	Lot 4 and 8.
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Hundreds of Ayers	1774.											
Townsite of Tumbling Waters	Lot 4 and 8.											
3.	Area set aside	<p>EL31774 overlaps partially with land owned by the Northern Territory Government which is set aside for government services as set out in the table below.</p> <table border="1"> <thead> <tr> <th>Hundreds</th> <th>Parcel Numbers</th> </tr> </thead> <tbody> <tr> <td>Hundreds of Hughes</td> <td>2750</td> </tr> </tbody> </table>	Hundreds	Parcel Numbers	Hundreds of Hughes	2750						
Hundreds	Parcel Numbers											
Hundreds of Hughes	2750											
4.	Current Petroleum Onshore Reserve	EL31774 overlaps wholly or partially with current petroleum reserves: RB51, RB56, RB167, and RB225.										
5.	Sites of Conservation Significance	Sites of conservation significance are identified in the Northern Territory as areas important for biodiversity conservation that require further protecting. Where planned exploration activities fall within a site of conservation significance an application for Authorisation and approval of a Mining Management Plan ( <b>MMP</b> ) may be referred to the Environmental Protection Authority ( <b>NT EPA</b> ) for assessment pursuant to section the Mining Management Act 2001 and the NT Environment Protection Act). EL31774 partially overlaps with the Site of Conservation Significance										

	Land Type	Description
		(Darwin Harbour).
6.	Water Control District	The Northern Territory Government identifies water control districts as being areas of the Northern Territory where there is a need for improved management of water resources. EL31774 overlaps with the Darwin Rural Water Control District.
7.	Overlapping Titles	<p>EL31774 overlaps partially with the following granted tenements:</p> <p>(a) EMP31056 (Holder: Seth Pty Ltd);</p> <p>(b) GEP32833 (Holder: Good Water Energy Darwin Pty Ltd (Formerly Good H2 Darwin Pty Ltd));</p> <p>EL31774 overlaps partially with the following applications:</p> <p>(a) EMEL33353 (Applicant: AKJ Services Pty Ltd);</p> <p>(b) EMEL33354 (Applicant: AKJ Services Pty Ltd);</p> <p>(c) EMEL33355 (Applicant: AKJ Services Pty Ltd); and</p> <p>(d) EMEL33356 (Applicant: AKJ Services Pty Ltd).</p>

**Table 4: – Concurrent interests - Tenement ELA31828**

	Land Type	Description
1.	Aboriginal Freehold Land	Aboriginal Freehold Land is inalienable freehold title granted under the provisions of the ALRA. Any granted tenements, or applications for tenements, which overlap Aboriginal Freehold land are subject to the provisions of the ALRA. An application for an exploration licence which partially or wholly overlaps Aboriginal Freehold land will not be granted unless the requirements under Part IV of the ALRA are satisfied. ELA31828 wholly overlaps NT Por 705 - Angarapa Aboriginal Land Trust and NT Por 4029 - Alkwert Aboriginal Land Trust.
2.	Current Petroleum Onshore Reserve	ELA31828 overlaps wholly or partially with current petroleum reserve RB144.
3.	Overlapping Titles	<p>ELA31828 overlaps partially with the following application:</p> <p>(a) EP201 (Applicant: Wiso Oil Pty Ltd)</p>

## PART III – NATIVE TITLE

### NATIVE TITLE DETERMINATIONS

The land under the Kenny Lithium Project is subject the Ngadju Native Title Determination as detailed below.

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	STATUS	TENEMENT AFFECTED	ENCROACHED %
WCD2014/004	WAD6020/1998	Ngadju	Yes	Active	E63/1888	100%

### ILUAs

The land the subject of the Tenements is not subject to any ILUAs.

### HERITAGE & COMPENSATION AGREEMENTS

The Company has confirmed to us that there are no heritage or compensation agreements entered into in relation to the Tenements.

### ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

No Registered Sites or Other Heritage Places noted.

### ABORIGINAL HERITAGE SITES – NORTHERN TERRITORY

Heritage Searches were conducted on the Tenements set out in Section 2.2 of this Report. As noted in Section 6.4, the Heritage Searches indicate that no registered heritage sites were located on the NT Projects, however various archaeological sites have been identified on EL31774 as set out in the table below:

NAME	SITE TYPE	SITE CONTEXT	SIGNIFICANCE
Site 6	Stone artefact scatter, Stone quarry	Slope of low hill adjacent to swampy area	Unknown
Burns MA20 Middle Arm	Stone artefact scatter, quarry	Eucalypt woodland	Unknown
CPR1 Cox Peninsula Road stone arrangements	stone arrangement	on hill	High
CPR2 Cox Peninsula Road stone arrangements [4 stone lines]	stone arrangement	Unknown	High
Pioneer Creek	Stone artefact scatter	Unknown	Unknown
S9	shell midden, historic objects	edge of mangroves next to Southport	Low
Stone Artefact Scatter 1	stone artefact scatter	rocky hill	Low
Background Scatter 4	isolated stone artefact	lower slopes of hill	Low
Background Scatter 7	isolated stone artefact	steep rocky hill	Low
15AS1	stone artefact scatter, grinding place non-portable	small knoll on northern end of ridge	Low



NAME	SITE TYPE	SITE CONTEXT	SIGNIFICANCE
15AS2	stone artefact scatter, grinding place non-portable	stony knoll	Low
15AS3	stone artefact scatter, grinding place non-portable	on knoll	Low
15BS1	isolated stone artefact	Unknown	Low
15BS2	isolated stone artefact	Unknown	Low
MA60	shell midden	between mangroves and tidal creek	High
Iso11	isolated stone artefact	Unknown	Unknown
Iso12	isolated stone artefact	Unknown	Unknown
Iso13	isolated stone artefact	Unknown	Unknown
Iso14	isolated stone artefact	Unknown	Unknown
Iso15	isolated stone artefact	Unknown	Unknown
Iso16	isolated stone artefact	Unknown	Unknown
Iso18	isolated stone artefact	Unknown	Unknown
Iso20	isolated stone artefact	Unknown	Unknown
Iso21	isolated stone artefact	Unknown	Unknown
MA80	stone artefact scatter	end of small narrow peninsula	High
MA81	shell midden, isolated stone artefact	edge of headland on laterite platform	Moderate
MA82	stone artefact scatter	Higher ground that extends into mangroves	Moderate
MA83	stone artefact scatter	crest of low rocky hill	Moderate
MA84	shell scatter	laterite ridge on headland	Moderate
MA85	shell scatter, stone artefact scatter, hearth	midway between 2 creeks on laterite ridge	Moderate
MA86	shell midden	laterite ridge outcrop	Moderate
MA87	shell midden	subsurface midden on High ground	Moderate
MA88	shell midden	large outcrop overlooking mangroves	Moderate
MA89	shell midden, stone artefact scatter	edge of raised hinterland	Moderate
MA90	shell midden	subsurface midden on low rise on small headland	Moderate

NAME	SITE TYPE	SITE CONTEXT	SIGNIFICANCE
MA91	shell midden, isolated stone artefact	low rise on small headland	Moderate
MA92	stone artefact scatter	rocky ridge	Low
MA93	stone artefact scatter	stretch of saltpan near tributary	Low
MA100	shell midden, shell scatter	mound on southern edge of long outcrop on saltpan and shell scatter 30m away	Moderate
MA101	stone artefact scatter	rocky ridge	Low
MA35	shell midden	lateritic ridge overlooking sandy flats	Unknown
MA36	shell midden	raised ground overlooking sandy flats	Unknown
Blackmore River 4	quarry	Unknown	Unknown
Darwin River 2	stone artefact scatter	Unknown	Unknown
Southport 3	stone artefact scatter	Unknown	Unknown
Darwin River 2	stone artefact scatter	Unknown	Unknown

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**ANNEXURE C – INVESTIGATING ACCOUNTANT’S REPORT**

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10 January 2023

The Directors  
Evergreen Lithium Limited  
Suite 205  
9-11 Claremont Street  
SOUTH YARRA VIC 3141

Dear Sirs

**Investigating Accountant's Report on Evergreen Lithium Limited historical and pro-forma historical financial information**

We have been engaged by *Evergreen Lithium Limited* and its controlled entities ("the Group") to report on the historical financial information and pro-forma historical financial information of the Group for inclusion in a Prospectus document dated on or around 10 January 2023 and relating to the issue of up to 28,000,000 fully paid ordinary shares in the capital of the Group (Shares) at an issue price of \$0.25 per Share, to raise up to \$7,000,000 ("the document").

Expressions and terms defined in the document have the same meaning in this report.

**Scope**

*Historical Financial Information*

You have requested William Buck to review the following historical financial information of the Group (the responsible party) included in the public document:

1. the Group's statutory historical financial information for the financial period 21 January 2022 to 30 June 2022 (FY22) comprising:
  - a. the audited consolidated statement of profit or loss and other comprehensive income for FY22;
  - b. the audited consolidated statement of financial position as at 30 June 2022;
  - c. the audited consolidated cash flow statement for FY22; and
2. the statutory historical financial information of the combined entity comprising Lithium Supplies Pty Ltd (Lithium Supplies) and Lithium Technologies Pty Ltd (Lithium Technologies) and their controlled entity Synergy Prospecting Pty Ltd (Synergy) (together, the combined entity) for the financial years ended 30 June 2020, 2021 and 2022 comprising:
  - a. the audited combined statements of profit or loss and other comprehensive income;
  - b. the audited combined statements of financial position; and
  - c. the audited combined cash flow statements,

**Scope** *(Continued)*

*Historical Financial Information*

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies, which are disclosed in the financial information section of the Prospectus document. The historical financial information has been extracted from the general purpose financial report of the Group for the period from the Group's incorporation through to 30 June 2022, which were audited by William Buck Audit (Vic) Pty Ltd ("William Buck") in accordance with the Australian Auditing Standards.

William Buck issued an unmodified audit opinion on the financial report. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

*Pro-forma historical financial information*

You have requested William Buck to review the Group's audited statutory historical consolidated statement of financial position as at 30 June 2022, and pro-forma statement of financial position at 30 June 2022 based on the Subscription scenario set out in this Prospectus referred to as "the **Pro Forma Historical Statement of Financial Position**".

The pro-forma historical financial information has been derived from the historical financial information of the Group, after adjusting for the effects of pro-forma adjustments described in the financial information section of the Prospectus document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events and transactions to which the pro-forma adjustments relate, as described in the financial information section of the Prospectus document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical information does not represent the Group's actual or prospective financial position or financial performance.

**Directors' responsibility**

The directors of the Group are responsible for the preparation of the historical financial information and pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the historical financial information and include in the pro-forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro-forma historical financial information that are free from material misstatement, whether due to fraud or error.

**Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

**Our responsibility** *(Continued)*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Accounting Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

**Conclusions**

*Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the financial information section of the Prospectus document, and comprising:

1. the Group's statutory historical financial information for the financial period 21 January 2022 to 30 June 2022 (FY22) comprising:
  - a. the audited consolidated statement of profit or loss and other comprehensive income for FY22;
  - b. the audited consolidated statement of financial position as at 30 June 2022;
  - c. the audited consolidated cash flow statement for FY22; and
2. the statutory historical financial information of the combined entity comprising Lithium Supplies Pty Ltd (Lithium Supplies) and Lithium Technologies Pty Ltd (Lithium Technologies) and their controlled entity Synergy Prospecting Pty Ltd (Synergy) (together, the combined entity) for the financial years ended 30 June 2020, 2021 and 2022 comprising:
  - a. the audited combined statements of profit or loss and other comprehensive income;
  - b. the audited combined statements of financial position; and
  - c. the audited combined cash flow statements,

...is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the financial information section of the Prospectus document.

*Pro-forma historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the **Pro Forma Historical Statement of Financial Position** being the Group's audited statutory historical consolidated statement of financial position as at 30 June 2022, and pro-forma statement of financial position at 30 June 2022 based on the Subscription scenario set out in this Prospectus is not presented fairly in all material aspects, in accordance with the stated basis of preparation as described in the financial information section of the Prospectus document.

**Restriction on Use**

Without modifying our conclusions, we draw attention to the financial information section of the Prospectus document which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

William Buck has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

**Liability**

*Responsibility*

Consent to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it appears has been given but should not be taken as an endorsement of the Group or a recommendation by William Buck of any participation in the share issue by any intending investors. At the date of this report our consent has not been withdrawn.

*General Advice Limitation*

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

**Declaration of Interest**

William Buck does not have any interest in the outcome of the issue of shares other than in the preparation of this Investigating Accountant's Report for which normal professional fees will be received.

Yours faithfully



**William Buck Audit (Vic) Pty Ltd**

ABN 59 116 151 136



**J.C. Luckins**

Director

Dated in Melbourne, Australia this 10<sup>th</sup> day of January 2023

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**ANNEXURE D – INDEPENDENT EXPERTS REPORT ON ZEPOS AND DEFERRED MILESTONE SHARES**

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9 January 2023

The Directors  
Evergreen Lithium Limited  
Suite 205, 9-11 Claremont Street  
South Yarra VIC 3141

Dear Directors,

## Independent Expert's Report Relating to the Issue of Performance Securities

### 1 Executive Summary

#### Opinion – Deferred Milestone Shares

- 1.1 In our opinion, the issue of Deferred Milestone Shares (as defined at paragraph 1.5) by Evergreen Lithium Limited ("**Evergreen**" or the "**Company**") as outlined in the prospectus ("**Prospectus**") is considered **NOT FAIR** but **REASONABLE** to the non-participating security holders of Evergreen ("**Non-Participating Security Holders**") as at the date of this report. Our **NOT FAIR** opinion is a result of an inability to form a fairness opinion on hypothetical future values based on reasonable grounds.

#### Opinion – ZEPOs

- 1.2 In our opinion, the issue of zero exercise price options ("**ZEPOs**") by Evergreen to directors and consultants as outlined in the Prospectus is considered **FAIR** and **REASONABLE** to the Non-Participating Security Holders as at the date of this report.

#### Introduction

- 1.3 Stantons Corporate Finance Pty Ltd ("**Stantons**") were engaged by the directors of Evergreen to prepare an Independent Expert's Report ("**IER**") to express an opinion on the fairness and reasonableness of the issue of performance securities in the Company, to Non-Participating Security Holders. This IER accompanies the Prospectus relating to the issue of up to 28,000,000 ordinary shares through an initial public offering ("**IPO**") of Evergreen shares to be listed on the Australian Securities Exchange ("**ASX**"). The prospectus will seek to raise up to \$7,000,000 at an issue price of \$0.25.
- 1.4 As at the date of this report, Evergreen is a public unlisted company that holds a portfolio of prospective lithium assets in Western Australia and the Northern Territory. The Company's flagship project is the Bynoe Lithium Project (formerly the Litchfield Project) in the Northern Territory, which is covered by the exploration permit EL31774 (the "**Bynoe Lithium Project**").
- 1.5 In March 2022, the Company entered into a Sale of Shares Deed (the "**Acquisition Agreement**") to acquire Lithium Technologies Pty Ltd ("**Lithium Technologies**") and Lithium Supplies Pty Ltd ("**Lithium Supplies**"). Pursuant to the Acquisition Agreement, the Company agreed, as part consideration for the acquisition, to issue 50,250,000 ordinary shares to the vendors ("**Vendors**") of Lithium Supplies and Lithium Technologies (together, the "**Target Companies**") at completion, pro rata to their respective holdings in the Target Companies at completion. The Company also agreed to issue shares to the Vendors (pro rata to their respective holdings in the Target

Companies at completion) on a deferred basis to a total value of \$11,000,000 (the “**Deferred Milestone Shares**”). The Deferred Milestone Shares will vest on achieving certain milestones as described below. The number of deferred consideration shares to be issued will be determined by the volume weighted average price (“**VWAP**”) at the time of issue. The Company has estimated that the following Deferred Milestone Shares will be issued.

- i) Shares to the value of \$2,500,000 will be issued on the delimitation by 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 (“**Tranche 1 Deferred Milestone Shares**”).
- ii) Shares to the value of \$2,500,000 will be issued on the delimitation by 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 (“**Tranche 2 Deferred Milestone Shares**”).
- iii) Shares to the value of \$3,000,000 will be issued on the delimitation by 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 (“**Tranche 3 Deferred Milestone Shares**”).
- iv) Shares to the value of \$3,000,000 will be issued on the completion by the Company of a Bankable Feasibility Study in respect of a project comprised within the Litchfield Project site (“**Tranche 4 Deferred Milestone Shares**”).

1.6 Furthermore, the Company proposes to issue the following ZEPOs to directors and consultants to the Company, which are also performance securities.

- i) 2,000,000 ZEPOs will vest upon the Company achieving a VWAP of \$0.50 or more for a continuous period of 20 trading days on or before the date which is 2 years from the date the Company lists on ASX (“**Tranche 1 ZEPOs**”).
- ii) 6,750,000 ZEPOs will vest upon continuous service of directors/consultants for a period of one year from the date the Company lists on ASX (“**Tranche 2 ZEPOs**”).
- iii) 6,750,000 ZEPOs will vest upon continuous service of directors/consultants for a period of two years from the date the Company lists on ASX (“**Tranche 3 ZEPOs**”).

1.7 Collectively, paragraphs 1.5 (Deferred Milestone Shares), and 1.6 are referred to as the “**Performance Security Issue**”.

1.8 On completion of the IPO, the Company is expected to have 181,078,300 ordinary shares on issue, 45,499,999 options and 70,500,000 performance securities.

## **Purpose**

1.9 If the Performance Security Issue is completed, the Deferred Milestone Shares and ZEPOs (collectively, the “**Performance Securities**”) will have the potential to convert into ordinary shares representing approximately 28.02% of Evergreen’s ordinary shares on issue on admission to quotation on ASX, assuming the Deferred Milestone Shares are issued at the proposed floor price of \$0.20 (refer to paragraph 2.11).

1.10 ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in the opinion of ASX, be appropriate and equitable.

1.11 As per ASX GN19, a performance security is

*“...a security that converts, or may convert, into a given number of ordinary shares with all the usual rights attached if and when a nominated performance milestones is achieved.*

...

*An agreement by an entity to issue or transfer ordinary shares in the future if a nominated performance milestone is achieved has the same economic substance and effect as a deliverable performance right and is treated by ASX as if it were a performance security for the purpose of the Guidance Note. This applies even though the parties to the agreement may choose to describe the right to receive ordinary shares under the agreement as something other than “performance right” such as a right to receive “future consideration”, “contingent consideration” or “deferred consideration”. It also applies even though the agreement may not exhibit the usual hallmarks of a traditional security.”*

1.12 Accordingly, the Deferred Milestone Shares and ZEPOs meet the definition of performance securities under ASX GN19, irrespective of whether actual securities are issued as at the date of the Prospectus.

1.13 Pursuant to ASX Guidance Note 19 (“**GN19**”), with respect to the issue of performance securities, unless certain exceptions are applicable, ASX will generally consider it appropriate and equitable, and therefore impose a condition, that the entity obtain a report from an independent expert that complies with the requirements in the Australian Securities and Investment Commission (“**ASIC**”) Regulatory Guide 111 *Content of expert reports* (“**RG 111**”).

1.14 Specifically, it is a requirement to obtain an IER in situations where an entity is applying to be listed on ASX and it has, or proposes to have, performance securities on issue which may, if the milestones are met, convert into ordinary shares (in aggregate) representing greater than 10% of the total ordinary shares the entity proposes to have on issue at the date of admission to quotation.

1.15 For the purpose of ASX GN19, the Deferred Milestone Shares and ZEPOS are considered performance securities. Evergreen will have performance securities on issue exceeding 10% of its total issued capital at the date of admission to ASX.

1.16 The issue of the Performance Securities is explained in the Prospectus at Sections 9 and 10. This IER provides an opinion on the fairness and reasonableness of the issue of the Performance Securities and is attached to the Prospectus.

### ***Basis of Evaluation***

1.17 With regard to ASIC’s RG 111, we do not consider the issue of Performance Securities to be a control transaction, and we therefore consider the Performance Securities to be:

- fair if the value of an Evergreen share at the time the milestones are achieved is greater than the value of an ordinary share at the time the Prospectus is issued; and
- reasonable if it is fair, or if despite not being fair there are sufficient reasons for Non-Participating Security Holders to accept the Performance Securities terms.

### **Fairness Assessment**

#### ***Deferred Milestone Shares***

1.18 With regard to RG 111, ASIC’s Regulatory Guide 170 *Prospective Financial Information* (“**RG 170**”) and Information Sheet 214 *Mining and Resources: Forward Looking Statements* (“**IS 214**”), we do not believe there are reasonable grounds to place a hypothetical future value of a Evergreen ordinary share upon each milestone triggering the issue of the Deferred Milestone Shares, given this would require numerous speculative predictions about circumstances relating to the Bynoe Lithium Project, of which there is currently a lack of certainty. We do not consider assumptions required to predict values that are sufficiently narrow or predictable to determine a future hypothetical value. Further details of our reasoning are set out from Paragraph 6.10.

- 1.19 Accordingly, we are unable to opine on the value of an Evergreen share upon the issue of each tranche of Deferred Milestone Shares. By default, the issue of Performance Securities is therefore considered **NOT FAIR** to Non-Participating Security Holders.

### *ZEPOs*

- 1.20 The fair value of an Evergreen share as at the date issuing the Prospectus was determined using a market based method based on the Company's proposed issue price under the Prospectus. Accordingly, we assessed the fair value to be \$0.25.
- 1.21 The fair value of an Evergreen share as at the date of meeting the vesting conditions was assessed based on the expected market price upon the achievement of the vesting condition which is pre-determined by definition. Accordingly, the fair value was assessed as the VWAP hurdle price for the Tranche 1 ZEPOs, and the current share price for the Tranche 2 and 3 ZEPOs as set out below.

**Table 1. Evergreen Fair Value on Achieving Milestones**

Performance Security	Value on achieving milestone (\$)
Tranche 1 ZEPOs	0.50
Tranche 2 ZEPOs	0.25
Tranche 3 ZEPOs	0.25

*Source: Stantons analysis*

- 1.22 Our fairness opinion for each tranche of Performance Securities is as set out below.
- 1.23 Accordingly, as the assessed fair value of each tranche of ZEPOs on achieving the respective vesting condition is greater than or equal to the price as at the issue date of the Prospectus, we consider the issue of the ZEPOs are **FAIR** to Non-Participating Security Holders.
- 1.24 We note the conversion of Performance Securities into ordinary shares will have a dilutive impact on the non-participating ordinary shareholders. We have not included a dilution factor adjustment in our fairness assessment as knowledge of the Performance Securities, and therefore their potential dilution impact, is incorporated in the IPO issue price.

### **Reasonableness Assessment**

- 1.25 We considered the following likely advantages and disadvantages of the issue of Performance Securities to Non-Participating Security Holders.

**Table 2. Reasonableness Assessment**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>▪ The issue of ZEPOs is considered fair</li> <li>▪ Achievement of each milestone may be value accretive to Evergreen</li> <li>▪ Issue of the Deferred Milestone Shares is based on the VWAP of Evergreen's shares at the time</li> <li>▪ Consideration is structured to align the interests of Non-Participating Security Holders, the vendors of Lithium Supplies and Lithium Technologies, and the Company's directors and consultants</li> <li>▪ Performance shares are deferred and contingent consideration rather than cash</li> </ul>	<ul style="list-style-type: none"> <li>▪ Dilution of Non-Participating Security Holder's interests</li> </ul>

*Source: Stantons analysis*

## Conclusion

### *Deferred Milestone Shares*

- 1.26 In our opinion, the proposed issue of the Deferred Milestone Shares is **NOT FAIR** but **REASONABLE** to the Non-Participating Security Holders of Evergreen, due to the inability to form an opinion on the value before and after the issue of Performance Securities with reasonable grounds.

### *ZEPOs*

- 1.27 In our opinion, the proposed issue of the ZEPOs is **FAIR** and **REASONABLE** to the Non-Participating Security Holders of Evergreen.

**Table 3. Opinion Summary**

Performance Security	Reasonable Grounds	Opinion
Tranche 1 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 2 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 3 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 1 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 1 ZEPOs	Yes	Fair and reasonable
Tranche 2 ZEPOs	Yes	Fair and reasonable
Tranche 3 ZEPOs	Yes	Fair and reasonable

*Source: Stantons analysis*

- 1.28 These opinions must be read in conjunction with the more detailed analysis included in this report, together with the disclosures, Financial Services Guide, and appendices to this report.

## Financial Services Guide

Dated 9 January 2023

### Stantons Corporate Finance Pty Ltd

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorised to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without considering your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

### Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be A\$27,000 exclusive of GST.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

## **Remuneration or other benefits received by our employees**

Stantons employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

## **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## **Associations and relationships**

Stantons is ultimately a wholly-owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, Stantons and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

## **Complaints resolution**

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer  
Stantons Corporate Finance Pty Ltd  
Level 2  
40 Kings Park Road  
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

### *Referral to External Dispute Resolution Scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited  
GPO Box 3  
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular, our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum

insured for Stantons and our authorised representatives/representatives/employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative/representative/employee who has ceased work with Stantons for work done whilst engaged with us.

**Contact details**

You may contact us using the details set out above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.



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## 2 Capital Structure Summary

### Overview

- 2.1 The Company's proposed capital structure as at the time of listing on ASX is as set out below.
- 2.2 We note the number of Deferred Milestone Shares is indicative and the actual number will be determined by the VWAP of the Company's shares at the time each milestone is met. Accordingly, the percentages in the diluted scenarios are also indicative. We assumed the number of Deferred Milestone Shares to align with the numbers presented in the Prospectus (refer to Paragraph 2.7).

**Table 4. Capital Structure Impact of the Performance Security Issue**

Security	Number	Undiluted percentage (%)	Diluted for Performance Securities only (%)	Fully Diluted (%)
<b>Ordinary Shares</b>				
Ordinary shares currently on issue	153,078,300	84.54	60.85	51.53
IPO shares to be issued	28,000,000	15.46	11.13	9.43
<b>Total ordinary shares</b>	<b>181,078,300</b>	<b>100.00</b>	<b>71.98</b>	<b>60.95</b>
<b>Deferred Milestone Shares</b>				
Tranche 1 Deferred Milestone Shares	12,500,000		4.97	4.21
Tranche 2 Deferred Milestone Shares	12,500,000		4.97	4.21
Tranche 3 Deferred Milestone Shares	15,000,000		5.96	5.05
Tranche 4 Deferred Milestone Shares	15,000,000		5.96	5.05
<b>Total Deferred Milestone Shares (illustrative example)</b>	<b>55,000,000</b>		<b>21.86</b>	<b>18.51</b>
<b>ZEPOs</b>				
Tranche 1 ZEPOs	2,000,000		0.79	0.67
Tranche 2 ZEPOs	6,750,000		2.68	2.27
Tranche 3 ZEPOs	6,750,000		2.68	2.27
<b>Total ZEPOs</b>	<b>15,500,000</b>		<b>6.16</b>	<b>5.22</b>
<b>Total Performance Securities</b>	<b>70,500,000</b>		<b>28.02</b>	<b>23.73</b>
<b>Total ordinary shares and Performance Securities</b>	<b>251,578,300</b>		<b>100.00</b>	<b>84.68</b>
<b>Options</b>				
Options currently on issue	35,000,000			11.78
Options to be issued to Lead Manager	500,000			0.17
Options to be issued to consultants	9,999,999			3.37
<b>Total options</b>	<b>45,499,999</b>			<b>15.32</b>
<b>Fully diluted ordinary shares</b>	<b>297,078,299</b>			<b>100.00</b>

Source: Evergreen Prospectus, Stantons analysis

### Ordinary Shares

- 2.3 Evergreen is an Australian unlisted (at the date of this report) public company that was incorporated on 21 January 2022 for the purpose of acquiring, exploring and developing lithium

assets. The Company is proposing to undertake an IPO of its ordinary shares on the ASX to raise up to \$7,000,000 before costs, via the issue of 28,000,000 ordinary shares at \$0.25 per share.

### *Project Acquisition and Deferred Milestone Shares*

- 2.4 On 29 March 2022, the Company entered into the Acquisition Agreement with the shareholders of Lithium Technologies, Lithium Supplies and Synergy Prospecting Pty Ltd (a jointly owned subsidiary of Lithium Technologies and Lithium Supplies) ("**Synergy Prospecting**") to acquire 100% of the existing capital of each respective company.
- 2.5 Pursuant to the Acquisition Agreement, Evergreen issued a total of 50,250,000 ordinary shares to the vendors of Lithium Technologies and Lithium Supplies, which were distributed proportionately based on the shareholding of each respective shareholder in Lithium Technologies and/or Lithium Supplies. The consideration shares were issued at a deemed issue price of \$0.20 per share.
- 2.6 In addition, the Company will issue ordinary shares as deferred consideration based on the achievement of certain milestones. The Deferred Milestone Shares will be issued over 4 tranches to a value of \$11,000,000, based on the VWAP of Evergreen shares as at the achievement of each milestone. The Deferred Milestone Shares will be issued subject to milestones (the "**Milestones**") as follows.

**Table 5. Deferred Milestone Shares Details**

Tranche	Value (\$)	Milestone
Tranche 1	2,500,000	Delimitation by 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 <sup>1</sup> (as defined below).
Tranche 2	2,500,000	Delimitation by 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 <sup>1</sup> .
Tranche 3	3,000,000	Delimitation by 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 <sup>1</sup> .
Tranche 4	3,000,000	Completion by the Company of a Bankable Feasibility Study in respect of a project comprised within the Litchfield Project site <sup>1</sup> .
<b>Total</b>	<b>11,000,000</b>	

Source: Evergreen Prospectus

- 2.7 The indicative number of Deferred Milestone Shares to be issued under each tranche as contemplated by the Prospectus, which we note is an illustrative example only, is based on a VWAP of \$0.20. If the Deferred Milestone Shares are issued at a price of \$0.20 each, the number of Deferred Milestone Shares issued will be as follows.
- Tranche 1 – 12,500,000 Deferred Milestone Shares
  - Tranche 2 – 12,500,000 Deferred Milestone Shares
  - Tranche 3 – 15,000,000 Deferred Milestone Shares
  - Tranche 4 – 15,000,000 Deferred Milestone Shares
- 2.8 We note that under the Acquisition Agreement the Company must use all reasonable endeavours to satisfy the Milestones as soon as possible. The Company has agreed to expend \$4,000,000 on the exploration of the Bynoe Lithium Project inclusive of reasonable related and administration costs within 3 years of completion of the Acquisition Agreement.
- 2.9 If the Company is not listed at the time a Milestone is met, the Company must make a payment equal to the value as per Table 5 above within 3 months.

<sup>1</sup> Now the Bynoe Lithium Project

- 2.10 If the Company is listed at the time the Milestones are met, the Company shall issue all or part of the Milestone payment to each Vendor as Deferred Milestone Shares in the Company at the VWAP price calculated as follows:

$$n = \text{MP/Evergreen share price}$$

where:

$$n = \text{number of Evergreen shares}$$

MP = the amount(s) of the relevant Milestone Payment payable to that Vendor pursuant to their respective holdings in the Target Companies

Evergreen share price being the VWAP of Evergreen shares in the 10 days on which trades are recorded immediately prior to the date on which the relevant Milestone is satisfied.

- 2.11 We note the Acquisition Agreement contains a provision for the parties to refine or amend the terms of the consideration payable as Deferred Milestone Shares as is necessary to satisfy ASX of the suitability in connection with an IPO. We have been advised that the Deferred Milestone Shares are proposed to be subject to a floor price of \$0.20 in anticipation that ASX will impose such a condition.

### *ZEPOs*

- 2.12 Pursuant to various director Letters of Appointment or Consultancy Agreements, the Company has agreed to issue ZEPOs to directors and consultants subject to the Company successfully listing on ASX. The ZEPOs will have the following vesting conditions

- i) 2,000,000 Tranche 1 ZEPOs will vest upon the Company's shares achieving a VWAP of \$0.50 or more for a continuous period of 20 trading days on or before the date which is two years from the date the Company lists on ASX.
- ii) 6,750,000 Tranche 2 ZEPOs will vest upon continuous service of directors/consultants for a period of one year from the date the Company lists on ASX.
- iii) 6,750,000 Tranche 3 ZEPOs will vest upon continuous service of directors/consultants for a period of two years from the date the Company lists on ASX.

- 2.13 The ZEPOs will be issued to directors and consultants as follows.

**Table 6. ZEPOs Issued**

Recipient	Number of Tranche 1 ZEPOs	Number of Tranche 2 ZEPOs	Number of Tranche 3 ZEPOs	Total ZEPOs
Simon Lill	1,000,000	1,000,000	1,000,000	3,000,000
LAMPAM Pty Ltd	1,000,000	1,000,000	1,000,000	3,000,000
Bayview P.M.F. Pty Ltd	-	1,250,000	1,250,000	2,500,000
Bruce Smith	-	1,250,000	1,250,000	2,500,000
Perkey Pty Ltd	-	1,250,000	1,250,000	2,500,000
Silvis Capital Pty Ltd	-	1,000,000	1,000,000	2,000,000
<b>Total</b>	<b>2,000,000</b>	<b>6,750,000</b>	<b>6,750,000</b>	<b>15,500,000</b>

Source: Evergreen Prospectus

- 2.14 Other key terms that apply to each tranche of ZEPOs include:
- a) each ZEPO may be exercised by the holder to receive one ordinary share at any time between meeting the vesting condition and the expiry date;
  - b) no consideration is payable upon the exercise of each ZEPO;

- c) the expiry date for all ZEPOs will be two years from the date the Company lists on ASX;
- d) the ZEPOs are freely transferable subject to the Corporations Act, ASX Listing Rules and the Company's constitution (unless otherwise specified at the time of issue; and
- e) the ZEPOs will be issued subject to the Company listing on ASX.

#### *Other Options*

- 2.15 In addition to the above ZEPOs, the company has on issue or proposes to issue 45,499,999 options. The options are not subject to any vesting conditions and do not have a nominal exercise price, and accordingly are not considered performance securities for the purpose of ASX GN19<sup>2</sup>. Further details on the terms of the options are contained in Section 10.3 and 10.4 of the Prospectus.

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<sup>2</sup> "Performance Options" for the purpose of ASX GN19 are defined as "an option entitling the holder to subscribe for or purchase ordinary share for a nominal amount or for free which requires the achievement of a nominated performance milestone before it can be exercised"

### 3 Scope

#### Purpose of the Report

- 3.1 If issued, the Performance Securities will have the potential to convert into ordinary shares representing up to 28.02% of Evergreen's ordinary shares on issue at the time of admission to quotation on ASX, assuming the anticipated minimum issue price of \$0.20 for each of the Deferred Milestone Shares, as per the Prospectus.
- 3.2 ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in the opinion of ASX, be appropriate and equitable.
- 3.3 Pursuant to ASX GN19, with respect to performance securities, unless certain exceptions are applicable ASX will generally consider it appropriate and equitable, and therefore impose a condition, that the entity obtains a report from an independent expert that complies with the requirements in ASIC's RG 111.
- 3.4 Specifically, it is a requirement to obtain an IER in situations where an entity is applying to be listed on ASX and it has or proposes to have performance securities on issue which may, if the milestones are met, convert into ordinary shares (in aggregate) representing greater than 10% of the total ordinary shares the entity proposes to have on issue at the date of admission to quotation.
- 3.5 The issue of Performance Securities is explained in the Sections 9 and 10 of the Prospectus. This IER provides an opinion on the fairness and reasonableness of the issue of Performance Securities and is attached to the Prospectus.

#### Basis of Evaluation

- 3.6 In determining the fairness and reasonableness of the Performance Security Issue, we have had regard to the guidelines set out by ASIC's RG111.
- 3.7 RG111 requires a separate assessment of whether a transaction is "fair" and whether it is "reasonable".
- 3.8 We therefore considered the concepts of "fairness" and "reasonableness" separately. The basis of assessment selected and the reasons for that basis are discussed below.
- 3.9 We do not consider the issue of the Performance Securities to be a control transaction for the purpose of RG111.

#### *Fairness*

- 3.10 To assess whether the proposed issue of Performance Securities is fair in accordance with RG111, we sought to compare:
- the fair market value of an Evergreen ordinary share at the time the Prospectus is issued; with
  - the value of an Evergreen share at the time the performance conditions on the Performance Securities are met.
- 3.11 We note that as the issue of Performance Securities is not a control transaction, no control premium should be applied to the valuation.
- 3.12 Fair market value is defined by the International Glossary of Business Valuation Terms as:
- "The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."*
- 3.13 While RG111 contains no explicit definition of value, we believe the above definition of fair market value is consistent with RG111.11 and common market practice.

- 3.14 In considering the fairness of the issue of Performance Securities, we have had regard to ASX's GN 19, which states:
- "... ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.*
- ASX would have no objection to an independent expert expressing a broader view on an issue of performance securities, for example, a statement that while the expert is not able to conclude that the issue is fair or reasonable (as applicable), they regard it as being in the interests of the entity and non-participating security holders to proceed with the issue."*
- 3.15 RG 111 guidance states:
- "An expert's opinion should be based on reasonable grounds.*
- ...
- An expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters in its report unless there are reasonable grounds for the forward-looking information...*
- ...
- RG 170 gives detailed guidance on what we consider is a reasonable basis for stating prospective financial information."*
- 3.16 RG 170 provides the following guidance related to "reasonable grounds":
- "The making of a statement that contains prospective financial must have reasonable grounds or it will be taken to be misleading. To demonstrate reasonable grounds, an issuer must be able to point to:*
- a) some facts or circumstance;*
  - b) existing at the time of publication of the information;*
  - c) on which the issuer in fact relied;*
  - d) which are objectively reasonable; and*
  - e) which supports the information.*
- What constitutes 'reasonable grounds' must be judged according to the facts and circumstances of each case and the requirement of the Corporations Act.*
- ...
- Issuers of prospective financial information need to ensure that all material assumptions, including implied assumptions, are reasonable."*
- 3.17 In light of the above guidance, we have considered whether there are reasonable grounds to assess a fair market value of an Evergreen ordinary share upon the milestone triggers being met for each tranche of the Performance Securities.
- 3.18 For tranches of the Performance Securities that we determined there are reasonable grounds to assess the fair value of an Evergreen share, we assessed the issue of that tranche as fair if the fair value of an Evergreen share on achieving the relevant milestones is greater than the fair value of an Evergreen share at the time of the Prospectus.
- 3.19 For tranches of the Performance Securities where we determined no reasonable grounds were available to assess the value impact of the relevant milestone condition, we assessed the issue of that tranche to be not fair by default, due to our inability to form a fairness opinion.

***Reasonableness***

- 3.20 In accordance with RG111.12, we have defined the proposed Performance Securities issue as being reasonable if it is fair, or if despite not being fair we believe that there are sufficient reasons for the Non-Participating Security Holders to accept the proposal.
- 3.21 We therefore considered whether the advantages to Non-Participating Security Holders of accepting the Performance Securities issue outweigh the disadvantages.

**Individual Circumstances**

- 3.22 We have evaluated the proposed issue of Performance Securities for Non-Participating Security Holders generically. We have not considered the effect on the circumstances of individual investors. Due to their personal circumstances, individual investors may place different emphasis on various aspects of the proposed issue of Performance Securities from those adopted in this report. Accordingly, individuals may reach a different conclusion to ours on whether the proposed issue of Performance Securities is fair and reasonable. If in doubt, investors should consult an independent financial adviser about the impact of the proposed issue of Performance Securities on their specific financial circumstances.



## 4 Profile of Evergreen

### History and Principal Activities

#### *Background*

- 4.1 Evergreen was incorporated on 21 January 2022 for the purpose of acquiring, exploring and developing lithium deposits in Australia. The Company is currently an unlisted public company. The Company is proposing an IPO of its ordinary shares on the ASX, involving the issue of up to 28,000,000 ordinary shares at \$0.25 per share, to raise up to \$7,000,000 (before costs).
- 4.2 On 29 March, the Company entered into a Sale of Shares Deed with the shareholders of Lithium Technologies, Lithium Supplies and Synergy Prospecting (a jointly owned subsidiary of Lithium Technologies and Lithium Supplies) to acquire 100% of the existing capital of each respective company.
- 4.3 Through Synergy Prospecting, Evergreen holds a 100% interest in 3 prospective lithium exploration projects, being the Bynoe Lithium Project (formerly the Litchfield Project), Fortune Project ("**Fortune Project**") and Kenny Project ("**Kenny Project**").

#### *Bynoe Lithium Project*

- 4.4 The Bynoe (Lithium Project is the Company's flagship project, comprising one granted exploration licence (EL31774) covering an area of 230.96 square kilometres in the region south of Darwin Port in the Northern Territory. The Bynoe Lithium Project is located adjacent to the Finniss Project being developed by the ASX-listed Core Lithium Limited, which is currently being developed with production expected to commence in late 2022.

#### *Fortune Lithium Project*

- 4.5 The Fortune Lithium Project comprises one pending application for an exploration licence (EL31828) covering an area of 787.71 square kilometres in the Mount Peake/Sandover region of the Northern Territory, approximately 145 kilometres northeast of Alice Springs. The application for the tenement remains subject to processing under the *Aboriginal Lands Rights Act (Northern Territory) 1976 (Cth)*.

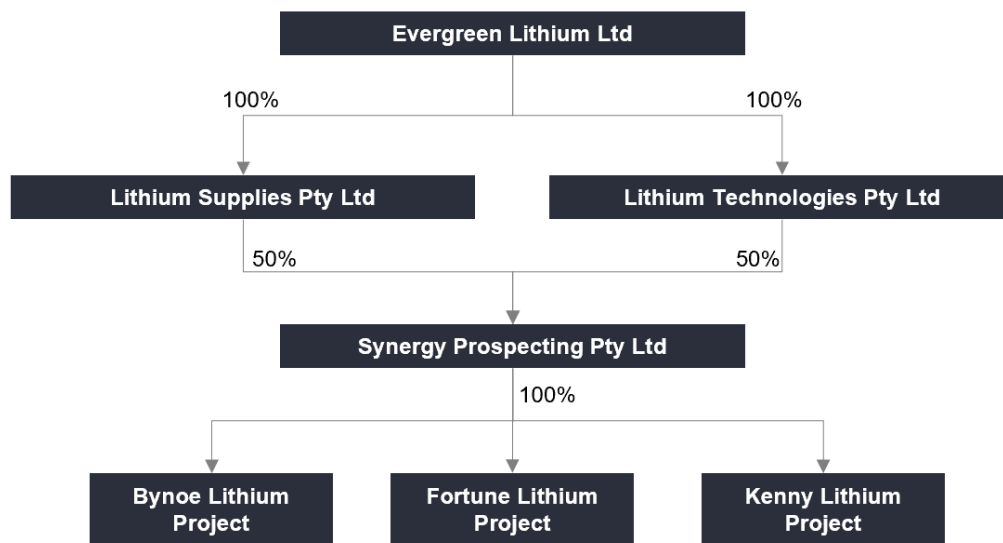
#### *Kenny Lithium Project*

- 4.6 The Kenny Lithium Project comprises one granted exploration licence (E63/1888) covering an area of 210 square kilometres in the Dundas Mineral Field of Western Australia, 50 kilometres east of Norseman.

#### *Corporate Structure*

- 4.7 The corporate structure of the Company is as set out below.

Figure 1. Evergreen Corporate Structure



### *Corporate history*

- 4.8 The Company completed a pre-IPO capital raising of \$6,200,000 (before costs) via the issue of 31,000,000 ordinary shares at \$0.20 per share.

### **Board of Directors**

- 4.9 The current board of directors of Evergreen, as of 9 January 2023, are:
- Mr Simon Lill (Non-Executive Chairman)
  - Mr Peter Marks (Non-Executive Director)
  - Mr Tal Paneth (Non-Executive Director)
  - Mr Christopher Connell (Non-Executive Director)

- 4.10 Refer to Section 8 of the Prospectus for further details.

### **Financial Performance**

- 4.11 Evergreen's audited Statements of Profit or Loss and Other Comprehensive Income for the period from incorporation on 21 January 2022 to 30 June 2022 is set out below.

**Table 7. Evergreen Statement of Profit or Loss and Other Comprehensive Income**

	Audited period from 21 January 2022 to 30 June 2022 (\$)
Corporate and administration costs	(244,514)
Exploration and evaluation costs	(10,866,498)
Transaction costs	(125,752)
Finance costs	(1)
<b>Profit/(loss) before income tax</b>	<b>(11,236,765)</b>
Income tax	-
<b>Profit/(loss) for the year</b>	<b>(11,236,765)</b>
Other comprehensive income for the period, net of tax	-
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>
<b>Total comprehensive loss</b>	<b>(11,236,765)</b>

Source: Evergreen Prospectus

- 4.12 We note the exploration and evaluation costs consist primarily of costs relating to the issue of ordinary shares under the Acquisition Agreement, which were treated as a share based payment under AASB 2, as the acquisition was considered an asset acquisition rather than a business combination under the Australian Accounting Standards.

### Financial Position

- 4.13 Set out below is the audited Statement of Financial Position of Evergreen as at 30 June 2022.

**Table 8. Evergreen Statement of Financial Position**

<b>Audited as at 30 June 2022 (\$)</b>	
<b>Current assets</b>	
Cash and cash equivalents	6,251,212
Other receivables	13,154
<b>Total current assets</b>	<b>6,264,366</b>
<b>Total assets</b>	<b>6,264,366</b>
<b>Current liabilities</b>	
Trade and other payables	(1,201,061)
Borrowings	(50,000)
<b>Total current liabilities</b>	<b>(1,251,061)</b>
<b>Total liabilities</b>	<b>(1,251,061)</b>
<b>Total net assets/(liabilities)</b>	<b>5,013,305</b>
<b>Equity</b>	
Contributed equity	16,250,070
Accumulated losses	(11,236,765)
<b>Total equity</b>	<b>5,013,305</b>

Source: Evergreen Prospectus

- 4.14 Section 6.7 of the Prospectus includes a Statement of Financial Position with pro forma adjustments for events subsequent to 30 June 2022, the IPO and associated transactions.

## 5 Valuation Methodology

### Available Methodologies

- 5.1 In consideration of our fairness assessment of Evergreen, we considered a range of common market practice valuation methodologies in accordance with RG111, including those listed below.
- Capitalisation of future maintainable earnings ("**FME**")
  - Discounted future cash flows ("**DCF**")
  - Asset-based methods ("**Net Assets**")
  - Quoted market prices or analysis of traded share prices
  - Common industry rule-based methodologies
- 5.2 Each of these methods is appropriate in certain circumstances and often more than one approach is applied. The choice of methods depends on several factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of required information.

### Valuation Considerations

#### *Reasonable Grounds for Valuation Assumptions*

- 5.3 After taking into consideration the nature of the milestones relevant to the Deferred Milestone Shares, we do not consider that assumptions with reasonable grounds can be made to derive a hypothetical future value of the Company upon the trigger of the respective milestone conditions for the Deferred Milestone Shares.

#### *ZEPOs*

- 5.4 We note the ZEPOs are subject to share price based or service conditions only. In these scenarios, we believe there are reasonable grounds to establish a value based on a market price based methodology, though there is insufficient reasonable grounds to assess the value under a FME, DCF or Net Assets based methodology.
- 5.5 Accordingly, we assessed and compared the value Evergreen shares on meeting the vesting conditions with the value as at the Prospectus date using a market based methodology, considering recent capital raisings (including the IPO).

## 6 Fairness Evaluation

### Value of Evergreen Shares as at the Prospectus Date of Issue

- 6.1 We used a market based valuation methodology to value Evergreen shares as at the date of the Prospectus. In order to determine the market value, we have considered the Companies recent capital raisings and the issue price proposed by the Prospectus in conjunction with the IPO.
- 6.2 We note the Company's most recently completed capital raising was a pre-IPO raising of \$6,200,000 (before costs) via the issue of 31,000,000 ordinary shares at \$0.20 per share.
- 6.3 The Prospectus will offer up to 28,000,000 ordinary shares at \$0.25 per share to raise up to \$7,000,000. Assuming the IPO completes, the Company will have 181,078,300 ordinary shares on issue, and accordingly the IPO offer represents 15.46% of the ordinary shares of the Company.
- 6.4 We note the IPO shares will be issued on an arm's length basis and believe the issue to represent a substantial portion of the Company's overall equity. Therefore, despite noting that the IPO is yet to receive subscriptions and is not underwritten, we consider it to be appropriate to assume the IPO offer price of \$0.25 per share to be an accurate reflection of the fair value of the Company as at the date of the issue of the Prospectus.
- 6.5 Accordingly, we assessed the fair value of an Evergreen share as at the date of the Prospectus to be \$0.25.

### Fairness Assessment - Deferred Milestone Shares

- 6.6 In determining whether the proposed issue of Deferred Milestone Shares is fair to the Non-Participating Security Holders of Evergreen, we have considered guidance contained in ASIC RG 111, RG 170 and IS 214 (refer to Paragraphs 3.14 to 3.16).
- 6.7 To assess the fairness of the issue of Deferred Milestone Shares, a fair market value of an Evergreen ordinary share must be assessed before and after the issue of the Deferred Milestone Shares. We note this would require an assessment of the future value of Evergreen's projects at the time of meeting each of the milestones of the Deferred Milestone Shares.
- 6.8 The Milestone conditions relating to the vesting of the Tranche 1 Deferred Milestone Shares, Tranche 2 Deferred Milestone Shares and Tranche 3 Deferred Milestone Shares are the achievement of delimitation by the Company of a JORC resource of not less than 4 million, 8 million and 12 million tonnes (in aggregate, and in one or more locations), respectively, at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site<sup>3</sup>.
- 6.9 The Milestone condition relating to the vesting of the Tranche 4 Deferred Milestone Shares is the completion of a Bankable Feasibility Study in respect of a project comprised within the Litchfield Project Site<sup>3</sup>.
- 6.10 Assumptions required to assess a future value on meeting the above Milestones include:
- Likelihood of success of future exploration work;
  - Achievement of a sufficiently defined mineral resource/reserve;
  - Estimates of potential resource/reserve grades;
  - Metallurgy;
  - Feasibility of Evergreen's projects (especially the Bynoe Project to which the Milestones relate), including key economic metrics;
  - Forecast capital costs to develop the Bynoe (Litchfield) Project in the event it is economical to do so;

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<sup>3</sup> Now the Bynoe Lithium Project

- Operational parameters;
  - Future funding requirements and available terms of financing;
  - Timing of future development and required capital expenditure;
  - Stock market sentiment with respect to lithium companies; and
  - Future market prices and the supply and demand profile for lithium.
- 6.11 Taking into account the above factors, we do not believe there are sufficient available reasonable grounds for the assumptions required to assess the future fair market value of an Evergreen share on meeting each of the Milestones.

#### *Fairness Summary – Deferred Milestone Shares*

- 6.12 As there is a lack of reasonable grounds to assess a hypothetical future value of Evergreen upon meeting the Deferred Share Milestones, we are unable to form a fairness opinion on the potential issue of the Deferred Milestone Shares. Accordingly, by default pursuant to ASIC's RG 111, the Deferred Milestone Shares issue is **NOT FAIR** to the Non-Participating Security Holders of Evergreen.

#### **Fairness Assessment – ZEPOs**

##### *Tranche 1 ZEPOS*

- 6.13 The Tranche 1 ZEPOs are subject to market based vesting conditions as follows:
- The Company's shares achieving a VWAP of \$0.50 or more for a continuous period of 20 trading days on or before the date which is 2 years from the date the Company lists on ASX.
- 6.14 As the vesting of the Tranche 1 ZEPOs is based on the traded market share price on ASX, we consider the VWAP hurdle value to be an accurate representation of value as at the time each respective vesting condition is met.
- 6.15 Accordingly, we consider the value of an Evergreen share on meeting the vesting conditions for the Tranche 1 ZEPOs to be \$0.50.
- 6.16 We note that in each case, the fair value on meeting the vesting condition is greater than the fair value of a share as at the date of the Prospectus.

##### *Tranche 2 and 3 ZEPOs*

- 6.17 The Tranche 2 and Tranche 3 ZEPOs are subject to continuous service conditions for 1 year and 2 years, respectively. The terms of the letters of appointment for the directors and the consulting agreements are disclosed in the Prospectus, and accordingly, we consider that the continued service of the holders is incorporated in the IPO issue price. Therefore, we do not consider there to be logical reasons that the achievement of the service based vesting condition by each recipient will have any direct value impact on the Company's shares.
- 6.18 Accordingly, we consider the best estimate of the value of an Evergreen share on meeting the vesting conditions to be \$0.25 for the Tranche 2 ZEPOs and Tranche 3 ZEPOs.
- 6.19 We note the estimated value of an Evergreen share on meeting the vesting conditions is equal to the fair value of a share as at the date of issue of the Prospectus.

#### *Fairness Summary – ZEPOs*

- 6.20 As the fair value of an Evergreen share on completing the respectively milestones for each tranche of ZEPOs are greater than or equal to the value of an Evergreen share at the time the Prospectus is issued, we consider the issue of ZEPOs is **FAIR** to the Non-Participating Security Holders of Evergreen, pursuant to ASIC's RG 111.

## 7 Reasonableness Evaluation

- 7.1 Under RG111, a transaction is considered "reasonable" if it is "fair", or if despite being not fair there are sufficient reasons to accept the proposal.
- 7.2 We have considered the following advantages, disadvantages and other factors in assessing the reasonableness of the issue of Performance Securities.

### Advantages

#### *The issue of the ZEPOs is considered fair*

- 7.3 As per our assessment in Section 6, the issue of ZEPOs is fair to Non-Participating Security Holders.

#### *Achievement of each Milestone may be value accretive to Evergreen*

- 7.4 Achievement of each of the respective Milestones of the Deferred Milestone Shares requires advancing the Bynoe Lithium Project (formerly the Litchfield Project) in line with the Company's business objectives. On achievement of each of the Milestones, it is expected the Company will be at a significantly more advanced stage than the current position. For the Bynoe Lithium Project to continue to be developed to the required stages to satisfy the Milestones, it could reasonably be expected that the directors have assessed that the continuation of exploration activities on the Bynoe Lithium Project is likely to be economic. Whilst we cannot assign a specific value to Evergreen at the stage of meeting each Milestone, it is likely that a significantly more advanced project, as reflected by the achievement of the Milestones, would be value accretive to the Non-Participating Security Holders of Evergreen.

#### *Issue of the Deferred Milestone Shares is based on the VWAP of Evergreen's shares at the time*

- 7.5 The Deferred Share issues are based on fixed values of \$2,500,000 each for the Tranche 1 Deferred Milestone Shares and Tranche 2 Deferred Share, and \$3,000,000 each for the Tranche 3 Deferred Milestone Shares and Tranche 4 Deferred Milestone Shares. The number of shares that will be issued will be determined by the 20-day VWAP of Evergreen shares traded on ASX at the time the respective Milestones are met. Accordingly, if the value of Evergreen shares has increased at the time the Milestones are met, as would be reasonably expected, the number of shares that will be issued will be reduced and the Deferred Milestone Shares issue will be less dilutive to Non-Participating Security Holders.
- 7.6 We note the expected numbers of Deferred Milestone Shares to be issued outlined in this report and the Prospectus assumes an issue price of \$0.20, which is the proposed minimum issue price. Given the achievement of the Milestones represents advancement of the Company's mineral projects, it is likely that the Deferred Milestone Shares will be issued at a higher price and the eventual number of Deferred Milestone Shares issued is less than the indicative position presented in Table 4.
- 7.7 As the value is set at \$11,000,000 for completion of all the Milestones, whether the level of dilution is reasonable to the Non-Participating Security Holders will depend on if the Company's value increases by at least \$11,000,000 on completing all the Milestones.

#### *Consideration is structured to align interests of Non-Participating Security Holders, the vendors of Lithium Supplies and Lithium Technologies, directors and consultants*

- 7.8 The Milestones on the Performance Securities are structured in such a way that contingent and deferred consideration is linked to events that represent advancement of Evergreen's projects and prima facie reasons for the Company's share price to increase. This structure is designed to align the interests of Non-Participating Security Holders, the vendors of Lithium Technologies and Lithium Supplies, and directors and consultants who hold the Performance Securities.

#### *Issue of shares is contingent and deferred consideration rather than cash*

- 7.9 As the Performance Securities are contingent and deferred equity consideration, if this consideration is being paid in lieu of cash consideration, it follows that less cash is required by the



Company to be paid as consideration and/or remuneration. Therefore, the Company may preserve more of its cash to be used for exploration and/or other activities to advance the Company's projects.

### **Disadvantages**

#### *Dilution of security holder's interests*

- 7.10 In the event that each of the milestones is met, Non-Participating Security Holders will have their interests in Evergreen diluted.

### **Other Considerations**

#### *No dilution if milestones are not met*

- 7.11 Non-Participating Security Holders will not be diluted if each of the milestones is not met. However, we note this scenario would mean exploration activities on the Company's flagship Bynoe Lithium Project (formerly the Litchfield Project) may not be as successful as if the conditions were met and the value of the Company in such a scenario may be lower.

## 8 Conclusion

### Opinion – Deferred Milestone Shares

- 8.1 The proposed issue of Deferred Milestone Shares to the vendors of Lithium Supply and Lithium Technologies is considered **NOT FAIR** but **REASONABLE** to the Non-Participating Security Holders of Evergreen as at the date of this report.

### Opinion – ZEPOs

- 8.2 The proposed issue of ZEPOs to directors and consultants is considered **FAIR** and **REASONABLE** to the Non-Participating Security Holders of Evergreen as at the date of this report.

**Table 9. Opinion Summary**

Performance Security	Reasonable Grounds	Opinion
Tranche 1 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 2 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 3 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 1 Deferred Milestone Shares	No	Not fair but reasonable
Tranche 1 ZEPOs	Yes	Fair and reasonable
Tranche 2 ZEPOs	Yes	Fair and reasonable
Tranche 3 ZEPOs	Yes	Fair and reasonable

*Source: Stantons analysis*

### Non-Participating Security Holders Decision

- 8.3 Stantons was engaged to prepare an IER setting out whether in its opinion the proposal to issue Performance Securities is fair and reasonable and to state reasons for that opinion. Stantons has not been engaged to provide a recommendation to Non-Participating Security Holders as to whether to invest in the Evergreen IPO.
- 8.4 The decision of whether or not to invest in the IPO is a matter for individual investors based on their views as to the value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. If in any doubt as to the action they should take in relation to the proposal, investors should consult their professional advisor.
- 8.5 Similarly, it is a matter for individual investors as to whether to buy, hold or sell shares in Evergreen. This is an investment decision upon which Stantons does not offer an opinion. Investors should consult their professional advisor in this regard.

### Source Information

- 8.6 In making our assessment as to whether the proposed issue of Performance Securities is fair and reasonable to Non-Participating Security Holders, we have reviewed available information from the Company that is relevant to the current circumstances. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the directors and management of Evergreen.
- 8.7 Information we have received includes, but is not limited to:
- Drafts of the Evergreen Prospectus for the IPO to 25 November 2022
- 8.8 Our report includes the appendices, our declarations, and our Financial Services Guide.

Yours Faithfully

**STANTONS CORPORATE FINANCE PTY LTD**



**James Turnbull, CFA**  
**Authorised Representative**

## APPENDIX A

### GLOSSARY

Term/Abbreviation	Definition
<b>Acquisition Agreement</b>	The Sale of Shares Deed entered into in March 2022 between Evergreen, Lithium Technologies, Lithium Supplies and Synergy Prospecting
<b>AFCA</b>	Australian Financial Complaints Authority
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange
<b>Bynoe Lithium Project</b>	The Bynoe lithium project located in Northern Territory, comprising one exploration tenement (EL31774), formerly the Litchfield project
<b>Company</b>	Evergreen Lithium Limited
<b>DCF</b>	Discounted future cash flows
<b>Deferred Milestone Shares</b>	The shares to be issued as deferred consideration for the acquisition of Lithium Supplies and Lithium Technologies, to the value of \$11,000,000
<b>Evergreen</b>	Evergreen Lithium Limited
<b>FME</b>	Capitalisation of future maintainable earnings
<b>Fortune Lithium Project</b>	The Fortune lithium project located in Northern Territory, comprising one application for an exploration tenement (EL31828)
<b>FSG</b>	Financial Services Guide
<b>GN19</b>	ASX Guidance Note 19
<b>IER</b>	Independent Expert's Report
<b>IPO</b>	The initial public offering of Evergreen shares
<b>IS 214</b>	ASIC Information Sheet 214 <i>Mining and Resources: Forward Looking Statements</i>
<b>JORC Code</b>	Australasian Code for Reporting Exploration Targets, Mineral Resources and Ore Reserves 2012
<b>Kenny Lithium Project</b>	The Kenny lithium project, located in Western Australia, comprising one exploration tenement (E63/1888)
<b>Litchfield Project</b>	The Bynoe (Litchfield) lithium project located in Northern Territory, comprising one exploration tenement (EL31774)
<b>Lithium Supplies</b>	Lithium Supplies Pty Ltd
<b>Lithium Technologies</b>	Lithium Technologies Pty Ltd
<b>Milestones</b>	The milestone conditions to which the Deferred Milestone Shares are subject
<b>Net Assets</b>	Asset-based valuation methodologies
<b>Non-Participating Security Holders</b>	Evergreen security holders who do not hold performance securities
<b>Performance Securities</b>	The Deferred Milestone Shares and ZEPOs
<b>Prospectus</b>	The prospectus relating to the IPO of Evergreen
<b>RG 111</b>	ASIC Regulatory Guide 111: <i>Content of Expert Reports</i>
<b>RG 170</b>	ASIC's Regulatory Guide 170 <i>Prospective Financial Information</i>
<b>Stantons</b>	Stantons Corporate Finance Pty Ltd
<b>Synergy Prospecting</b>	Synergy Prospecting Pty Ltd (a joint wholly owned subsidiary of Lithium Supplies and Lithium Technologies)
<b>Target Companies</b>	Lithium Supplies and Lithium Technologies
<b>Tranche 1 Deferred Milestone Shares</b>	\$2,500,000 worth of shares to be issued based on the VWAP of Evergreen shares on achieving delimitation by the Company of a JORC resource of not less than 4 million tonnes (in aggregate, and in one or more locations), respectively, at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.
<b>Tranche 2 Deferred Milestone Shares</b>	\$2,500,000 worth of shares to be issued based on the VWAP of Evergreen shares on achieving delimitation by the Company of a JORC resource of not less than 8 million tonnes (in aggregate, and in one or more locations), respectively, at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.

<b>Tranche 3 Deferred Milestone Shares</b>	\$3,000,000 worth of shares to be issued based on the VWAP of Evergreen shares on achieving delimitation by the Company of a JORC resource of not less than 12 million tonnes (in aggregate, and in one or more locations), respectively, at a grade of not less than 1.1% lithium oxide within the Litchfield Project Site.
<b>Tranche 4 Deferred Milestone Shares</b>	\$3,000,000 worth of shares to be issued based on the VWAP of Evergreen shares on completion of a Bankable Feasibility Study in respect of a project comprised within the Litchfield Project site.
<b>Tranche 1 ZEPOs</b>	ZEPOs that vest on the Company achieving a VWAP of \$0.50 or more for a continuous period of 20 trading days on or before 2 years from the date the Company lists on ASX.
<b>Tranche 2 ZEPOs</b>	ZEPOs that vest on the holder completing 1 year continuous service
<b>Tranche 3 ZEPOs</b>	ZEPOs that vest on the holder completing 2 years continuous service
<b>Vendors</b>	The vendors of Lithium Supplies and Lithium Technologies
<b>VWAP</b>	Volume Weighted Average Price
<b>ZEPOs</b>	Zero Exercise Price Options

## APPENDIX B

### AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons Corporate Finance Pty Ltd trading as Stantons Corporate Finance dated 9 January 2023, relating to the Performance Shares issued by the Company.

At the date of this report, Stantons Corporate Finance does not have any interest in the outcome of the proposal. There are no relationships with Evergreen other than Stantons Corporate Finance acting as an independent expert for the purposes of this report. Stantons Corporate Finance Pty Ltd undertook an independence assessment and considered that there are no existing relationships between Stantons Corporate Finance and the parties participating in the Performance Security Issue detailed in this report which would affect our ability to provide an independent opinion. The fee (excluding disbursements) to be received for the preparation of this report is based on time spent at normal professional rates plus out-of-pocket expenses. Our fee for preparing this report is expected to be A\$27,000 exclusive of GST. The fee is payable regardless of the outcome. Except for that fee, neither Stantons Corporate Finance Pty Ltd nor Mr James Turnbull have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons Corporate Finance Pty Ltd does not hold any securities in Evergreen. There are no pecuniary or other interests of Stantons Corporate Finance Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons Corporate Finance and Mr James Turnbull have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Prospectus.

### QUALIFICATIONS

We advise Stantons Corporate Finance Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons Corporate Finance Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic financial planning for both listed and unlisted businesses.

Mr James Turnbull, the person with overall responsibility for this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

### DECLARATION

This report has been prepared at the request of Evergreen to assist Non-Participating Security Holders of Evergreen to assess the merits of the issue of performance securities to which this report relates. This report has been prepared for the benefit of Evergreen security holders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons Corporate Finance's opinion as to the longer-term value of Evergreen, its subsidiaries and/or assets. Stantons Corporate Finance does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of Evergreen or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons Corporate Finance Pty Ltd to the form and context in which it appears.

### DISCLAIMER

This report has been prepared by Stantons Corporate Finance Pty Ltd with due care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd ("**SIAC**"), the parent company of Stantons Corporate Finance, its directors, employees or consultants) for the preparation of this report.

**DECLARATION AND INDEMNITY**

Recognising that Stantons Corporate Finance may rely on information provided by Evergreen and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons Corporate Finance's experience and qualifications), Evergreen has agreed:

- (a) to make no claim by it or its officers against Stantons Corporate Finance Pty Ltd (and SIAC) to recover any loss or damage which Evergreen may suffer as a result of reasonable reliance by Stantons Corporate Finance Pty Ltd on the information provided by Evergreen; and
- (b) to indemnify Stantons Corporate Finance Pty Ltd against any claim arising (wholly or in part) from Evergreen, or any of its officers, providing Stantons Corporate Finance Pty Ltd with any false or misleading information or in the failure of Evergreen or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons Corporate Finance Pty Ltd.

A final draft of this report was presented to Evergreen for a review of factual information contained in the report. Comments received relating to factual matters were considered, however, the valuation methodologies and conclusions did not change as a result of any feedback from Evergreen.

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# APPLICATION FORM

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## CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

## INSTRUCTIONS FOR COMPLETING THE FORM

### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS GENERAL OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Evergreen Lithium Limited (ACN 656 722 397) (**Company**) made under the terms of the General Offer set out in the Prospectus dated 13 January 2023.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of \$2,000 worth of Shares (8,000 Shares) and thereafter, in multiples of \$625 worth of Shares (2,500 Shares).
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (WST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESSE Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ("SRN") will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "**Evergreen Lithium Limited - IPO Account**" and drawn on an Australian bank and expressed in Australian currency and crossed "**Not Negotiable**". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (WST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.  
  
Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEDT) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

## DECLARATIONS

### BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

## LODGEMENT INSTRUCTIONS

The Offer opens on 27 January 2023 and is expected to close on 13 February 2023. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

### Paper Application and Cheque

#### By Post:

Evergreen Lithium Limited  
C/- Automic Pty Ltd  
GPO Box 5193  
SYDNEY NSW 2001

#### OR

#### By Hand Delivery:

Evergreen Lithium Limited  
C/- Automic Pty Ltd  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000

### Online Applications and BPAY® or EFT Payments

#### Online:

<https://apply.automic.com.au/evergreen>

## ASSISTANCE

Need help with your application, no problem. Please contact Automic on:



#### PHONE:

1300 288 664 within Australia  
+61 (2) 9698 5414 from outside Australia



#### LIVE WEBCHAT:

Go to [www.automicgroup.com.au](http://www.automicgroup.com.au)



#### EMAIL:

[corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au)

