

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2021

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TABLE OF CONTENTS

GENERAL INFORMATION.....2

DIRECTORS' REPORT3

AUDITOR'S INDEPENDENCE DECLARATION 7

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME.....8**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 10

CONSOLIDATED STATEMENT OF CASH FLOWS..... 11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS..... 12

DIRECTORS' DECLARATION22

INDEPENDANT AUDITOR'S REVIEW REPORT23

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

GENERAL INFORMATION FOR THE HALF YEAR ENDED 31 DECEMBER 2021

General information

The financial statements cover Global Lithium Resources Limited and its subsidiaries as a consolidated group. The financial statements are presented in Australian dollars, which is Global Lithium Resources Limited's functional and presentation currency.

Global Lithium Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 8
7 The Esplanade
Mt Pleasant WA 6153

Principal place of business

Level 1
35 Ventnor Avenue
West Perth WA 6005

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

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The directors present their report, together with the financial statements, on the Group for the half year ended 31 December 2021.

Directors

The following persons were directors of the company from 1 July 2021 up to the date of this report, unless otherwise stated:

Warrick Hazeldine
Dianmin Chen
Jamie Wright (resigned 1 March 2022)
Ronald Mitchell (appointed 1 March 2022)
Gregory Lilleyman (appointed 12 January 2022)
Hayley Lawrance (appointed 14 February 2022)

Principal activities

During the period the principal continuing activities was to explore and evaluate lithium resources on exploration tenements held.

Dividends

No dividends paid during the period.

Review of operations

Exploration

The acquisition of lithium tenements E45/4669 and E45/4724 was completed in July 2021.

The first diamond drilling program was completed with occurrences of spodumene observed within pegmatite.

In September 2021 a 10,000m RC drilling program commenced at the Marble Bar Lithium Project (MBLP) to further test for lithium mineralisation. Positive initial lithium assay results were received from the first 14 RC holes.

Exploration continued at the Twin Veins gold prospect. Gold assays from RC drilling program highlighted the potential of this as a stand-alone project.

Tenements E45/5843 and E45/5812 to the East of the Archer Deposit were granted, growing the land position of the MBLP by more than 91km².

Corporate

Heavily overbid placement of \$13.6m, including the introduction of Suzhou TA&A Ultra Clean Technology Co as a cornerstone shareholder investing \$6.2m for a 9.9% interest in the Company. Suzhou TA&A is the controlling shareholder in lithium hydroxide producer Yibin Tianyi. The placement was conducted at an issue price of \$0.37 per share.

Acquisition completed of 80% of the lithium rights to a second asset, the Manna Lithium Project, 100kms east of Kalgoorlie in Western Australia from Breaker Resources NL for up to thirty-three million dollars comprised of \$6.5 million cash, \$6.5 million paid by the issue of 10,268,229 fully paid shares and \$20 million in deferred consideration.

Results of operations

The loss for the Group for the half year ended 31 December 2021 after income tax amounted to \$2,396,042 (31 December 2020: loss \$532,389). Included in the loss is share based payments of \$1,687,544 (2020: \$517,448).

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Significant changes in the state of affairs

Acquisition completed in December 2021 of 80% of the lithium rights to a second asset, the Manna Lithium Project, 100kms east of Kalgoorlie in Western Australia from Breaker Resources NL for up to thirty-three million dollars including twenty million dollars in deferred consideration.

Matters subsequent to the end of the financial year

As at 12 January 2022 Mr Jamie Wright has stepped down from his role as Managing Director. He remained on the Global Lithium Board until 1 March 2022. Mr Greg Lilleyman was appointed as a Non-Executive Director on 12 January 2022. The appointment of Mr Ron Mitchell as Executive Director Markets and Growth was announced on the 13 January, this role commenced on 1 March 2022.

On 12 January 2022 the Company granted (subject to shareholder approval) a total of 1,100,000 Performance Rights to newly appointed Directors (Ron Mitchell 800,000 and Greg Lilleyman 300,000) in four equal tranches with terms and conditions as set out below:

- i) Tranche 1 - one quarter, but proportional between the upper and lower range, on the Group achieving 20-30mt at a grade greater than or equal to 1% Li₂O JORC compliant resource by 31 December 2022,
- ii) Tranche 2 - one quarter, but proportional between the upper and lower range, on the Group achieving 40-60mt at a grade greater than or equal to 1% Li₂O JORC compliant resource by December 2023,
- iii) Tranche 3 - one quarter on the Group achieving first truck load (at least 50WMT) spodumene concentrate Li₂O delivered to port for storage by 31 December 2024,
- iv) Tranche 4 - one quarter, but proportional between the upper and lower range, on the Group achieving 80-100mt at a grade greater than or equal to 1% Li₂O JORC compliant resource by 31 December 2025.

On 14 February 2022 Ms Hayley Lawrance was appointed as Non-Executive Director. Subject to shareholder approval Ms Lawrance will receive 300,000 performance rights issued in four equal tranches on the same terms as those granted to Mr Greg Lilleyman and Mr Ron Mitchell (above).

On 1 March 2022 1,000,000 performance rights were cancelled by agreement between the entity and the holder.

On 3 March 2022 the Company announced a ten year strategic spodumene concentrate offtake agreement with Suzhou TA&A Ultra Clean Technology Co, the controlling shareholder in lithium hydroxide producer Yibin Tianyi. Suzhou TA&A is Global Lithium's largest shareholder.

On 14 March 2022 the company announced a strategic cornerstone capital raising to fast track exploration and study work at both the Marble Bar and Manna Lithium Projects. The \$29.9m capital raising at an issue price of \$1.35 per share includes Mineral Resources Limited becoming a strategic investor with a 5% interest and Suzhou TA&A Ultra Clean Technology Co, the controlling shareholder of Yibin Tianyi Lithium Industry Co Limited, continuing to maintain its 9.9% interest.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group to date, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Likely developments and expected results of operations

The Directors expect that the Group will continue to carry on exploration and evaluation of the tenements.

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Environmental regulation

The company is subject to environmental regulation under Australian Commonwealth and/or State law.

Shares under option

As of the date of this report 9,580,614 unissued ordinary shares of the Company are under option as follows:

Number of options granted	Exercise price	Expiry date
4,780,614	\$0.30	4 May 2025
4,800,000	\$1.00	12 November 2024

No options on issue are listed. All options at the date of this report have vested. The options expiring in May 2025 are subject to a restriction period of 24 months from the date of official quotation of the Company's securities.

During the 6 months to 31 December 2021 4,800,000 unlisted options were granted, no options were cancelled or expired.

Since the end of the half year to the date of this report no options have been issued by the Company, no options have been cancelled or expired.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the half year ended 31 December 2021.

Rights over ordinary shares

As of the date of this report 4,000,000 Performance Rights were on issue to Directors. The Performance Rights were issued under three tranches. Tranche 1 and 2 have nonmarket based vesting criteria whilst Tranche 3 have vested on the achievement of a market condition as announced on 16 November 2021.

Tranche	Number granted	Vesting criteria	Expiry date
1	1,666,667	Achieving 15-25Mt@>=1.0% Li2O JORC Compliant resource by 31 December 2022	31 December 2022
2	666,667	Achieving 30-50Mt@>=1.0% Li2O JORC Compliant resource by 31 December 2023	31 December 2023
3	1,666,667	Achieving 30 Day VWAP share price doubled from original IPO listing price by 31 December 2023	31 December 2023

There were no ordinary shares of the Company issued on the exercise of performance rights during the six months to 31 December 2021 or since this date and the date of this report. On 1 March 2022 1,000,000 performance rights were cancelled by agreement between the entity and the holder.

Proceedings on behalf of the Group

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

GLOBAL LITHIUM RESOURCES LIMITED
ABN 58 626 093 150

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Auditor's independence declaration

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

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

On behalf of the directors



Warrick Hazeldine
Chairperson

15 March 2022
Perth WA

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GLOBAL LITHIUM RESOURCES LIMITED**

In relation to our review of the financial report of Global Lithium Resources Limited for the half year ended 31 December 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



**SHANE CROSS
PARTNER**

15 MARCH 2022,
WEST PERTH,
WESTERN AUSTRALIA

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GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$	31 December 2020 \$
Interest Received		9,327	-
Total Income		<u>9,327</u>	<u>-</u>
Administration expenses		115,243	9,873
Compliance expenses		128,840	5,068
Employee benefit expense	3	253,650	-
Share based payments	4	1,687,544	517,448
Director fees		65,966	-
Other expenses	5	154,126	-
Total Expenses		<u>2,405,369</u>	<u>532,387</u>
Net Profit/(Loss) For The Period		(2,396,042)	(532,389)
Income tax expense		-	-
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>(2,396,042)</u>	<u>(532,389)</u>
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the owners of Global Lithium Resources Limited			
Basic and diluted earnings per share		(1.66)	(0.68)

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

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash & cash equivalents	6	11,093,298	3,627,223
Other receivables	7	300,995	5,142,334
Other current assets		63,507	37,933
Total current assets		11,457,800	8,807,490
Non-current assets			
Exploration and evaluation	8	20,318,683	4,564,073
Plant and equipment	9	95,748	8,498
Right of use assets	10	204,901	-
Other assets		1,952	1,376
Total non-current assets		20,621,284	4,573,947
Total Assets		32,079,084	13,381,437
Liabilities			
Current liabilities			
Trade and other payables	11	679,342	739,832
Provisions		19,637	7,692
Lease liability	10	37,005	-
Total current liabilities		735,984	747,524
Non-current liabilities			
Lease liability	10	167,896	-
Total non-current liabilities		167,896	-
Total Liabilities		903,880	747,524
Net Assets		31,175,204	12,633,913
Equity			
Issued Shares	12	32,629,590	13,379,801
Reserves	13	2,183,136	495,592
Accumulated losses		(3,637,522)	(1,241,480)
Total Equity		31,175,204	12,633,913

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

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Issued Capital	Share-based payments Reserves	Accumulated losses	Total
	\$		\$	\$
Balance at 1 July 2020	4,065,750	-	(16,502)	4,049,248
Loss for the Period	-	-	(532,389)	(532,389)
Shares Issued During the Period	517,500	-	-	517,500
Balance at 31 December 2020	4,583,250		(548,891)	4,034,359
Balance at 1 July 2021	13,379,801	495,592	(1,241,480)	12,633,913
Loss for the Period	-		(2,396,042)	(2,396,042)
			(2,396,042)	(2,396,042)
Shares Issued During the Period	20,144,287	-	-	20,144,287
Costs of share issue	(894,498)	-	-	(894,498)
Performance rights and options issued during the period	-	1,687,544	-	1,687,544
Balance at 31 December 2021	32,629,590	2,183,136	(3,637,522)	31,175,204

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

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	31 December 2021 \$	31 December 2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(683,518)	66,691
Payments for exploration and evaluation		(2,227,166)	-
Interest received		7,394	-
Net cash used in operating activities		<u>(2,903,290)</u>	66,691
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from term deposits		5,000,000	-
Payments for exploration and evaluation assets		(7,284,028)	-
Payment for plant and equipment		(100,929)	-
Net cash from investing activities		<u>(2,384,957)</u>	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		13,644,286	52
Payment of share issue costs		(867,634)	-
Leases paid		(22,330)	-
Net cash from financing activities		<u>12,754,322</u>	52
Net increase/(decrease) in cash and cash equivalents		7,466,075	66,743
Cash and cash equivalents at 30 June		<u>3,627,223</u>	<u>744,412</u>
Cash and cash equivalents at 31 December	6	<u>11,093,298</u>	<u>811,155</u>

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

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 1. Significant accounting policies

Reporting entity

Global Lithium Resources Limited (the Company) is a listed public company incorporated and domiciled in Australia. These consolidated interim Financial Statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (the Group). The Group is primarily involved in the exploration and evaluation of lithium resources on exploration tenements.

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 company for the half year ended 31 December 2021.

There are no material new or amended accounting Standards which will materially affect the Group.

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 1. Significant accounting policies – cont.

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

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

Cash and cash equivalents

Cash and cash equivalents include 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.

Exploration and evaluation assets

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

Impairment of non-financial assets

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

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

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 1. Significant accounting policies – cont

Leases

Right-of-use-assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Consolidated Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option or lease term extension and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 2. Critical accounting judgements, estimates and assumptions

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

	31 December 2021	31 December 2020
	\$	\$
Note 3: Employee benefit expense		
Salaries and wages	194,803	-
Superannuation expense	19,480	-
Movement in employee entitlements	11,944	-
Other employee related expenses	1,408	-
Recruitment fees	53,993	-
Less: transfer to exploration assets	(27,978)	-
	<u>253,650</u>	<u>-</u>

	31 December 2021	31 December 2020
	\$	\$
Note 4: Share based payments		
Shares issued to directors and suppliers	-	517,500
Costs associated to related party share issue	-	(52)
Performance rights vested	262,969	-
Options issued to directors and suppliers	1,424,575	-
	<u>1,687,544</u>	<u>517,448</u>

The Consolidated Group has provided payments to related parties in the form of share-based compensation.

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted.

On 28 April 2021 5,000,000 performance rights were issued to Directors under three equal tranches (1, 2 and 3).

On 16 November 2021 the performance rights tranche 3 vesting milestone was achieved (the milestone being that the Company achieved a volume weighted average share price over 30 consecutive trading days of at least \$0.40 by 31 December 2023 or earlier). The remaining vesting expense for the tranche 3 performance rights of \$262,969 was recognised in the current reporting period.

The tranche 3 performance rights were valued independently using the Hoadley Barrier 1 valuation model.

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021****Rights valuation model assumptions**

Assumptions	Tranche 3
Spot price	\$0.20
Exercise price	Nil
Vesting date	N/A
Expiry date	31 Dec 2023
Expected future volatility	100%
Risk free rate	0.10%
Dividend yield	Nil
Barrier price	\$0.40
Fair value	\$0.1683

On 23 December 2021 4,800,000 unlisted options with an exercise price of \$1.00 per option and expiring on 12 November 2024 were issued to directors (4,500,000) and service providers (300,000). The options issued to directors vest immediately and the options issued to service providers vest 100,000 immediately, 100,000 12 months from issue and 100,000 24 months from issue.

The options have been valued independently using Hoedleys ESO Model, a binomial option pricing model. The total fair value of these options is \$1,486,515. During the half year to 31 December 2021 \$1,424,575 has been recognised in the Consolidated statement of profit and loss and other comprehensive income.

Options valuation model assumptions

Assumptions	4,500,000	300,000
Spot price	\$0.60	\$0.60
Exercise price	\$1.00	\$1.00
Vesting date	23 Dec 2021	23 Dec 2021 (100,000) 23 Dec 2022 (100,000) 23 Dec 2023 (100,000)
Expiry date	12 Nov 2024	12 Nov 2024
Expected future volatility	100%	100%
Risk free rate	0.866%	0.866%
Dividend yield	Nil	Nil
Fair value	\$0.30969	\$0.30969

Note 5: Other expenses

	31 December 2021	31 December 2020
	\$	\$
Corporate advisory	128,553	-
Insurance	23,264	-
Depreciation	2,309	-
	<u>154,126</u>	<u>-</u>

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	31 December 2021	30 June 2021
Note 6: Current assets – Cash and cash equivalents	\$	\$
Cash at bank	4,093,298	1,627,223
Cash on deposit	7,000,000	2,000,000
	<u>11,093,298</u>	<u>3,627,223</u>

Cash on deposit consists of two term deposits invested for a term of three months or less. At 30 June 2021 \$5,010,000 of term deposits invested for longer than three months were included as other receivables.

	31 December 2021	30 June 2021
Note 7: Other receivables	\$	\$
Term deposits (deposited for longer than three months)	10,000	5,010,000
Accrued interest receivable	1,934	-
GST refundable	289,061	132,334
	<u>300,995</u>	<u>5,142,334</u>

	31 December 2021	30 June 2021
Note 8: Exploration and evaluation	\$	\$
Opening balance	4,564,073	3,198,802
Expenditure on Marble Bar Lithium Project during the year ⁽ⁱⁱⁱ⁾	2,260,594	1,004,358
Acquisition of tenement/assets during the year ⁽ⁱ⁾⁽ⁱⁱ⁾	13,494,016	360,913
Closing balance	<u>20,318,683</u>	<u>4,564,073</u>

(i) In June 2021 the Company acquired prospective lithium tenements E45/4669 and E45/4724. The transaction was completed in July 2021.

(ii) In December 2021 the Company completed the acquisition of an 80% interest in the Manna Lithium Project from Breaker Resources NL.

(iii) During the year the Company incurred costs as it continued drilling at the Marble Bar Lithium Project to determine and evaluate the resource.

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 9: Plant and equipment	31 December 2021	30 June 2021
	\$	\$
Opening balance	8,498	-
Acquisitions	89,559	9,436
Depreciation	(2,309)	(938)
	95,748	8,498

Note 10: Right of use assets and lease liabilities	31 December 2021	30 June 2021
	\$	\$
Right of use assets consist of the following leases		
Office tenancy	204,901	-
	204,901	-
Lease liabilities related to leases are split between current and non-current:		
Current lease liability	37,005	-
Non-current lease liability	167,896	-
	204,901	-

The lease was entered into before 31 December 2021 but does not commence until 1 March 2022. For this reason there are no depreciation or interest expense charges in relation to this lease in the Consolidated Statement of Profit or Loss.

Note 11: Trade and other payables	31 December 2021	30 June 2021
	\$	\$
Trade creditors	246,411	93,693
Employee liabilities	28,343	26,190
Accrued liabilities	404,588	619,949
	679,342	739,832

Note 12: Issued Shares	31 December 2021	31 December 2021	30 June 2021	30 June 2021
	\$	Shares	\$	Shares
Balance at 1 July	13,379,801	131,808,339	4,065,750	76,233,339
Shares Issued	20,144,286	47,144,678	9,314,051	55,575,000
Share issue costs	(894,497)	-	-	-
Balance at 31 December	32,629,590	178,953,017	13,379,801	131,808,339

On 8 November 2021, 19,771,250 ordinary shares were issued as part of a placement to institutional and sophisticated investors at \$0.37 per share totalling \$7,315,362.

On 23 December 2021, 17,105,199 ordinary shares were issued following shareholder approval at the General Meeting of the Company held on 20 December 2021. These shares were issued at \$0.37 per share totalling \$6,328,924. These shares were issued 16,699,794 to Yibin Tianyi Lithium Industry Co Ltd or nominee and 405,405 to Directors Dr Dianmin Chen and Mr Warrick Hazeldine.

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

On 31 December 2021 10,268,229 ordinary shares were issued to Breaker Resources NL (fair valued at \$6,500,000) as part of the consideration payable for the acquisition of 80% of the lithium rights in the Manna Lithium Project.

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

	31 December 2021	30 June 2021
	\$	\$
Note 13: Reserves		
Opening balance	495,592	-
Issue of options during the year	1,424,575	478,061
Vesting of performance rights during the year	262,969	17,531
Closing balance	<u>2,183,136</u>	<u>495,592</u>

Refer to Note 4 for further details relating to the above movements during the current reporting period.

Note 14: Related Parties & Other Transactions

There were no related party transactions during the current reporting period other than those disclosed in Note 12.

Note 15: Operating Segments

Identification of reportable segments

The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

The reportable segment is represented by the primary statements forming these financial statements.

Note 16: Commitments and contingencies

Commitments

Exploration Commitments – the Company has an obligation to perform a minimum amount of exploration work and spend a minimum amount of money on its tenements. The minimum amounts of expenditure required is set by the DMIRS at the time of each annual renewal.

	31 December 2021	30 June 2021
	\$	\$
Expenditure required on Exploration Licences		
Within one year	323,278	313,238
More than one year but less than five years	1,286,069	551,698
Greater than five years	-	-
Total commitments	<u>1,609,347</u>	<u>864,936</u>

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Contingencies

	31 December 2021 \$	30 June 2021 \$
Contingent tenement acquisition costs – BCI	1,125,000	1,125,000
Contingent deferred payments for lithium rights – Breaker Resources	20,000,000	-
Total contingencies	<u>21,125,000</u>	<u>1,125,000</u>

In June 2019 the Company acquired 100% of the Marble Bar Lithium Project from BCI Exploration. Contingent Deferred Tenement Acquisition costs payable to BCI Minerals Limited in relation to the assets acquired under this agreement consist of the following:

- a) \$625,000 payable 5 business days after the earlier of:
 - (i) the date that a pre-feasibility study is completed in respect of the viability of a commercial mining operation on the Granted Exploration Licences; or
 - (ii) the date that a decision to commence mining operations on the Granted Exploration Licences (or any other tenements granted to the Company relating to the same ground) is made; and
- b) \$500,000 payable 5 days after the date that the Company first sells any minerals extracted from the area the subject of the Granted Exploration Licences.

In December 2021 the Company acquired 80% of the lithium rights in the Manna Lithium Project from Breaker Resources NL. Contingent acquisition costs payable to Breaker Resources NL in relation to these assets consist of the following:

- (a) A first deferred payment of \$10,000,000 payable on the first occasion that Global Lithium Parent announces to ASX a Mineral Resource of at least 250,000 tonnes of contained Li₂O metal in the Lithium Rights Area, with a cut-off grade of at least 0.5%; and
- (b) A second deferred payment of \$10,000,000 payable on the first occasion that Global Lithium parent announces to ASX the production of 100,000 tonnes of contained Li₂O metal produced from the Lithium Right Area.

Native Title and Aboriginal Heritage

Determinations of native title have been made with respect to areas which include tenements in which the Group has an interest. The native title does not interfere with exercise, by members of the Group, of rights under their tenements and the exercise of those rights takes priority over the exercise of the native title. The Group may be liable to pay compensation in relation to the effect of the grant of its tenements on that native title, which will be determined by the Federal Court if not agreed. The Group is unable to determine the quantum of any future compensation at this time. Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Areas of the Group's tenements may be subject to Aboriginal heritage sites protected by State and Federal legislation. In those areas, the agreement of relevant native title holders and certain governmental approvals may be required before members of the Group can exercise rights under their tenements. Agreement is being or has been reached with relevant native title holders in relation to Aboriginal heritage processes regarding areas in which the Group has an interest.

GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 17: Matters subsequent to the end of the financial year

It was announced on 13 January 2022 that Mr Ron Mitchell is appointed Executive Director Markets and Growth effective 1 March 2022 and Mr Greg Lilleyman is appointed as a Non-Executive Director effective 12 January 2022. Managing Director Mr Jamie Wright stepped down as Managing Director on 12 January 2022 and resigned from the Board effective 1 March 2022.

On 14 January 2022 1,100,000 Performance Rights were granted (subject to shareholder approval) to the incoming directors. The vesting conditions of the performance rights are as follows:

- i) one quarter on the Company achieving between 20-30Mt at a minimum grade of 1.0% Li₂O of JORC compliant resource by 31 December 2022,
- ii) one quarter on the Company achieving between 40-60Mt at a minimum grade of 1% Li₂O JORC compliant resource by December 2023,
- iii) one quarter on the Company achieving first truck load (at least 50WMT) spodumene concentrate (at least SC=5.5%) Li₂O delivered to the Port for storage by 31 December 2024,
- iv) one quarter on the Company achieving between 80-100Mt at a minimum grade of 1.0% Li₂O JORC compliant resource by 31 December 2025.

On 14 February 2022 Ms Hayley Lawrance was appointed Non-Executive Director to focus on legal, approvals and ESG. Ms Lawrance will be granted 300,000 Performance Rights (subject to shareholder approval) with the same vesting conditions as those performance rights granted on the 14 January 2022.

On 1 March 2022 1,000,000 performance rights were cancelled by agreement between the entity and the holder.

On 3 March 2022 the Company announced a ten year strategic spodumene concentrate offtake agreement with Suzhou TA&A Ultra Clean Technology Co, the controlling shareholder in lithium hydroxide producer Yibin Tianyi.

On 14 March 2022 the company announced a strategic cornerstone capital raising to fast track exploration and study work at both the Marble Bar and Manna Lithium Projects. The \$29.9m capital raising at \$1.35 per share includes Mineral Resources Limited becoming a strategic investor with a 5% interest and Suzhou TA&A Ultra Clean Technology Co, the controlling shareholder of Yibin Tianyi Lithium Industry Co Limited, continuing to maintain its 9.9% interest.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

GLOBAL LITHIUM RESOURCES LIMITED
ABN 58 626 093 150

DIRECTORS' DECLARATION

In the opinion of the Directors of Global Lithium Resources Limited ("the Company"):

1. the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors



Warrick Hazeldine
Chairperson

Dated at Perth this 15th day of March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF GLOBAL LITHIUM RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Global Lithium Resources Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2021, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Global Lithium Resources Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

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

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Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report 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 Auditing Standards and consequently does not enable us to obtain 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.



PKF PERTH



SHANE CROSS
PARTNER

15 MARCH 2022
WEST PERTH,
WESTERN AUSTRALIA