

First Lithium Limited

(Formerly known as Ookami Limited)

ABN 67 009 081 770

Annual Report - 30 June 2024

For personal use only

Directors	Lee Christensen (non-Executive Chairman) Venkatesh Padala (Managing Director and Chief Executive Officer) Jason Ferris (Non-Executive Director) Andrew Law (Non-Executive Director)
Company secretary	Alan Armstrong
Registered office	Level 8, 216 St Georges Terrace Perth, Western Australia, 6000 Ph: +61 8 9481 0389
Share register	Automic Registry Services Level 5, 191 St Georges Terrace Perth, WA 6000
Auditor	Pitcher Partners BA&A Pty Ltd Level 11, 12-14 The Esplanade Perth, WA 6000
Bankers	National Australia Bank Gateway Building Cnr Marmion & Davy Streets Booragoon, WA 6154
Stock exchange listing	First Lithium Limited shares are listed on the Australian Securities Exchange (ASX) code: FL1 Level 40, Central Park 152-158 St Georges Terrace Perth, WA 6000

For personal use only

Directors' report	1
Auditor's independence declaration	21
Consolidated statement of profit or loss and other comprehensive income	22
Consolidated statement of financial position	23
Consolidated statement of changes in equity	24
Consolidated statement of cash flows	25
Notes to the consolidated financial statements	26
Consolidated entity disclosure statement	53
Directors' declaration	54
Independent auditor's report to the members of First Lithium Limited	55
Shareholder information	62

General information

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

First Lithium Limited is a listed Public Company limited by shares, incorporated and domiciled in Australia.

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.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2024.

For personal use only

The Directors present their report, together with the financial statements of First Lithium Limited (**the Company**) and controlled entities (**the Group**) for the financial year ended 30 June 2024 and the auditor's report thereon.

Directors

The names of Directors in office at any time during or since the end of the year to the date of this report are:

Name	Status	Appointed	Resigned/Ceased
Lee Christensen	Non-Executive Chairman	4 September 2023	-
Venkatesh Padala	Managing Director and Chief Executive Officer	4 September 2023	-
Jason Ferris	Non-Executive Director	4 September 2023	-
Andrew Law	Non-Executive Director	21 April 2022	-
John Ciganek	Non-Executive Chairman	9 July 2021	4 September 2023
Joseph van den Elsen	Non-Executive Director	3 September 2020	4 September 2023

Information on Directors

Name:	Mr. Lee Christensen
Title:	Non-Executive Chairman
Appointment date:	4 September 2023
Qualifications:	BJuris BComm and LLB
Experience and expertise:	Mr. Christensen is an experienced ASX company director and lawyer and former senior partner at both Dentons and Gadens in Perth, specialising in dispute resolution, insolvency and restructures.
Other current directorships:	Non-Executive Director of Titanium Sands Limited (ASX: TSL) (since 16 April 2015)
Former directorships (last 3 years):	Non-Executive Director of Skin Elements Limited (ASX: SKN) (resigned 17 January 2023)
Interests in shares:	228,574 ordinary shares (190,000 escrowed by 28 September 2025)
Interests in options:	14,288 listed options exercisable at \$0.30 each expiring 4 September 2026 500,000 unlisted options exercisable at \$0.282 each expiring 12 March 2025, subject to vesting hurdles

Name:	Mr. Venkatesh Padala
Title:	Managing Director (MD) and Chief Executive Officer (CEO)
Appointment date:	4 September 2023
Qualifications:	BEng
Experience and expertise:	Mr. Padala is an Engineering graduate with over 25 years of professional experience in Technical, Financial, AI based manufacturing and mining industries. He has successfully executed his role as executive director in mining, technical and manufacturing industries in India and US for the past 15+ years. Mr. Padala has been on the board of Intermin Mines Corporation since 2016. He has extensive experience in strategising and building various business.
Other current directorships:	NIL
Former directorships (last 3 years):	NIL
Interests in shares:	NIL
Interests in options:	3,500,000 unlisted options exercisable at \$0.282 each expiring 12 March 2028, subject to vesting hurdles

Name:	Mr. Jason Ferris
Title:	Non-Executive Director
Appointment date:	4 September 2023
Qualifications:	MBA(Finance)
Experience and expertise:	Mr Ferris has worked in financial services, property and corporate finance industries for more than 29 years. Mr Ferris holds a Master of Business Administration (Finance) and is a Fellow of the Australian Institute of Management (FAIM) and a Member of the Australian Institute of Company Directors (MAICD). He has facilitated many joint venture opportunities in the property, tech and mining sectors.
Other current directorships:	Non-Executive Director of Titanium Sands Limited (ASX: TSL) (since: 31 July 2014)
Former directorships (last 3 years):	NIL
Interests in shares:	468,573 ordinary shares (380,000 escrowed by 28 September 2025)
Interests in options:	29,287 listed options exercisable at \$0.30 each expiring 4 September 2026 500,000 unlisted options exercisable at \$0.282 each expiring 12 March 2028, subject to vesting hurdles

Name:	Mr. Andrew Law
Title:	Non-Executive Director
Appointment Date:	21 April 2022
Qualifications:	HNDMinEng and MBA
Experience and expertise:	Mr. Law has over 35 years' experience in the mining industry in Australia, Africa and South America. His extensive technical and management experience ranges from deep level underground mining environments (bulk and narrow vein); to large open pit environments (across multi commodities); and to large mineral sands dredging environments.
	Executive Management experience has been gained at both the senior operations level and the corporate level with companies such as, Anglo American Corporation, Plutonic Resources, Roche Mining, Placer Dome, Millennium Minerals, Mundo Minerals Limited and St Barbara Limited.
	Mr. Law's specialist skills are in corporate strategic business planning and due diligence; management of feasibility studies; operational performance optimisation and improvement reviews; Ore Reserve compliance and auditing (ASX,TSX,SEC,SGX,JSE); corporate management mentoring; mentoring senior operational management and personnel; as well as peer reviewing mining studies and projects.
	He is a Fellow of the AusIMM(CP), a Fellow of the Institute of Quarrying – Australia, a Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.
Other current directorships:	Arcadia Minerals Limited (ASX: AM7) (Since 24 September 2021)
Former directorships (last 3 years):	NIL
Interests in shares:	NIL
Interests in options:	500,000 unlisted options exercisable at \$0.282 each expiring 12 March 2028, subject to vesting hurdles

Name:	Mr. Joseph van den Elsen
Title:	Non-Executive Director
Appointment Date:	Non-Executive Director from 1 January 2023
Resignation Date:	4 September 2023
Qualifications:	GDipEnergy&ResourcesLaw, GDipMinExpGeo, LLB and BA
Experience and expertise:	Mr. van den Elsen currently serves as the Executive Chairman of Ronin Resources Ltd, a public exploration and development company advancing a coal project in Colombia. Prior to joining Ronin Resources Ltd, he held executive positions with MHM Metals and Hampshire Mining. He is currently studying towards a Master of Science (Mineral Economics) through Curtin University.
	Previously, he was an Associate Director with UBS and held a comparable position with Goldman Sachs JB Were.
Other current directorships:	Executive Chairman of Ronin Resources Limited (ASX: RON) (since 16 December 2021)
Former directorships (last 3 years):	Arcadia Minerals Limited (ASX: AM7) (resigned 24 September 2021) Oar Resources Limited (ASX: OAR) (resigned 1 February 2022)
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director

Name:	Mr. John Ciganek
Title:	Non-Executive Chairman
Appointment Date:	9 July 2021
Resignation Date:	4 September 2023
Qualifications:	BMinEen and MBA
Experience and expertise:	Mr. Ciganek has worked in the mining sector for over 30 years within mining operations, project finance, mergers and acquisitions and equity capital markets.
	Mr. Ciganek began his career as a Mining Engineer with Comalco / CRA (Rio Tinto) before moving to Reynolds Yilgarn Gold, Byrnescut Mining and Hargraves Resources. He subsequently joined Commonwealth Bank as Senior Bank Engineer responsible for technical due diligence, before moving to the role of Risk Executive responsible for the management of existing debt facilities and new corporate and project debt financings. He was also the General Manager Business Development and Investor Relations for PMI Gold.
	More recently, Mr. Ciganek gained substantial experience in debt financings including project financings, project bonds issuances, convertible note offerings, working capital facilities, hedging facilities, offtaker funding, and equity raisings through his role as Executive Director for Burnvoir Corporate Finance.
Other current directorships:	Managing Director and CEO of Vanadium Resources Limited (ASX: VR8) (since 9 January 2023) Non-Executive Director of Calidus Resources Limited (ASX: CAI) (since 4 January 2021)
Former directorships (last 3 years):	NIL
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director

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

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

Meetings of Directors

The number of meetings of the Company's Board of Directors (**the Board**) held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Directors' Meetings	
	Attended	Eligible to Attend
Lee Christensen	4	4
Venkatesh Padala	4	4
Jason Ferris	4	4
Andrew Law	4	4
Joseph van den Elsen	-	-
John Ciganek	-	-

Held: represents the number of meetings held during the time the Director held office.

Company secretary

The name of person who held the position of Company Secretary at any time during or since the end of the year to the date of this report is:

Alan Armstrong
Appointed 4 September 2023
Qualification BBus CA GAICD
Experience Mr. Armstrong is a Chartered Accountant and a member of the Australian Institute of Directors with a demonstrated history of working in the mining and metals industry. He has strong business development and professional experience as a director and company secretary across various listed and unlisted entities in the resources sector.

Justin Mouchacca
Appointed 23 October 2020 and resigned 4 September 2023
Qualification CA FGIA
Experience Justin Mouchacca has over 15 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements.

Mr Mouchacca has been appointed as Company Secretary and Financial Officer for a number of entities listed on the Australian Securities Exchange (**ASX**) and unlisted companies.

Principal activities

First Lithium Limited (formerly known as Ookami Limited) is a ASX listed Company focused on West African mineral exploration and development. For the year ended 30 June 2024, the principal activities of the Group were to primarily complete the acquisition, and progress exploration, of the two lithium mineral bearing permits, Faraba and Gouna in Mali (the "Mali Lithium Project").

Review of operations

i. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$10,928,814 (2023: \$208,188) and had net assets of \$5,716,263 (2023: \$ 356,822) as at 30 June 2024.

At the end of the financial year, the Group's had \$2,213,779 in cash and cash equivalents (2023: 188,420). The Group's capitalised exploration, evaluation and development expenditure totalled \$3,971,860 (2023: nil).

ii. Operations Review

BLAKALA EXPLORATION

On October 26 2023¹, First Lithium announced it had commenced its maiden exploration program post listing, which included 6,000m of planned diamond drilling to delineate the already identified spodumene bearing pegmatites highlighting substantive surface expressions. The program expanded as positive visual results and pegmatites were identified and in total, 8,368m of Diamond and 3,838m of RC had been drilled in the combined phase one program.

Assay results announced on 20 December 2023² for the first three diamond holes drilled validated the visual estimates of spodumene percentages in the core samples. Results included 111.0m intersection @ 1.56% from 33m in hole BDFS02, and including a 10m intersection @ 3.39% Li₂O, as well as a 60.00m intersection @ 1.59% Li₂O from 39m in hole BDFS03 including a 38.0m intersection @ 1.76% Li₂O from 51m.

Further assay results announced on 22 January 2024³ for drill holes BDFS04 to BDFS15 drilled at the Main Pegmatite, Blakala prospect identified: 63.5 m intersection @ 1.45% (from 32.55 m) in hole BDFS05 Including 27.5 m intersection @ 2.07% Li₂O (from 32.55m) 39.6 m intersection @ 1.86% Li₂O (from 24.1 m) in hole BDFS08 Including 12.0 m intersection @ 2.08% Li₂O (from 29.0 m); and Including 13.0 m intersection @ 2.08% Li₂O (from 50.0 m) 29.0 m intersection @ 2.02% (from 27.0 m) in hole BDFS06 26.0 m intersection @ 1.60% (from 16.0 m) in hole BDFS13 Including 9.00 m intersection @ 1.76% Li₂O (from 31.0 m) 27.8 m intersection @ 1.55% (from 23.0 m) in hole BDFS15 Including 9.0 m intersection @ 1.80% Li₂O (from 41.0 m).

Announced on 15 February 2024⁴, further high grade results were received for diamond drill holes BDFS16 to BDFS19 on the Main and Western Pegmatite bodies at FL1's Blakala prospect with assays showing mineralised pegmatite intersections totaling 146.50m @ 1.50% Li₂O, including, BDFS16 Main Pegmatite 16.2m intersection @ 1.66% Li₂O (from 29.0m) BDFS17 Western Pegmatite 33.72m intersection @ 1.59% Li₂O (from 49.0m) Including 25.0m intersection at 1.87% Li₂O (from 57.0m) BDFS17 Main Pegmatite 10.0m intersection @ 1.33% Li₂O (from 177.0m) BDFS18 Western Pegmatite 10.59m intersection @ 1.52% Li₂O (from 23.28m) BDFS18 Western Pegmatite 17.0m intersection @ 1.81% Li₂O (from 60.5m) Including 14.0m intersection at 1.93% Li₂O (from 63.0m) BDFS19 Western Pegmatite 12.0m intersection @ 1.71% Li₂O (from 95m) Assay results validate Western Pegmatite body as a significant discovery with high grade spodumene mineralisation remaining open at depth and along strike.

Announced 20 February 2024⁵, further High grade analytical results were received for diamond drill holes BDFS20 to BDFS24 drilled on the Main, Eastern and Western Pegmatite bodies, Blakala prospect. BDFS22 Main Pegmatite 19.0m intersection @ 1.85% Li₂O (from 41.0m) Including 15.0m intersection at 2.04% Li₂O (from 44.0m), BDFS20 Western Pegmatite 17.80m intersection @ 1.39% Li₂O (from 20.0m) Including 6.0m intersection at 1.77% Li₂O (from 29.0m); and BDFS20 additional Pegmatite between Western and Main Pegmatites 9.79m intersection @ 1.70% Li₂O (from 125.75m); and BDFS20 Main Pegmatite at 10.70m intersection @ 1.60% Li₂O (from 229.0m). BDFS24 first drilling analytical results from Eastern Pegmatite 13.03m intersection @ 1.24% Li₂O (from 20.95m) Including 6.0m intersection at 1.62% Li₂O (from 27.0m). BDFS22 most northern hole on Main Pegmatite showed very high Li₂O grade with potential for strike extension to the North First assay results from Eastern Pegmatite body validates it as a significant discovery.

On 8 April 2024⁶, high grade analytical results were received for diamond drill holes BDFS25 to BDFS39 drilled on the Main, Eastern and Western Pegmatite bodies, Blakala prospect, BDFS27 Eastern Pegmatite 27.3m intersection @ 1.67% Li₂O (from 20.7m), Including 21.0m intersection at 1.96% Li₂O (from 22.0m), BDFS28 Western Pegmatite 19.0m intersection @ 1.51% Li₂O (from 46.0m), Including 15.0m intersection at 1.73% Li₂O (from 50.0m); and BDFS31 Western Pegmatite 21.0m intersection @ 1.66% Li₂O (from 32.0m), Including 15.0m intersection at 1.76% Li₂O (from 32.0m).

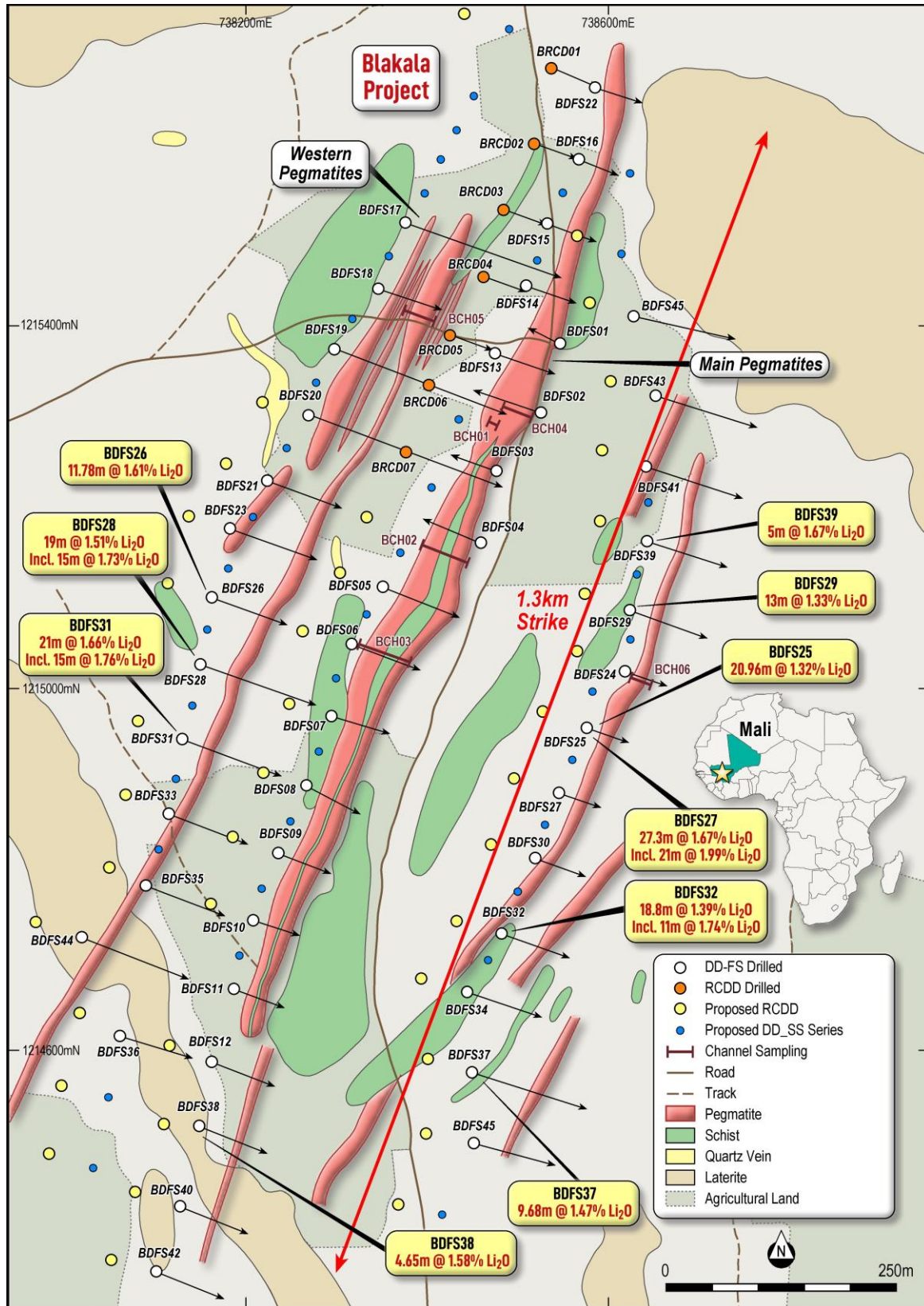


Figure 1: Locality and analytical results of Blakala diamond drill holes BDFS25 to BDFS39, as well as location of all reverse circulation precollar holes with diamond tails BRCD01 to BRCD42

FARABA

On 20 November 2023⁷, First Lithium announced the expansion of the drilling program to include an additional 2,000m of drilling at the Company's 2nd prospect Faraba. The program followed previous trenching and further examined and define the lithium-spodumene bearing pegmatites which were identified in the previous confirmatory drilling program⁴.

Assay results for 8 diamond drill holes FDD03 to FDD10 of the Faraba licence were announced on 22 February 2024⁸. The high grade Li₂O results were seen in numerous pegmatites, with several of the pegmatite intersections at >2m in thickness, with the thickest intersection of 5.97m @ 1.12% Li₂O (from 70.03m).

APPOINTMENT OF GEOLOGICAL SERVICES GROUP TO ADVANCE PROJECT

Pivot Mining Consultants were appointed to manage and conduct the maiden mineral resource estimate (MRE) in accordance with the guidelines of the JORC Code (2012), alongside the project's existing Competent Person, Kobus Badenhorst of GeoActiv Pty Ltd.

Pivot has extensive consulting experience having undertaken due diligence studies, mineral resource and reserve estimates and feasibility studies across many mineral resource projects worldwide. Pivot has commenced the MRE process, including assisting with guidance on all aspects of the exploration and reporting methods required for the estimate.

Pivot have allocated Rob Barnett, a professional with 40 years of experience, as the Competent Person for the MRE and he will be assisted by Ken Lomborg, a Pivot Director, who will undertake the resource modelling. Mr Lomborg advised that "Pivot was excited to be joining the First Lithium team and to provide specialist mining consulting services and operational support to the project".

METALLURGICAL TESTWORK

Metallurgical testwork is being progressed concurrently with the Company's maiden JORC resource. The metallurgical test work will determine lithium concentrate recovery rates at Blakala, the results of which are eagerly anticipated, to be able to compare to those of neighbouring Leo Lithium (ASX:LLL) who recently sold their project with a valuation of circa \$1.3b⁹.

The metallurgical test work and mineral resource estimate processes are being managed by recently appointed geological services company Pivot Mining Consultants (Pty) Ltd in accordance with the guidelines of the JORC Code (2012). Pivot will also advise on all aspects of the proposed phase 2 drilling exploration project and reporting methods based on the pending MRE results for phase 1 of the project once received.

COMPLETION OF NON-RENOUNCABLE RIGHTS ISSUE

The offer made to eligible shareholders raised a total of \$2,160,435.82 (before costs) which will allow the Company to have sufficient operating capital to plan for a phase 2 drilling exploration program in Mali, expected to commence in Q3 this year. An additional shortfall balance of \$1,024,011 is available to be placed at the absolute discretion of the Directors and Lead Managers as required.

PERMIT RENEWAL APPLICATIONS LODGED

Permits for both Faraba and Blakala were lodged within the required timeframes and were acknowledged as received by the Mali Mines Department. Renewals are expected to be granted once the Mali Mines Department recommence formal renewal operations, something that has been on hold for some time to allow for the adequate adoption of the new Mining Law. Our local team in Mali is managing the process with the Mali government.

TENURE STATUS

The following is a summary of the Exploration Permits and their associated Mining Convention (held in FL1's 100% owned subsidiary):

Exploration Permit	Exploration License	Holder	EL Validity		Status
Faraba	PR 1375/18	Intermin Lithium SARL	16/4/2018	16/4/2024	Renewal Pending
Gouna	PR 1382/18	Intermin Lithium SARL	15/5/2018	15/5/2024	Renewal Pending

Figure 2: FL1 Tenure status

- ¹ ASX:FL1 Announcement – Drilling commenced at Blakala prospect
² ASX:FL1 Announcement – Significant discovery with 111m @ 1.57% Li₂O at Blakala
³ ASX:FL1 Announcement – Exceptional assay results from Blakala holes 4 to 15
⁴ ASX:FL1 Announcement – Blakala expands with 1st assay result from Western Pegmatite
⁵ ASX:FL1 Announcement – Blakala expands further with high grade Li₂O assays
⁶ ASX:FL1 Announcement – Blakala assays identify further high grade Li₂O
⁷ ASX:FL1 Announcement – Expansion of drilling program – 2nd diamond rig commences
⁸ ASX:FL1 Announcement – Faraba prospect delivers further high grade assay results
⁹ ASX:LLL Announcement :MOU signed with mali Govt & Sale of entire project to Ganfeng

Corporate

During the financial year the following key activities were undertaken by the Group from a corporate perspective:

On 2 August 2023, 2,400,000 Management Performance Options expiring 8 July 2023 lapsed as the conditions of the rights to securities have not been, or have become incapable of being satisfied.

On 4 September 2023, the Company completed the 100% acquisition of First Lithium Pty Ltd. Contemporaneously, also completed the 100% acquisition Intermin Mali Lithium Holdings which holds 100% interest in two lithium mineral bearing permits, Faraba and Gouna.

On the same day, the new Board (Messrs Christensen, Padala and Ferris) and Company Secretary (Mr Alan Armstrong) were appointed, and Messrs van den Elsen and Cignek resigned. Mr Law remained on the Board as a Non-Executive Director.

On 28 September 2023, the Company completed the public offer and changed its name to First Lithium Limited. It was restated to quotation and commenced trading on ASX under the ASX code: FL1.

On 12 March 2024, the Company issued 5,000,000 Management Performance Options to Directors (“ESOP Options”). These options are subject to the following Performance Hurdles, being the Company releasing a JORC Code 2012 compliant Mineral Resource Estimate of:

- (1) 10 million tonnes at 1.1% Li₂O within 2 years; or
- (2) 15 million tonnes at 1.1% Li₂O within 3 years.

Issue of these ESOP Options was approved by shareholders at the general meeting held on 13 February 2024.

On 12 June 2024, the Company completed a Non-renounceable Rights Issue (“Entitlement Offer”) raising gross proceeds of \$2,160,435 (before costs) at an issue price of \$0.016 per share. The funds raised were applied towards the Mali Lithium Project, resource definition and working capital.

Material Business Risks

The key risk factors affecting the Group are set out below. The occurrence of any of the risk below could adversely impact the Group's operating or financial performance.

(a) Risk relating to the Company

(i) Exploration and operating

The permits comprising the Mali Lithium Project are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these permits, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, 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, changing government regulations and many other factors beyond the control of the Group.

The success of the Group will also depend upon the Group being able to maintain title to the permits comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Group and possible relinquishment of one or more of the permits comprising the Projects.

(ii) Sovereign Risk

The Mali Lithium Project is subject to sovereign risks including, without limitation, changes in the terms of mining legislation including renewal and continuity of tenure of permits, transfer of ownership of acquired permits to the Group, changes to royalty arrangements, changes to taxation rates and concessions, restrictions on foreign ownership and foreign exchange, changing political conditions, changing mining and investment policies and changes in the ability to enforce legal rights.

(iv) Mine Development

Possible future development of mining operations at the Mali Lithium Project 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.

If the Group commences production at the Mali Lithium Project, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group. No assurance can be given that the Group will achieve commercial viability through the development of the Projects.

The risks associated with the development of a mine will be considered in full should the Mali Lithium Project reaches that stage and will be managed with ongoing consideration of stakeholder interests.

(v) Additional requirements for capital

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group.

(vi) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group 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 Group if one or more of these employees cease their employment.

The Group's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the contributions of its proposed executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Group's operations.

(b) Industry Specific Risks

(i) Tenure and renewal

Mining and exploration licences are subject to periodic renewal. There is no guarantee that current or future licences or future applications for production licences will be approved.

The mineral licences are subject to the applicable mining acts and regulations in Mali. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the licences comprising the Group's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

(ii) Exploration Costs

The exploration costs of the Group 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 Group's viability.

(iii) Exploration Success

The mineral assets in which the Group currently controls or will acquire an interest are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these assets, or any other assets that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(iv) Environmental

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

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

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

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

Significant changes in the state of affairs

i. Personnel Changes

On 4 September 2023, Mr. Joseph van den Elsen and Mr. John Ciganek resigned as a Non-Executive Director of the Company. Mr. Venkatesh Padala was appointed as Managing Director and Chief Executive Officer of the Company. Mr. Lee Christensen and Mr. Jason Ferris were appointed as Non-Executive Chairman and Non-Executive Director of the Company, respectively.

ii. Acquisition of advanced lithium exploration project

On 4 September 2023, the Group completed the 100% acquisition of Intermin Mali Lithium Holdings which holds 100% interest in two lithium mineral bearing permits, Faraba and Gouna.

iii. Quotation restated

On 28 September 2023, the Company completed the public offer and changed its name to First Lithium Limited. It was restated to quotation and commenced trading on ASX under the ASX code: FL1.

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

Matters subsequent to the end of the financial year

On 8 July 2024, 6,000,000 listed options ("FL1OB") and 1,500,000 unlisted options ("FL1AL") lapsed without exercise or conversion.

On 23 August 2024, 5,800,000 listed options expiring 4 September 2026 exercisable at \$0.035 ("FL1O") were issued to the lead manager of the Entitlement Offer announced 13 May 2024 ("Entitlement Offer"), as part consideration for the service been provided ("Lead Manager Options"). \$779,617 has been accrued for as capital raising cost during the reporting period ended 30 June 2024.

As per the notice of general meeting announced 30 August 2024, the following securities will be issued after shareholder approval is obtained at the meeting to be held on 1 October 2024.:

- (1) Issue of 7,500,000 replacement options for nil consideration, to the holders of the expired FL1OB listed options and the FL1AL unlisted options ("New Option"). The expiry date of New Options will be 28 September 2025 and the exercise price of each option will be \$0.30.
- (2) Issue of 2,000,000 the remaining Lead Manager Options to a nominee of the lead manager of the Entitlement Offer, who is also a substantial holder of the Company ("Substantial Holder Options"). \$268,833 has been accrued for as capital raising cost during the reporting period ended 30 June 2024
- (3) Issue of 8,000,000 performance options (in two tranches) to consultants for provision of project and exploration management services ("Consultant Performance Options"). The Consultant Performance Options are exercisable at \$0.30 and expire 4 years after the date of grant. Vesting conditions attached to the Consultant Performance Options are as follows:
 - (i) 6,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum tonnes of lithium ore at a grade of at least 1.1% or equivalent being obtained within 12 months of the commencement of performance period
 - (ii) 2,000,000 options will vest subject to the achievement of an official JORC 2023 compliant Resource of the Inferred classification or higher for a minimum of 100 million tonnes of lithium ore at a grade of at least 1.1% or equivalent being obtained within 18 months of the commencement of performance period.

The fair value of the Consultant Performance Options is estimated to be \$778,960. \$223,358 has been recognised as share-based payment expense for the year.

No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods..

Dividends

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

Likely developments and expected results of operations

The Group will continue to leverage off the experience of its Directors to evaluate and assess other business opportunities in the resources sector which may be a strategically fit to the Group and be capable of delivering shareholder value.

Indemnity and insurance of officers and auditor

Indemnification

The Group must use its best endeavours to insure a Director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the *Corporations Act 2001*. The Group must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Group indemnifies each of its Directors, Officers and Company Secretary. The Group indemnifies each Director or officer to the maximum extent permitted by the *Corporations Act 2001* from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Group has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their provision of audit services.

Insurance premium

During the financial year the Group paid insurance premiums to insure Directors and Officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against, and the premium paid cannot be disclosed.

Unissued shares under Options

i. Options

The Company has the following Options on issue at the date of this report:

Grant Date	Expiry Date	Exercise Price per Option	Fair Value per Option	Number of Option
04/09/2023	04/09/2026	\$0.30	\$0.087	30,500,000
04/09/2023	04/09/2027	\$0.30	\$0.090	1,800,000

The acquisition of First Lithium Pty Ltd, through the issue of 30,500,000 options with \$0.30 exercise price and 3 years from issue date (Consideration Options). 27,500,000 options were escrowed for 24 months from date on which quotation of securities recommenced, and 3,000,000 options were escrowed until 4 September 2024.

1,800,000 options issued to the Lead Manager of the acquisition of First Lithium Pty Ltd were escrowed for 24 months from the date on which quotation of securities recommenced.

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

ii. Management Performance Options

On 12 March 2024, the Company issued 5,000,000 Management Performance Options to Directors. Details of attached Performance Hurdles are available in the Remuneration Report.

iii Management Performance Rights

On 4 September 2023, the Company issued 15,000,000 Management Performance Rights, escrowed for 24 months from 4 September 2023.

Environmental regulation

The Group is subject to the environmental regulations under legislation of the Commonwealth of Australia. The Group aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental regulations.

Non-audit services

During the year, the Group's auditor Pitcher Partners and its related entities have performed certain other services in addition to the audit and review of the financial statements.

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are set out below:

	30 June 2024	30 June 2023
	\$	\$
Amount paid/payable for services other than audit and review of financial statements		
Other services		
Pitcher Partners (WA) Pty Ltd - Taxation	6,400	-
Total auditor's remuneration for non-audit services	<u>6,400</u>	<u>-</u>

In the event that non-audit services are provided by Pitcher Partners, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

- non-audit services are subject to the corporate governance procedures adopted by the Group and are reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* by ensuring they do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Proceedings on behalf of the Company

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

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2024 is set out immediately after this Directors' report.

Rounding of amounts

The Group has applied the relief available to it in ASIC Legislative Instrument 2016/191 and accordingly amounts included in this report and in the financial report have been rounded off to the nearest \$1 (where rounding is applicable).

Remuneration report (audited)

The remuneration report details the key management personnel (**KMP**) remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001*, as amended (**the Act**) and its Regulations. This information has been audited, as required by section 308(3C) of the Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Directors.

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

- Executive and Non-Executive remuneration
- Details of remuneration
- Equity-based compensation
- Additional disclosures relating to equity

Details of the nature and amount of each element of the remuneration of each of the KMP of the Group (defined as "Directors", both Non-Executive and Executive) for the year ended 30 June 2024 are set out in the following tables:

Name	Status	Appointment and resignation
Lee Christensen	Non-Executive Chairman	4 September 2023
Venkatesh Padala	Managing Director and Chief Executive Officer	4 September 2023
Jason Ferris	Non-Executive Director	4 September 2023
Andrew Law	Non-Executive Director	Appointed 21 April 2022
Joseph van den Elsen	Non-Executive Director	Appointed 1 January 2023 Resigned 4 September 2023
John Ciganek	Non-Executive Chairman/Director	Appointed 9 December 2020 Resigned 4 September 2023

Introduction

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparative companies both locally and internationally and the objectives of the Group's compensation strategy.

Remuneration governance

The Directors believe the Group is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all remuneration matters are considered by the full Board, in accordance with a remuneration committee charter. During the financial year, the Group did not engage any remuneration consultants.

Executive and Non-Executive remuneration

Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued to Directors' subject to approval by shareholders in a general meeting. There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

At this stage the Board does not consider the Group's earnings- or earnings-related measures to be an appropriate key performance indicator (**KPI**). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development and corporate activities. The Board determines payments to Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice will be sought when required and Executive remuneration is approved by shareholders at the Annual General Meeting.

The Group's financial performance during the year 30 June 2024 and for the previous four financial years is set out in the table below. These financial results shown below were all prepared in accordance with Australian Accounting Standards (AASBs).

	2024	2023	2022	2021 ^a	2020
Net (Loss) after tax	(10,928,814)	(2,464,396)	(939,332)	(850,030)	(1,251,433)
(Loss) per share (cents)	(12.14)	(5.42) ^c	(2.52) ^b	(19.96) ^b	(23.02) ^b
Share price at year end	0.175	0.18	0.16	0.022	0.022

^a The Company remained in the voluntary suspension from April 2019 – June 2021.

^b The Company consolidated its issued capital on an 80 to 1 basis on 26 April 2021 and consequently has restated the 2020, 2019 and 2018 loss per share accordingly.

^c The Company was in voluntary suspension from October 2022 to 4 September 2023.

^d Presented in the table above includes the financial performance of the former business of First Lithium Limited (formerly Ookami Limited), prior to the reverse acquisition of First Lithium Pty Ltd on 4 September 2023.

The key terms of Executive Service Agreements during the year and as at the date of this report are as follows:

Name: Venkatesh Padala
Title: Managing Director and Chief Executive Officer
Agreement commenced: 4 September 2023
Term of agreement: The Company has entered into an agreement with Mr. Venkatesh Padala in respect to his appointment as the Chief Executive Officer of the Company.
Details: Under the Agreement, Mr. Venkatesh Padala will serve the Company as Managing Director and Chief Executive Officer.

Mr. Venkatesh Padala is to be paid an annual salary of \$120,000 exclusive of superannuation for his services as MD and CEO and will be reimbursed for all reasonable expenses incurred in performing his duties.

On termination of the Employment, the Executive is entitled to payment in lieu of the annual leave to which the Executive has become entitled during the Employment but has not been taken.

Name: Lee Christensen
Title: Non-Executive Chairman
Agreement commenced: 4 September 2023
Term of agreement: Annual fee of \$90,000
Details: The Company has entered into an Consultancy Agreement with Pooky Corporation Pty Ltd ATF Garfield Family Trust (Consultant). Under the agreement, Mr. Lee Christensen provides the service as Non-Executive Chairman of the Company.

Mr. Lee Christensen is to be paid an annual fee for his service as Non-Executive Chairman, of which the monthly fee will be paid in arrears upon receipt of an invoice. The Company will reimburse for all reasonable expenses incurred in performing his duties.

The agreement may be terminated by either the Company or Mr. Lee Christensen giving three (3) months' notice in writing to the other Party. There are no termination benefits payable under the agreement.

Name: **Jason Ferris**
Title: Non-Executive Director
Agreement commenced: 4 September 2023
Term of agreement: Annual fee for \$60,000
Details: The Company has entered into an agreement with Mr. Jason Ferris in respect to his appointment as Non-Executive Director of the Company.

Mr. Jason Ferris is to be paid an annual fee for his services as Non-Executive Director, of which the monthly fee will be paid in arrears upon receipt of an invoice. The Company will reimburse for all reasonable expenses incurred in performing his duties.

The agreement may be terminated by either the Company or Mr. Jason Ferris giving three (3) months' notice in writing to the other Party. There are no termination benefits payable under the agreement.

Name: **Andrew Law**
Title: Non-Executive Director
Agreement commenced: 21 April 2022
Term of agreement: Annual fee of \$60,000
Details: The Company has entered into an agreement with Mr. Andrew Law in respect of his appointment as a Non-Executive Director of the Company.

Mr. Andrew Law is to be paid an annual fee of \$60,000 for his services as Non-Executive Director and Chairman, of which the monthly fee will be paid in arrears upon receipt of an invoice. The Company will reimburse for all reasonable expenses incurred in performing his duties.

The agreement has no set term of termination, Mr. Andrew Law can resign at any time or be removed, as a director by way of a shareholder resolution to be approved. There are no termination benefits payable under the agreement.

Name: **John Ciganek**
Title: Non-Executive Director and Chairman
Agreement commenced: 8 December 2020 to 4 September 2023
Term of agreement: Annual fee of \$48,000
Details: The Company has entered into an agreement with Mr. John Ciganek in respect of his appointment as a Non-Executive Director of the Company.

Mr. John Ciganek is to be paid an annual fee for his services as Non-Executive Director and Chairman, of which the monthly fee will be paid in arrears upon receipt of an invoice. The Company will reimburse for all reasonable expenses incurred in performing his duties.

The agreement has no set term of termination, Mr. John Ciganek can resign at any time or be removed, as a director by way of a shareholder resolution to be approved. There are no termination benefits payable under the agreement.

Name: **Joseph van den Elsen**
 Title: Non-Executive Director
 Agreement commenced: 1 January 2023 to 4 September 2023
 Term of agreement: Annual fee of \$48,000
 Details: The Company has entered into an agreement with Mr. Joseph van den Elsen in respect of his appointment as a Non-Executive Director of the Company.

Mr. Joseph van den Elsen is to be paid an annual fee for his services as Non-Executive Director, of which the monthly fee will be paid in arrears upon receipt of an invoice. The Company will reimburse for all reasonable expenses incurred in performing his duties.

The agreement has no set term of termination, Mr. Joseph van den Elsen can resign at any time or be removed, as a director by way of shareholder resolution being approved. There are no termination benefits payable under the agreement.

Performance Conditions Linked to Remuneration

The Group has established and maintains the Company Employee Share Option Plan (**Plan**) to provide ongoing incentives to any full time or part time employee or consultant of the Company or any person nominated by the Board (including Directors or Company Secretary of the Company engaged by the Company on a full or part time basis) (**Eligible Participants**).

The Board adopted the Plan to allow Eligible Participants to be granted equity securities in the Company. The objective of the Plan is to provide the Group with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Eligible Participants. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Group's business activities.

Securities may be issued under the Plan at the discretion of the Board, subject to Shareholder approval. Unvested securities will lapse upon termination (a relevant person ceases to be an Eligible Participant) unless the Board exercises its discretion to vest the securities or in its absolute discretion, resolves the unvested securities to remain unvested.

Details of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-Settled	
30 June 2024	\$	\$	\$	\$	\$	\$	\$
Executive Directors:							
Venkatesh Padala ^a	135,000 ^g					70,953	205,953
Non-Executive Directors:							
Lee Christensen ^b	75,000					10,136	85,136
Jason Ferris ^c	65,000 ^h					10,136	75,136
Andrew Law ^d	58,000 ⁱ					10,327	68,327
John Ciganek ^e	8,000	-	-	-	-	353	8,353
Joseph van den Elsen ^f	8,000	-	-	-	-	1,059	9,059
	349,000	-	-	-	-	102,964	451,964

^a Appointed as Executive Director on 4 September 2023

^b Appointed as Non-executive Director on 4 September 2023. Non-Executive Director fees were payable to Pooky Corporation Pty Ltd, a company controlled by Lee Christensen.

^c Appointed as Non-executive Director on 4 September 2023. Non-Executive Director fees were payable to J2J Investments Pty Ltd, a company controlled by Jason Ferris.

^d Non-Executive Director fees were payable to Fusion (WA) Pty Ltd, a company controlled by Andrew Law

^e Ceased as Non-executive Director on 4 September 2023. Non-Executive Director fees were payable to the Ciganek Family Trust, an entity controlled by John Ciganek.

^f Ceased as Non-executive Director on 4 September 2023. Non-Executive Director fees were payable to Gotham Corporate Pty Ltd, a company controlled by Joseph van den Elsen.

^g Including \$35,000 fee paid for the period prior to appointment to the Board of the Company.

^h Including \$15,000 fee paid for the period prior to appointment to the Board of the Company.

ⁱ Including \$8,000 fee paid for the period prior to completion of the Acquisition.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
30 June 2023	\$	\$	\$	\$	\$	\$	\$
Executive Directors:							
Joseph van den Elsen ^a	90,000	-	-	-	-	60,383	150,383
Non-Executive Directors:							
John Ciganek ^b	48,000	-	-	-	-	20,127	68,127
Joseph van den Elsen ^c	24,000	-	-	-	-	-	24,000
Andrew Law ^d	48,000	-	-	-	-	8,731	56,731
	210,000	-	-	-	-	89,241	299,241

^a Ceased as Executive Director on 31 December 2022. MD and CEO fees payable to Gotham Corporate Pty Ltd, a company controlled by Joseph van den Elsen.

^b Non-Executive Director fees were payable to the Ciganek Family Trust, an entity controlled by John Ciganek.

^c Appointed as Non-Executive Director on 1 January 2023. Non-Executive Director fees were payable to Gotham Corporate Pty Ltd, a company controlled by Joseph van den Elsen.

^d Non-Executive Director fees were payable to Fusion (WA) Pty Ltd, a company controlled by Andrew Law.

Equity-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Performance options

On 8 July 2023, 2,400,000 Management Performance Options to Directors lapsed.

On 12 March 2024, the Company issued 5,000,000 Management Performance Options to Directors. These options were approved for issue by shareholders at General Meeting held on 13 February 2024. The Performance Options are subject to the following Performance Hurdle, being the Company releasing a JORC Code 2012 compliant Mineral Resource Estimate of:

(1) 10 million tonnes at 1.1% Li₂O within 2 years; or

(2) 15 million tonnes at 1.1% Li₂O within 3 years.

Valuation Date	Expiry Date	Exercise Price per Option	Number of Option	Fair Value per Option	Valuation Models	Total Fair Value
13/02/2024	12/03/2028	\$0.282	5,000,000	\$0.202	Black Scholes	\$1,009,999

The total fair value of the Performance Options will be recognised as an expense over the expected period for achievement of the vesting condition. As a result, \$101,362 has been recognised as a share-based payment expense in the statement of profit or loss for the year ended 30 June 2024.

Additional disclosures relating to equity

KMP Shareholding

The number of Shares in the Company held during the financial year by each Director and other members of KMP of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchases during the year	Disposals/ other	Balance at the end of the year
30 June 2024					
Executive Directors					
Venkatesh Padala ^a	-	-	-	-	-
Non-Executive Directors					
Lee Christensen	-	-	28,574	200,000	228,574
Jason Ferris	-	-	58,573	410,000	468,573
Andrew Law	-	-	-	-	-
John Ciganek ^b	125,000	-	-	(125,000)	-
Joseph van den Elsen ^b	-	-	-	-	-
	125,000	-	87,147	485,000	697,147

^a Appointed 4 September 2023

^b Resigned 4 September 2023

KMP Option holding

Other than the Management Performance Options held by the relevant Director, no other options over ordinary shares in the Company were held during the financial year by any Director or other members of KMP of the Group, including their personally related parties (30 June 2023: nil).

Options awarded, vested and lapsed during the year

Options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

KMP Management Performance Options holding

The number of Management Performance Options in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Expired/ forfeited/ other	Balance at the end of the year
<i>Management Performance Options over ordinary shares</i>				
Executive Directors				
Venkatesh Padala ^a	-	3,500,000	-	3,500,000
Non-Executive Directors				
Lee Christensen ^a	-	500,000	-	500,000
Jason Ferris ^a	-	500,000	-	500,000
Andrew Law	400,000	500,000	(400,000)	500,000
John Ciganek ^b	400,000	-	(400,000)	-
Joseph van den Elsen ^b	1,200,000	-	(1,200,000)	-
	2,000,000	5,000,000	(2,000,000)	5,000,000

	Vested and exercisable	Unvested and un-exercisable	Balance at the end of the year
<i>Management Performance Options over ordinary shares</i>			
Executive Directors			
Venkatesh Padala ^a	-	3,500,000	3,500,000
Non-Executive Directors			
Lee Christensen	-	500,000	500,000
Jason Ferris	-	500,000	500,000
Andrew Law	-	500,000	500,000
John Ciganek ^b	-	-	-
Joseph van den Elsen ^b	-	-	-
	-	5,000,000	5,000,000

^a Appointed 4 September 2023

^b Resigned 4 September 2023

Loans from or to KMP and their related parties

There were no loans made from or to KMP and their related parties during the financial year and no outstanding balances as at the date of this report.

Other transactions with KMP and their related parties

Purchases from and sales to KMP and their related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's KMP.

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered, they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transaction	KMP	Total Expense		Payable Balance	
			30 June 2024	30 June 2023	30 June 2024	30 June 2023
I2J Investments Pty Ltd	Consulting fee	Jason Ferris	68,400	-	-	-
Gotham Corporate Pty Ltd	Consulting fee	Joseph van den Elsen	81,600	61,200	-	67,320

Voting and comments made at the Company's 2023 AGM

The Company received 99.99% of "yes" votes on its remuneration report for 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

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



Lee Christensen
Non-Executive Chairman

30 September 2024

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF FIRST LITHIUM LIMITED (FORMERLY KNOWN AS OOKAMI
LIMITED)**

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of First Lithium Limited and its controlled entities for the year ended 30 June 2024, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 30 September 2024

First Lithium Limited
(Formerly known as Ookami Limited)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



	Note	30 June 2024 \$	30 June 2023 \$
Revenue			
Interest income		23,565	1,379
Expenses			
Employee expense		(294,648)	-
Share based payment expense	17	(1,146,941)	-
Director fees		(323,804)	-
Insurance expense		(37,408)	-
Travel expense		(119,786)	-
Depreciation		(507)	-
Professional fees	4	(598,003)	-
General and administration		(541,955)	(198,214)
Compliance and regulatory costs		(80,019)	-
Listing expenses	2	(7,809,309)	-
(Loss) before income tax expense from continuing operations		(10,928,814)	(198,214)
Income tax expense	5	-	(11,353)
(Loss) after income tax expense from continuing operations		(10,928,814)	(208,188)
(Loss) after income tax expense for the year		(10,928,814)	(208,188)
Other comprehensive income/(loss)			
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(47,228)	-
Other comprehensive (loss) for the year, net of tax		(47,228)	-
Total comprehensive (loss) for the year		(10,976,043)	(208,188)
		Cents	Cents
Basic loss/earnings per share	8	(12.14)	(2.59)
Diluted loss/earnings per share	8	(12.14)	(2.59)

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

	Note	30 June 2024 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	2,213,779	188,420
Trade and other receivables		46,769	-
Other assets		26,326	-
Total current assets		<u>2,286,874</u>	<u>188,420</u>
Non-current assets			
Investments in associate	23	1	-
Other financial asset		-	250,000
Property, plant and equipment	12	237,276	-
Exploration and evaluation assets	13	3,971,860	-
Total non-current assets		<u>4,209,137</u>	<u>250,000</u>
Total assets		<u>6,496,011</u>	<u>438,420</u>
Liabilities			
Current liabilities			
Trade and other payables	14	779,748	81,598
Total current liabilities		<u>779,748</u>	<u>81,598</u>
Total liabilities		<u>779,748</u>	<u>81,598</u>
Net assets		<u>5,716,263</u>	<u>356,822</u>
Equity			
Issued capital	15	11,919,572	591,501
Reserves	16	4,960,184	-
Accumulated losses		(11,163,493)	(234,679)
Total equity		<u>5,716,263</u>	<u>356,822</u>

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

	Note	Issued capital \$	Share based payment reserve \$	Translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022		1	-	-	(26,491)	(26,490)
(Loss) after income tax expense for the year		-	-	-	(208,188)	(208,188)
Other comprehensive (loss)/income for the year, net of tax		-	-	-	-	-
Total comprehensive (loss)/income for the year		-	-	-	(208,188)	(208,188)
Shares issued	15	630,000	-	-	-	630,000
Transaction costs on issue of shares	15	(38,500)	-	-	-	(38,500)
Balance at 30 June 2023		591,501	-	-	(234,679)	356,822

	Note	Issued capital \$	Share based payment reserve \$	Translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		591,501	-	-	(234,679)	356,822
(Loss) after income tax expense for the year		-	-	-	(10,928,814)	(10,928,814)
Other comprehensive (loss)/income for the year, net of tax		-	-	(47,229)	-	(47,229)
Total comprehensive (loss)/income for the year		-	-	(47,229)	(10,928,814)	(10,976,043)
Shares issued	15	12,885,446	-	-	-	12,885,446
Transaction costs on issue of shares	15	(1,557,375)	-	-	-	(1,557,375)
Share-based payment	17	-	5,007,413	-	-	5,007,413
Balance at 30 June 2024		11,919,572	5,007,413	(47,229)	(11,163,493)	5,716,263

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

First Lithium Limited
(Formerly known as Ookami Limited)
Consolidated statement of cashflow
For the year ended 30 June 2024



	30 June 2024	30 June 2023
Note	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,779,522)	(119,616)
Interest received	23,565	1,379
Net cash used in operating activities	11 (1,755,957)	(118,237)
Cash flows from investing activities		
Purchase of investments	-	(250,000)
Payments for property, plant and equipment	(237,504)	
Payments for exploration and evaluation expenditure	(3,474,706)	
Cash acquired from acquired entity	2 3,546,426	-
Net cash used in investing activities	(165,784)	(250,000)
Cash flows from financing activities		
Proceeds from issue of shares	4,160,446	502,000
Share or options issue transaction costs	(213,345)	(38,500)
Net cash from financing activities	3,947,100	463,500
Net increase in cash and cash equivalents	2,025,359	95,263
Cash and cash equivalents at the beginning of the financial year	188,420	93,157
Cash and cash equivalents at the end of the financial year	11 2,213,779	188,420

Note 1. Reporting Entity

These financial statements cover First Lithium Limited, formerly known as Ookami Limited (**the Company**) and its controlled entities as a consolidated entities (also referred to as **the Group**). First Lithium Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The Group's financial statements are presented in Australian dollars, which is also the Company's functional currency.

The financial statements were issued in accordance with a resolution by the Board on 30 September 2024.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the financial report, while some of the material accounting policy information is presented in the respective notes to the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Note 2. Material accounting policy information

Basis of preparation

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

The financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board.

Reporting basis and convention

The financial statements have been prepared on an accruals basis and are based on historical costs except for certain financial assets which have been measured at fair value.

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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the consolidated financial report have been rounded to the nearest dollar.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 21.

New or amended Accounting Standards and Interpretations adopted

The Group has considered the implications of new or amended Accounting Standards and Interpretations which have become applicable for the current annual financial reporting period beginning on or after 1 July 2023. It has been determined by the Group that there is no impact, material or otherwise, of the new or amended Accounting Standards and Interpretations and therefore no changes to Group accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the financial year.

Accounting standards issued but not yet effective

The Group has considered all Standards and Interpretations issued but not yet effective for the current reporting period and has determined that their implication to the financial statements is either not relevant or not material.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Consolidated Statement of Profit and Loss and Other Comprehensive income shows that the Group incurred a net loss of \$10,928,814 during the year ended 30 June 2024 (30 June 2023: loss of \$208,188). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$2,213,779 (30 June 2023: \$188,420), and net assets of \$5,716,263 (30 June 2023: \$356,822) as of 30 June 2024.

The Directors recognise that additional funding either through the issue of further shares, or convertible notes, or the sale of assets, or a combination of these activities will be required for the Group to continue to actively explore its mineral properties. The Directors are also aware that the Group can relinquish certain projects in order to maintain its cash at appropriate levels.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as when they fall due.

In forming this view, the Directors have taken into consideration the following:

- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds; and
- Assets sales, including sale of tenure.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern. Should the Group be unsuccessful with the initiatives detailed above then, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

Reverse Acquisition

On 4 September 2023, the Company completed acquisition of First Lithium Pty Ltd ("FLPL") ("First Lithium Acquisition"), immediately after FLPL acquired the entire issued share capital of Intermin Mali Lithium Holdings Ltd ("IMLH") ("Intermin Acquisition"). IMLH, through its wholly owned subsidiary Intermin Lithium SARL holds a 100% legal interest in the Mali Lithium Project.

The Company's 100% acquisition of the Mali Lithium Project resulted in the Company issuing the following:

- 43,625,000 shares to First Lithium Vendors i.e. 16,125,000 shares to First Lithium Pty Ltd and 27,500,000 shares to Intermin Mines Corporation issued at \$0.20 per share, consistent with the issue price for fully paid ordinary shares as per the Prospectus issued by the Company on 30 June 2023;
- 30,500,000 options to the First Lithium Vendors i.e. 3,000,000 options to First Lithium Pty Ltd and 27,500,000 options to Intermin Mines Corporation with an exercise price of \$0.30 expiring on the third anniversary from their date of issue;
- 15,000,000 performance shares at \$0.20 per share was issued to the First Lithium Vendors ie Intermin Mines Corporation, consistent with the issue price for fully paid ordinary shares as per the Prospectus issued by the Company on 30 June 2023.

The Company's public offer as per the Prospectus dated 30 June 2023, resulted in the Company issuing the following:

- 10,000,000 shares to investors in the public offer at \$0.20 per share;
- 1,800,000 options issued to brokers under the public offer with an exercise price of \$0.40 expiring on the fourth anniversary from their date of issue.

For accounting purposes, the First Lithium Acquisition and the Intermin Acquisition are considered to be one transaction, given the intentions of the parties and terms and conditions precedent of the respective agreements.

In addition, as a result of the acquisition, the former shareholders of FLPL effectively obtained control of the combined entity. Accordingly, using the reverse acquisition principles of the business combination accounting standard, while the Company is the legal acquirer of FLPL, for accounting purposes FLPL is deemed to be the acquirer of the Company.

The consolidated financial statements of the Company have been prepared as a continuation of the consolidated financial statements of FLPL. The deemed acquirer, FLPL, has accounted for the acquisition of the Company from 4 September 2023.

The impact of the reverse acquisition on each of the primary statements is as follows:

Financial statements /Reporting section	Current period ended or as at 30 June 2024	Comparative statement
Consolidated Statement of Profit or Loss and Other Comprehensive Income	Comprises of transactions of: <ul style="list-style-type: none"> 12 months of FLPL from 4 September 2023 for FL1 from 4 September 2023 for the Intermin Group 	Comprises of 12 months of FLPL ended 30 June 2023
Consolidated Statement of Financial Position	Represents the combination of FLPL, FL1 and the Intermin Group	Represent the position of FLPL as at 30 June 2023
Consolidated Statement of Changes in Equity	Comprises of: <ul style="list-style-type: none"> FLPL's opening balance at 1 July 2023 FLPL's total comprehensive income for the half-year and transitions with equity holders for the 12 months FLPL's transactions with equity holders from 4 September 2023 the equity balance of the combined FLPL, FL1 and the Intermin Group as at 30 June 2024 	Comprises of 12 months of FLPL ended 30 June 2023
Consolidated Statement of Cash Flows	Comprises of: <ul style="list-style-type: none"> FLPL at 1 July 2023 transactions for the 12 months of FLPL transactions from 4 September 2023 for FL1 transactions from 4 September 2023 for the Intermin Group Combined cash balance of FLPL, FL1 and the Intermin Group at 30 June 2024 	Comprises of 12 months of FLPL ended 30 June 2023

At the date of the transaction, it was determined the acquisition did not meet the definition of a business combination under AASB 3 Business Combinations and instead, has been accounted for as a share-based payment under the principles of AASB 2 Share-Based Payments by which FLPL acquires the net assets and status of the Company, IMLH and its subsidiary. The excess of the deemed consideration over the fair value of the Company, Intermin and its subsidiary, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2 Share-Based Payment, is considered to be payment for a group to be listed and has been expensed as a corporate restructuring expense. No goodwill, gain on bargain purchase or deferred tax is recognised.

Details of the net assets acquired, purchase consideration and corporate restructuring expense are as follows:

	3 September 2023
	\$
Cash and cash equivalents	3,546,426
Trade and other receivables	34,346
Other assets	96,057
Investment in associate	1
Property, plant and equipment	278
Exploration and evaluation assets	497,154
Trade and other payables	(248,458)
Borrowing	(110,805)
Net assets/(liabilities) of acquired (the Company, Intermin and its subsidiary)	<u>3,815,000</u>

	3 September 2023
	\$
Fair value of consideration Shares	8,725,000
Fair value of consideration Options	2,649,309
Cash consideration - previously paid to acquire 10% of Intermin Group	250,000
Less: total net assets acquired on acquisition	<u>(3,815,000)</u>
Amount recognised as corporate restructuring expense upon acquisition	<u>7,809,309</u>

Principles of consolidation

The consolidated financial statements are those of the consolidated entity (“the Group”), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter group balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests’ proportionate share of the acquired entity’s net identifiable assets. This decision is made on an acquisition by acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income and the statement of financial position respectively.

Direct Transaction Cost

Direct transaction costs incurred by the acquirer in the acquisition of an asset, or a group of assets generally are a component of the consideration transferred and, as such, are capitalized as a component of the cost of the assets acquired and liabilities assumed and expensed when the cost is not incidental. These capitalized costs are limited to direct costs that relate to the asset acquisition and that otherwise wouldn’t be incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest (NCI)

NCIs are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. The Group may acquire a controlling equity interest that represents less than 100% of an entity that does not meet the definition of a business. When this occurs, a Non-controlling interest in the acquired entity is created, the acquirer should include the fair value of the Non-controlling interest as part of the cost of the asset acquisition and recognize the Non-controlling interest based on its proportionate share of the fair value of the net assets acquired on the acquisition date.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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 Group'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 Group'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.

Financial assets and liabilities at amortised cost

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at fair value through profit or loss, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

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.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Note 3. 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. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Significant judgements, estimates and assumption made by management in the preparation of these financial statements are found in the following notes:

- Note 5 - Income Tax
- Note 13 - Exploration and evaluation assets
- Note 17 - Share-based payment transactions
- Note 19 - Fair value measurements

Note 4. Professional fees

	30 June 2024	30 June 2023
	\$	\$
Accounting and company secretary fees	143,382	-
Audit and tax expenses	113,221	-
Legal and consulting fees	341,400	-
	598,003	-

Note 5. Income tax

	30 June 2024	30 June 2023
	\$	\$
<i>Numerical reconciliation of income tax benefit/(expense) and tax at the statutory rate</i>		
(Loss) before income tax expense from continuing operations	(10,928,814)	(196,835)
Tax at the Australian statutory tax rate of 30%	(3,042,716)	(59,051)
Tax at the Mauritian statutory tax rate of 15%	(41,958)	
Tax at the Mali statutory tax rate of 30%	(152,012)	
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	344,081	-
Non-deductible expenditure	69,801	26,549
Non-deductible transaction cost	2,342,793	-
Offset against DTA/DTL not recognised	480,011	43,855
Income tax expense	-	11,353

	30 June 2024	30 June 2023
	\$	\$
<i>Deferred tax assets balance comprises:</i>		
Accrued expenses	34,008	-
Plant and equipment	1,500	-
Tax losses	2,137,973	43,855
Capital and business expenditure	184,856	-
Provisions	545	-
Investments	279,972	-
Non-recognition of deferred tax position	<u>(2,638,855)</u>	<u>(43,855)</u>
<i>Deferred tax liabilities balance comprises:</i>		
Prepayments	(7,796)	-
Offset against DTA	<u>7,796</u>	<u>-</u>
Net deferred tax not recognised	<u><u>2,631,059</u></u>	<u><u>43,855</u></u>

The above potential tax benefit has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Deferred income tax (revenue)/expense included in income tax expense comprises.

	30 June 2024	30 June 2023
	\$	\$
(Increase) in deferred tax asset	(544,000)	(43,855)
Increase/(decrease) in deferred tax liability	(14,457)	-
Under/Over provision in prior period	-	-
Offset against deferred tax asset/deferred tax liability not recognised	558,457	32,502
<i>Deferred income tax related to items charged or credited directly to equity</i>		
(Increase) in deferred tax asset	(78,447)	-
Offset against deferred tax asset/deferred tax liability not recognised	78,447	-

Carry forward losses

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2024, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Utilisation of tax losses

A Group cannot carry forward losses unless it satisfies either the "continuity of ownership" test (ITAA97 s 165-12) or the "same business" test (ITAA97 s 165-13) as described in the *Income Tax Assessment Act 1997*.

Note 6. Key Management Personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel (**KMP**) of the Group is set out below:

	2024	2023
	\$	\$
Short-term employee benefits	349,000	-
Post-employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	102,964	-
	451,964	-
	451,964	-

Note 7. Auditor's Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor of the Group (Pitcher Partners BA&A Pty Ltd) for:		
Audit or review of the financial reports	51,145	-
Remuneration of auditor related entity for non-audit services		
Pitcher Partners (WA) Pty Ltd - taxation	6,400	-
Remuneration of other auditors of the Group		
Audit or review of the financial reports	18,985	3,800
	76,530	3,800
	76,530	3,800

Note 8. Earnings per share

	2024	2023
	Cents per share	Cents per share
<i>Basic and diluted (loss) / earnings per share:</i>		
Total basic (loss) / earnings per share	(12.14)	(2.59)
Total diluted (loss) / earnings per share	(12.14)	(2.59)
	(12.14)	(2.59)

Basic and diluted (loss) / earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted (loss) / earnings per share is as follows:

	\$	\$
(Loss) / Earnings	(10,928,814)	(208,188)
	(10,928,814)	(208,188)
Weighted average number of ordinary shares for the purposes of basic loss per share	90,020,328	8,040,412
Adjusted weighted average number of ordinary shares for the purposes of diluted loss per share	90,020,328	8,040,412
	90,020,328	8,040,412

Share options and performance rights are not dilutive as their inclusion would give rise to a reduced loss per share.

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Note 9. Segment Information

Year ended 30 June 2024

	Mali	Unallocated	Consolidated
	\$	\$	\$
Segment net loss after tax	(605,281)	(10,069,843)	(10,928,814)
Segment assets	4,108,911	2,387,100	6,496,011
Segment liabilities	(437,327)	(209,554)	(779,748)

Note 10. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	2,213,779	188,420

Accounting policy for 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.

Note 11. Cash flow information

Reconciliation of (loss) after income tax to net cash used in operating activities

	2024	2023
	\$	\$
(Loss) after income tax expense for the year	(10,928,814)	(208,188)
Adjustments for:		
Depreciation, amortisation and impairment	507	-
Share-based payments	1,146,941	-
Foreign exchange differences	(47,228)	-
Listing expenses	7,809,309	-
Income tax (expense)/benefit	-	11,353
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(12,423)	-
Decrease in other assets	69,731	-
Increase/(decrease) in trade and other payables	206,020	78,598
Increase in fund liabilities	-	-
Net cash used in operating activities	<u>(1,755,957)</u>	<u>(188,237)</u>

Non-cash investing and financing activities

During the year ended 30 June 2024, the Group

	2024	2023
	\$	\$
Consideration shares issued to legal acquiree	8,725,000	-
Consideration options issued to legal acquiree	2,649,309	-
Broker options issued	162,713	-
	<u>11,537,022</u>	<u>-</u>

Note 12: Property, plant and equipment

	2024	2023
	\$	\$
Office furniture and equipment:		
At cost	189,769	-
Accumulated depreciation	(507)	-
	<u>189,262</u>	<u>-</u>
Motor vehicles:		
At cost	18,467	-
Accumulated depreciation	-	-
	<u>18,467</u>	<u>-</u>
Land and building:		
At cost	29,547	-
Accumulated depreciation	-	-
	<u>29,547</u>	<u>-</u>

Reconciliation of movement in property plant and equipment

	Office furniture and equipment \$	Motor vehicles \$	Land and building \$	Total \$
Year ended 30 June 2023				
At 1 July 2022, net of accumulated depreciation and impairment	-	-	-	-
Additions	-	-	-	-
Disposal / write-offs	-	-	-	-
Depreciation charge for the year	-	-	-	-
At 30 June 2023, net of accumulated depreciation and impairment	-	-	-	-
Year ended 30 June 2024				
Additions	189,769	18,467	29,547	236,320
Disposal / write-offs	-	-	-	-
Depreciation charge for the year	(507)	-	-	(507)
At 30 June 2024, net of accumulated depreciation and impairment	189,262	18,467	29,547	237,276

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer	2 - 3 years
Office furniture and fixtures	5 - 8 years
Building	5 - 15 years
Motor vehicles	5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Note 13. Exploration and evaluation assets

	2024 \$	2023 \$
Balance at beginning of period	-	-
Acquisition of subsidiary	497,154	-
Expenditure incurred	3,474,706	-
Balance at end of period	3,971,860	-

Licence renewals for both Faraba and Blakala were lodged within the prescribed timeframes and were acknowledged as received by the Mali Mines Department. Renewals are expected to be granted once the Mali Mines Department recommence formal renewal operations. Until the renewal of the licences are granted, there exists a material uncertainty related to the carrying value of exploration expenditure for the Mali Lithium Project at 30 June 2024.

Accounting policy for exploration and evaluation assets

Accounting for exploration and evaluation expenditure is assessed separately for each area of interest. Each area of interest is an individual geological area which considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such deposit.

The Group has adopted the 'successful efforts' method of accounting whereby only those costs that lead directly to the discovery, acquisition, or development of specific discrete mineral reserves within an area of interest are capitalised. Costs that are known to fail the meet this criterion (at the time of occurrence) are generally expensed to profit or loss in the period they are incurred.

License costs paid in connection with a right to explore an existing area of interest are capitalised and reviewed at each reporting period to confirm that there is no indication that the carrying amount exceeds the recoverable amount.

Acquisition costs are carried forward where the right to explore an area of interest is current and they are expected to be recouped through the sale or successful development of an area of interest.

Exploration and evaluation expenditure is carried forward on the basis that the exploration and evaluation activities in the area of interest have not reached a stage that permits 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 is continuing. The future recoverability of the carrying amount of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation or, alternatively, the sale of an area of interest.

Key judgement

Capitalisation of exploration and evaluation assets

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

Note 14. Trade and other payables

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	509,022	-
Other payables and accruals	270,726	81,598
	<u>779,748</u>	<u>81,598</u>

Accounting policy for trade and other payables

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

Note 15. Issued capital

	2024 No.	2024 \$	2023 No.	2023 \$
Balance at beginning of period	16,125,000	591,501	1	1
Shares in FLPL issued to acquire Intermin Group	27,500,000	-	16,125,000	630,000
Elimination of FLPL shares capital	(43,625,001)	-	-	-
Existing issued capital of FL1	45,446,667	-	-	-
Shares issued to acquire FLPL and Intermin Group ⁽¹⁾	43,625,000	8,725,000	-	-
Shares issued through public offer ⁽²⁾	10,000,000	2,000,000	-	-
Shares issued through Entitlement Offer ⁽³⁾	9,601,937	2,160,446	-	-
Share issue costs	-	(1,557,375)	-	(38,500)
Balance at end of period	108,673,604	11,919,572	16,125,001	591,501

⁽¹⁾ Consideration Shares issued to shareholders of FLPL on 4 September 2023 at \$0.20 per share.

⁽²⁾ 10,000,000 shares in FL1 issued on 4 September 2023 at \$0.20 per share.

⁽³⁾ 9,601,937 shares in FL1 issued on 12 June 2024 at \$0.225 per share.

Ordinary shares

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

Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

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

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

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet due diligence programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

Accounting policy for 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.

Note 16. Reserves

	2024 \$	2023 \$
Foreign currency reserve	(47,229)	-
Share-based payments reserve	5,007,413	-
	4,960,184	-

The foreign currency translation reserve records exchange differences arising on translation of foreign operations. The share-based payments reserve records items recognised as expenses on valuation of equity instruments granted in lieu of goods or services received.

Movements in reserves

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

	Share based payment reserve \$	Foreign currency translation reserve \$	Total \$
Balance at 1 July 2023	-	-	-
Consideration Options - issued to acquire FLPL and Intermin Group	2,649,309	-	2,649,309
Performance Shares	822,222	-	822,222
Broker Options	162,713	-	162,712
ESOP Options	101,361	-	101,361
Lead Manager Options	1,048,450	-	1,048,450
Consultant Performance Options	223,358	-	223,358
Foreign currency translation difference	-	(47,229)	(47,229)
Balance at 30 June 2024	5,007,413	(47,229)	4,960,184

Note 17. Share-based payments

Shares

- (1) On 4 September 2023, 43,625,000 shares in the First Lithium Ltd were issued as part consideration for the acquisition between First Lithium Ltd and First Lithium Pty Ltd and the acquisition between First Lithium Pty Ltd and Intermin Mali Lithium Holdings (collectively "Acquisition") ("Consideration Shares").

\$8,725,000 being the fair value of the Consideration Shares was recognised as listing expense in the statement of profit and loss.

Options

Options movements

2024

Grant date	Expiry date	Exercise price	Balance at 1 July 2023	Granted during the year	Exercised during the year	Expired during the year	Balance at 30 June 2024	Exercisable at 30 June 2024
15/07/2021	8/07/2024	\$0.300	-	1,500,000	-	-	1,500,000	1,500,000
15/07/2021	8/07/2023	\$0.001	-	2,000,000	-	(2,000,000)	-	-
21/04/2022	8/07/2023	\$0.001	-	400,000	-	(400,000)	-	-
27/04/2023	4/09/2026	\$0.300	-	30,500,000	-	-	30,500,000	-
27/04/2023	4/09/2026	\$0.400	-	1,800,000	-	-	1,800,000	1,800,000
13/02/2024	12/03/2028	\$0.282	-	5,000,000	-	-	5,000,000	-
12/06/2024	4/09/2026	\$0.035	-	4,801,028	-	-	4,801,028	4,801,028
			-	46,001,028	-	(2,400,000)	43,601,028	8,101,028

- (1) On 4 September 2023, 30,500,000 FL1 unlisted Options were issued as part consideration for the Acquisition (“Consideration Options”).

The fair value of the Consideration Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Consideration Options

Number of Options	30,500,000
Date of Grant	4 September 2023
Share Price at Grant Date	\$0.200
Volatility Factor	80%
Risk free rate	3.02%
Life of the Options (Years)	3
Exercise Price	\$0.300
Valuation Per Option	\$0.0869
Total Fair Value	\$2,649,309

A share-based payment expense of \$2,649,309 was recognised as listing expense in the statement of profit and loss.

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

- (2) On 4 September 2023, 1,800,000 FL1 unlisted Options were issued to Inyati Capital as part consideration for the service provided as lead manager to the Public Offer which was completed on 28 September 2023 (“Broker Options”).

The fair value of the Broker Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Broker Options

Number of Options	1,800,000
Date of Grant	4 September 2023
Share Price at Grant Date	\$0.200
Volatility Factor	82%
Risk free rate	3.02%
Life of the Options (Years)	4
Exercise Price	\$0.400
Valuation Per Option	\$0.0904
Total Fair Value	\$162,712

The total fair value of \$162,712 was recognised as a capital raising cost within issued capital in the statement of financial position.

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

- (3) During the year, the Company agreed to issue 8,000,000 performance options (in two tranches) to consultants for provision of project and exploration management services (“Consultant Performance Options”). The Consultant Performance Options will be exercisable at \$0.30 and expire 4 years after the date of grant. Vesting conditions which will be attached to the Consultant Performance Options are as follows:
- (i) 6,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 50 million tonnes of lithium ore at a grade of at least 1.1% or equivalent being obtained within 12 months of the commencement of performance period
 - (ii) 2,000,000 options will vest subject to the achievement of an official JORC 2023 compliant Resource of the Inferred classification or higher for a minimum of 100 million tonnes of lithium ore at a grade of at least 1.1% or equivalent being obtained within 18 months of the commencement of performance period.

The fair value of the Consultant Performance Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Consultancy Options	6,000,000	2,000,000
Number of securities	6,000,000	2,000,000
Date of Grant	1 March 2024	1 March 2024
Share Price at Grant Date	\$0.255	\$0.255
Volatility Factor	110%	110%
Risk free rate	3.78%	3.78%
Life of the Options (Years)	4	4
Exercise Price	\$0.300	\$0.300
Valuation Per Share	\$0.186	\$0.186
Total Fair Value	\$1,055,963	\$361,460

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

The probability of performance hurdles being met was assessed at 60% and 30% respectively. The total fair value of will be periodically recognised as share-based payment expenses over the vesting period based on the best estimate of the performance hurdles being met. For the year ended 30 June 2024, a share-based payment expense of \$223,358 has been recognised in the statement of profit and loss in relation to the Consultancy Options issued.

- (4) Before the end of the financial year, the Company agreed to issue 7,800,000 options at a deemed issue price of \$0.00001 per option to the Lead Manager (or its nominees/s) (“Lead Manager Options”) for provision of Lead Manager service in the Entitlement Offer.

5,800,000 Lead Manager Options have been issued subsequent to end of the financial year. The issue of the remaining 2,000,000 options are subject to shareholder approval at the general meeting scheduled for 1 October 2024.

The fair value of the issued Lead Manager Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Lead Manager Options

Number of securities	7,800,000
Date of Grant	23 April 2024
Share Price at Grant Date	\$0.235
Volatility Factor	110%
Risk free rate	3.89%
Life of the Options (Years)	4
Exercise Price	\$0.300
Valuation Per Share	\$0.134
Total Fair Value	\$1,048,450

The total fair value of \$1,048,450 was accrued for as capital raising cost within in issued capital in the statement of financial position.

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

- (5) On 12 March 2024, 5,000,000 unlisted options were granted to the directors of the Company under the Company's Employee Share Option Plan ("ESOP Options"). These options will vest upon satisfaction of the following Performance Hurdles, being the Company releasing a JORC Code 2012 compliant Mineral Resources Estimate of:
- (i) 10 million tonnes at 1.1% Li₂O within 2 years; or
 - (ii) 15 million tonnes at 1.1% Li₂O within 3 years.

The fair value of the Performance Shares was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

ESOP Options

Number of securities	5,000,000
Valuation/Measurement date	13 February 2024
Grant date	12 March 2024
Share Price at Valuation Date	\$0.270
Volatility Factor	110%
Risk free rate	3.83%
Life of the Options (Years)	4
Exercise Price	\$0.282
Valuation Per Share	\$0.202
Total Fair Value	\$1,009,999

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

The probability of performance hurdles being met was assessed at 100%. The total fair value of \$1,009,999 will be periodically recognised as share-based payment expense over the vesting period. For the year ended 30 June 2024, a share-based payment expense of \$101,361 has been recognised in the statement of profit and loss for the ESOP Options.

Performance Shares

- (1) On 4 September 2023, 15,000,000 performance shares were issued as part consideration for the Acquisition (“Performance Shares”).

The fair value of the Performance Shares was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Performance Shares	
Number of securities	15,000,000
Date of Grant	4 September 2023
Share Price at Grant Date	\$0.200
Volatility Factor	80%
Risk free rate	3.02%
Life of the securities	3
Exercise Price	Nil
Valuation Per Share	\$0.200
Total Fair Value	\$3,000,000

Vesting condition	The Company announcing a JORC 2012 compliant mineral resource estimate of Inferred level or greater on the Mali Lithium Project of at least: <ol style="list-style-type: none"> i. 10MT at a minimum cut off grade of 1.1% Li₂O within 2 years of completion of the FLPL and FL1 transaction; or ii. 15MT at a minimum cut off grade of 1.1% Li₂O within 3 years of completion of the FLPL and FL1 transaction.
-------------------	---

As at the date of the issue, the Group determined that the achievement of the vesting conditions for the Performance Shares was uncertain given information available at that time. As a result, no share-based payment was recorded in relation the Performance Shares given as Purchase Consideration for the Acquisition.

As at 30 June 2024, the Group adjusted the probability of the Performance Shares vesting in light of exploration activities undertaken at the Mali Lithium Project since completion of the Acquisition. A share-based payment expense of \$822,222 has been recognised as a result in the statement of profit and loss for the year ended 30 June 2024.

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is 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 Group 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 is 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

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

Note 18. Financial instruments

Financial risk management policies

Other than investments held at a fair value, the Group's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and borrowings that are measured at amortised cost.

The main purpose of non-derivative financial instruments is to raise finance for the Group's operations. The Group does not speculate in the trading of derivative instruments.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group has determined that its exposure to commodity price risk would not have a material impact on its operating results.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
	\$	\$	\$	\$
US dollars (USD)	4,034	-	6,416	-
West African CFA Franc (XOF)	113	-	423,134	-
	4,147	-	429,550	-

The following table details the Group's sensitivity to a 10% increase and decrease in Australian dollar against the USD and XOF. 10% is the sensitivity rate used when the reporting currency risk internally to key management personnel and represents managements' assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates a decrease in profit or loss and other equity where the Australian dollar strengthens against the respective currency. For a weakening of the Australian dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	FX rate increase by 10%		FX rate decrease by 10%	
	2024	2023	2024	2023
	\$	\$	\$	\$
Profit or loss	42,540	-	(42,540)	-
Equity	42,540	-	(42,540)	-

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	2024	2023
	\$	\$
Cash and cash equivalents - AA Rated	<u>2,213,779</u>	<u>188,420</u>

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are gross and undiscounted and include contractual interest payments.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Consolidated Statement of Financial Position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
30 June 2024						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	779,748	-	-	-	779,748
Total non-derivatives		779,748	-	-	-	779,748
30 June 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	81,598	-	-	-	81,598
Total non-derivatives	-	81,598	-	-	-	81,598

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

Financial arrangement

The Group has no other financial arrangements in place.

Note 19. Fair value measurement

Fair value hierarchy

Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Group has investments at balance date in Brontech and NSX. At balance date no reliable information is available to fair value these investments and therefore they have been fair valued at Nil.

Brontech

In the absence of any other more reliable indicators of the fair value of the Groups investment in Brontech, and the potential range of results possible from applying generally accepted valuation techniques, the Directors considered it prudent to value the investment at \$nil as at 30 June 2023.

The Directors have considered whether any further reliable information is available as at 30 June 2024 to indicate that the value as at that date should be adjusted. On the basis that no additional reliable information is available to determine an appropriate estimate of fair value, the Directors consider it prudent to continue to value the investment at \$nil.

NCX

On the basis that no reliable information was available to determine an appropriate estimate of the fair value of the Group's investment in NCX and the uncertainty within the external operating environment, the Directors considered it prudent to value the investment at \$nil as at 30 June 2022. The Directors have considered whether any further reliable information is available as at 30 June 2024 to indicate that the value as at that date should be adjusted. On the basis that no additional reliable information is available to determine an appropriate estimate of fair value, the Directors consider it prudent to continue to value the investment at \$nil.

Accounting policy for fair value measurement

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

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

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

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

Note 20. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 22.

Associates

Interests in associates are set out in note 23.

KMP

Disclosures relating to KMP are set out in note 6 and the remuneration report included in the Directors' report.

Purchases and Services by Key Management Personnel (KMP)

Purchases from and sales to KMP and their related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's KMP.

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered, they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Subsequent to the completion of transaction, the Group has paid off all the outstanding balances that owed to the existing Directors.

Entity	KMP	Nature of Transaction	Total Expense 30-Jun-2024	Total Expense 30-Jun-2023	Payable Balance 30-Jun-2024	Payable Balance 30-Jun-2023
J2J Investments Pty Ltd	Jason Ferris	Consulting fee	68,400	-	-	-
Gotham Corporate Pty Ltd	Joseph van den Elsen ⁽¹⁾	Consulting fee	81,600	61,200	-	67,300

⁽¹⁾ Mr Ciganek and Mr Elsen resigned 4 September 2023

Receivable from and payable to related parties

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

Loans to/from related parties

There were no loans made from or to KMP and their related parties during the financial year and previous reporting date.

Share-based payments

Refer to note 17 Share Based Payments for details of equity transactions with related parties.

Note 21. Parent entity information

Set out below is information relating to the ultimate holding company of the Group, First Lithium Ltd (the legal "Parent"):

Statement of profit or loss and other comprehensive income

	2024 \$	2023 \$
(Loss) after income tax	(18,155,233)	(2,496,919)
Total comprehensive (loss)	(18,155,233)	(2,496,919)

Statement of financial position

	2024 \$	2023 \$
Total current assets	2,281,147	4,082,987
Total non-current assets	956	419
Total assets	2,282,103	4,083,406
Total current liabilities	336,005	276,344
Total liabilities	336,005	276,344
Equity		
Issued capital	46,009,504	34,724,514
Reserves	4,301,646	(707,723)
Accumulated losses	(48,365,052)	(30,209,819)
Total equity	1,946,098	3,806,972

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.

Capital commitments

The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.

Note 22. Interests in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares held directly by the Company. The proportion of ownership interests held equals the voting rights held by the Company. Each subsidiary's principal place of business is also its country of incorporation. The subsidiaries management accounts used in the preparation of these financial statements have also been prepared as at the same reporting date as the Group's financial statements.

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	2024 %	2023 %
First Lithium Pty Ltd	Australia	100%	-
First Lithium (Holdco) Pty Ltd	Australia	100%	-
Intermin Mali Lithium Holdings Ltd	Mauritius	100%	-
Intermin Mali Lithium SARL	Mali	100%	-
Cameroon Cobalt Pty Ltd	Republic of Cameroon	100%	-

Note 23. Interests in associates

First Lithium Ltd has a 57% interest in Valhalla Minerals Limited ("Valhalla") which is the ultimate holder of an advanced copper exploration project located in the Tambacounda Region in Senegal ("Boulbi Project"). Upon recognition of significant influence by virtue of its 49% interest in the Boulbi Project, First Lithium Ltd has accounted for its interest in Valhalla as an associate from 19 December 2022.

The Group has entered into agreement of selling its current 49% interest in the Boulbi Project to the Boulbi Project vendors for a nominal consideration of \$1. The fair value of the investment in Valhalla has been determined as the price that the Group would receive for selling its interest in the Boulbi Project in an orderly transaction to the Boulbi Project vendors. At end of the financial year, the transaction is pending payment of transaction costs after which the transaction will be progressed to settlement.

Note 24. Dividends

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

Note 25. Contingent liabilities

There are no contingent liabilities at the end of the reporting period (30 June 2023: nil)

Note 26. Commitments

The Group has an expenditure commitment of \$808,088 to be incurred within the next 12 months (30 June 2023 year: \$NIL) in order to maintain its current tenements in good standing.

Note 27. Events after the reporting period

On 8 July 2024, 6,000,000 listed options ("FL1OB") and 1,500,000 unlisted options ("FL1AL") lapsed without exercise or conversion.

On 23 August 2024, 5,800,000 listed options expiring 4 September 2026 exercisable at \$0.035 ("FL1O") were issued to the lead manager of the Entitlement Offer announced 13 May 2024 ("Entitlement Offer"), as part consideration for the service been provided ("Broker Options"). \$779,617 has been recognised as capital raising cost as an adjusting event for the reporting period ended 30 June 2024.

As per the notice of general meeting announced 30 August 2024, the following securities will be issued after shareholder approval are obtained at the meeting on 1 October 2024.:

- (6) Issue of 7,500,000 replacement options for nil consideration, to the holders of the expired FL1OB listed options and the FL1AL unlisted options ("New Option"). The expiry date of New Options is 28 September 2025 and exercise price of each option is \$0.30.
- (7) Issue of 2,000,000 Broker Options to a nominee of the lead manager of the Entitlement Offer, who is also a substantial holder of the Company ("Substantial Holder Options")
- (8) Issue of 8,000,000 performance options (in two tranches) to consultants for provision of project and exploration management services ("Consultant Performance Options"). The Consultant Performance Options will be exercisable at \$0.30 and expire 4 years after the date of grant. Vesting conditions which will be attached to the Consultant Performance Options are as follows:
 - (iii) 6,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum tonnes of lithium ore at a grade of at least 1.1% or equivalent being obtained within 12 months of the commencement of performance period
 - (iv) 2,000,000 options will vest subject to the achievement of an official JORC 2023 compliant Resource of the Inferred classification or higher for a minimum of 100 million tonnes of lithium ore at a grade of at least 1.1% or equivalent being obtained within 18 months of the commencement of performance period.

Other than those disclosed in the director's report, there were no significant changes in the state of affairs of the Groups during the financial year.

Consolidated Entity Disclosure Statement

First Lithium Limited required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities (the “Group”).

In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the Group at the end of the financial year.

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
First Lithium Ltd	Body corporate	N/A	100	Australia	Australian	N/A
FLPL Pty Ltd	Body corporate	N/A	100	Australia	Australian	N/A
First Lithium (Holdco) Pty Ltd	Body corporate	N/A	100	Australia	Australian	N/A
Intermin Mali Lithium Holdings Ltd	Body corporate	N/A	100	Mauritius	Mauritius	Mauritius
Intermin Mali Lithium SARL	Body corporate	N/A	100	Mali	Mali	Mali
Cameroon Cobalt Pty Ltd	Body corporate	N/A	100	Republic of Cameroon	Republic of Cameroon	Republic of Cameroon
Valhalla Minerals Limited	Body corporate	N/A	57	British Virgin Islands	British Virgin Islands	British Virgin Islands

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the Group, a participant in a joint venture within the Group, or a partner in a partnership within the Group.

Directors' Declaration

1. In the opinion of the directors of First Lithium Limited (the 'Company'):
 - a. the accompanying financial statements, notes and the additional disclosures of the Group are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
 - d. the consolidated entity disclosure statement required by 259(3A) of the *Corporations Act 2001* is true and correct.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the Board of Directors pursuant to S.295 (5) of the *Corporations Act 2001*.



Lee Christensen
Non-Executive Chairman

30 September 2024

**FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of First Lithium Limited "the Group" and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the annual report for the year ended 30 June 2024 which indicates that the Group has incurred a net loss after tax for the year ended 30 June 2024 of \$10,928,814 (2023: \$208,188) and experienced net cash outflows from operating activities of \$1,755,957 (2023: \$118,237). As at 30 June 2024, the Group had net current assets of \$1,507,126 (30 June 2023: \$106,822).

These conditions, along with other matters as set forth in Note 2 indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – material uncertainty related to the carrying value of exploration expenditure

We draw attention to Note 13 to the annual report, which indicates a material uncertainty in relation to the status of the exploration permits forming the Mali Lithium Project. The Group held capitalised exploration and evaluation expenditure of \$3,474,706 at 30 June 2024. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

**FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
-------------------------	---

Carrying value of exploration and evaluation expenditure

Refer to Note 13 to the annual report.

As at 30 June 2024, the Group held capitalised exploration and evaluation expenditure of \$3,971,860.

The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.

The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to:

- Whether the Group has tenure of the relevant area of interest;
- Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and
- Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable.

Given the size of the balance and the judgemental nature of the impairment indicator assessments associated with exploration and evaluation assets, we consider this is a key audit matter.

Our procedures included, amongst others:

Obtaining an understating of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.

Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure.

Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, assessing the sufficiency of funding and discussions with senior management and directors as to the intentions and strategy of the Group.

Obtaining an understanding of and critically evaluating and challenging the work done by the component auditor engaged to perform the audit of the Malian Subsidiary.

Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.

Assessing the adequacy of the disclosures included within the annual report.

For personal use only

FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED

Share-based payments

Refer to Note 17 to the annual report.

During the year ended 30 June 2024, the Group has issued options and performance rights to the directors, for which a share-based payment expense has been recognised in the year of \$923,583.

Under Australian Accounting Standards, equity settled awards issued to advisors are measured at fair value of the services received, or if not reliably measurable, the fair value of the equity instruments granted on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- estimating the likelihood that the equity instruments will vest; and
- estimating expected future share price volatility.

Due to the significance to the Group's annual report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and judgements of management in their preparation of valuation model, including management's assessment of likelihood of vesting, and agreeing inputs, including volatility, to internal and external sources of information as appropriate.

Assessing the Group's accounting policy as set out within Note 17 for compliance with the requirements of AASB 2 *Share-based Payment*.

Assessing the adequacy of the disclosures included in the annual report.

FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED

Reverse acquisition

Refer to Note 2 to the annual report.

As disclosed in Note 2 to the annual report, on 4 September 2023, the Group acquired 100% of the issued capital of First Lithium Pty Ltd ("FLPL"), an unlisted entity incorporated in Australia, and its controlled entities who hold a 100% legal interest in the Mali Lithium Project (the "Transaction").

It was determined that FLPL effectively obtained control First Lithium Limited, and was deemed to be the acquirer in the Transaction for accounting purposes. As a result \$7,809,309 has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as a listing expense, representing the cost to FLPL to acquire First Lithium Limited and obtaining listing status.

The accounting for the reverse acquisition is a key audit matter due to the effect of the arrangement which is accounted for as FLPL (the accounting parent) issuing a share-based payment in return for the assets acquired in First Lithium Ltd and listing status.

Furthermore, judgment is involved in the determination of the fair value of the purchase consideration settled by way of a share-based payment.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- estimating the likelihood that the equity instruments will vest; and
- estimating expected future share price volatility.

Our procedures included, amongst others:

Obtaining an understanding of the Transaction including an assessment of the accounting acquirer and whether the Transaction constituted a business or asset acquisition.

Assessing management's accounting treatment in accordance with applicable accounting standards.

Evaluating the basis of the valuation of the share-based payment (or fair value of consideration) and challenging the underlying assumptions of the valuation.

Checking the calculation of the share-based payment, fair value of identifiable net assets acquired, including any separately identifiable intangible assets, and listing expense.

Considering whether any fair values or adjustments to fair values have been dealt with in accordance with the Australian Accounting Standards.

Assessing the appropriateness of the acquisition journals at acquisition date and checking that the disclosures in the annual report are in accordance with the basis of preparation as disclosed in Note 2 for the reverse acquisition.

Assessing the adequacy of the related disclosures in the annual report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

**FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED**

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

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FIRST LITHIUM LIMITED (FORMELY KNOWN AS OOKAMI LIMITED)
ABN 67 009 081 770

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST LITHIUM LIMITED

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 20 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of First Lithium Ltd, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 30 September 2024

Additional information required by the Australia Securities Exchange Ltd ('ASX') and not shown elsewhere in this report is as follows. The information is current as at 24 September 2024.

(a) Distribution of Shareholders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	153	39,998	0.04%
above 1,000 up to and including 5,000	249	716,003	0.66%
above 5,000 up to and including 10,000	251	2,244,671	2.07%
above 10,000 up to and including 100,000	303	9,862,021	9.07%
above 100,000	145	95,810,911	88.16%
Totals	1,101	108,673,604	100.00%

The number of shareholders with an unmarketable parcel of shares is 322, with a total of 422,662 shares, amounting to 0.39% of Issued Capital.

Distribution of Option holders (ASX:FL10)

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	45	18,482	0.17%
above 1,000 up to and including 5,000	19	51,382	0.48%
above 5,000 up to and including 10,000	34	226,443	2.14%
above 10,000 up to and including 100,000	53	1,723,629	16.26%
above 100,000	22	8,581,092	80.95%
Totals	173	10,601,028	100.00%

The number of option holders with an unmarketable parcel of options is 124, with a total of 663,971 options, amounting to 6.26% of Issued Capital.

(b) Top 20 Shareholders

	Shareholder	Number of Shares	%
1	INTERMIN MINES CORPORATION	31,428,572	28.92%
2	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	5,479,940	5.04%
3	INYATI FUND PTY LTD	3,142,858	2.89%
4	EFFICIENT ENERGY AUSTRALIA LIMITED	2,575,000	2.37%
5	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	2,300,000	2.12%
6	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	1,714,181	1.58%
7	BENEFICO PTY LTD	1,617,143	1.49%
8	ROBERT LESLIE NELSON & CORAL CHANTRY	1,600,000	1.47%

9	SREENADHA REDDY VEDICHERLA	1,500,000	1.38%
9	MOHAN REDDY ANNAPUREDDY	1,500,000	1.38%
10	MR ROBERT LESLIE NELSON & MRS CORAL CHANTRY	1,428,572	1.31%
11	TEN BRICKS PTY LTD	1,142,860	1.05%
12	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	1,017,143	0.94%
13	BLUE COASTERS PTY LTD	1,000,000	0.92%
13	MICHAEL JOHN DAVY	1,000,000	0.92%
14	GODIN CORP PTY LTD <SEVEN A/C>	991,747	0.91%
15	ARKALYA PTY LTD <THE SUPER BUTRFLY A/C>	912,804	0.84%
16	WELLSTAR HOLDINGS PTY LTD <WELLSTAR SF A/C>	850,000	0.78%
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	848,513	0.78%
18	MR TOBY ALEXANDER MARTIN	800,000	0.74%
19	WILLIS HOLDINGS LIMITED	779,118	0.72%
20	SUNSET TIDAL PTY LTD <SUNSET TIDAL INVESTMENT A/C>	761,906	0.70%
	Total	64,390,357	59.25%
	Total issued capital - selected security class(es)	108,673,604	100.00%

Top 20 Option Holders (ASX:FL10)

	Option holder	Number of Options	%
1	INTERMIN MINES CORPORATION	1,964,286	18.53%
2	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	1,152,858	10.88%
3	INYATI FUND PTY LTD	796,429	7.51%
4	CPS CAPITAL NO 5 PTY LTD	670,000	6.32%
5	CUPRUM HOLDINGS LTD	614,286	5.79%
6	KAAI PTY LTD	600,000	5.66%
7	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	467,143	4.41%
8	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	363,572	3.43%
9	RICHSHAM NOMINEES PTY LTD	257,722	2.43%
10	CPS CAPITAL GROUP PTY LTD <THE FIDELITY A/C>	200,000	1.89%
11	MELVILLE WATER POLO CLUB INC <BUILDING DEVELOPMENT A/C>	183,000	1.73%
12	MR MICHAEL HOWARD PAGE	140,000	1.32%
13	QUATTRO STAGIONE PTY LTD	129,286	1.22%
14	PRINCETON CAPITAL (WA) PTY LTD <THE PRINCETON A/C>	125,000	1.18%
15	FREYABEAR FHMN PTY LTD	123,170	1.16%
16	HUNTERLAND HJDN PTY LTD	122,143	1.15%
16	HONEYBEE ANHM PTY LTD	122,143	1.15%
16	THE 5TH ELEMENT MCTN PTY LTD	122,143	1.15%
17	BLACKWALL INVESTMENTS PTY LTD	113,215	1.07%
18	HIGHLINE CAPITAL PTY LTD	110,715	1.04%
19	NORTH AMERICAN GOLD CORPORATION PTY LTD	103,094	0.97%
20	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	100,887	0.95%
	Total	8,581,092	80.95%
	Total issued capital - selected security class(es)	10,601,028	100.00%

(c) Substantial Shareholder (Holding not less than 5%)

	Shareholder	Number of Shares	%
1	INTERMIN MINES CORPORATION	31,428,572	28.92%
2	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	5,479,940	5.04%

(d) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(e) Restricted Securities

The Company has the following restricted securities on issue as at 24 September 2024:

- 29,020,000 fully paid ordinary shares - restricted to 28 September 2025
- 1,800,000 options exercisable at \$0.40 on or before 28 September 2027 – restricted to 28 September 2025
- 27,500,000 options exercisable at \$0.30 on or before 4 September 2026 – restricted to 28 September 2025
- 15,000,000 performance shares – restricted to 28 September 2025; and

(f) Unquoted Securities

The Company has the following unquoted securities on issue as at 24 September 2024:

Options	Number	Expiry Date	Exercise Price
Unlisted options	1,800,000	28 September 2027	\$0.40
Unlisted options	27,500,000	4 September 2026	\$0.30
Unlisted options	5,000,000	12 March 2028	\$0.282
Unlisted options	3,000,000	4 September 2026	\$0.30
Performance rights	15,000,000		
Restricted shares	29,020,000		
Total	81,320,000		

(g) On-Market Buy Back

There is no current on-market buy back of ordinary shares.

TENURE STATUS

The following is a summary of the Exploration Permits and their associated Mining Convention (held in FL1's 100% owned subsidiary):

Exploration Permit	Exploration License	Holder	EL Validity		Status
Faraba	PR 1375/18	Intermin Lithium SARL	16/4/2018	16/4/2024	Renewal Pending
Gouna	PR 1382/18	Intermin Lithium SARL	15/5/2018	15/5/2024	Renewal Pending