LITHIUM AUSTRALIA LIMITED

ACN 126 129 413

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

CORPORATE DIRECTORY

Directors

Adrian Griffin	Managing Director (Retired 31 May 2022)
George Bauk	Non-Executive Chairman
Kristie Young	Non-Executive Director
Phil Thick	Non-Executive Director

Executive Management

Stuart Tarrant	Chief Financial Officer

Joint - Company Secretary

Catherine Grant-Edwards (Appointed 24 June 2022)
Melissa Chapman (Appointed 24 June 2022)
Barry Woodhouse (Resigned 24 June 2022)

Registered Office and Principal Place of Business

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West Perth WA 6005

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E: info@lithium-au.com

Bank

National Australia Bank
100 St Georges Terrace
Perth WA 6000

Auditors

Hall Chadwick WA Audit Pty Ltd
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Subiaco WA 6008

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

T: +61 8 9389 8033

Website

www.lithium-au.com

Stock Exchange Listing

Lithium Australia Limited securities are listed on Australian Securities Exchange (ASX Codes: LIT and LITOA)

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CHAIRMAN'S LETTER

Dear shareholders

The past financial year has seen significant shifts in the global battery industry underpinned by the EV revolution. An indicator of the speed of change is lithium carbonate prices which have increased by nearly 450% over the 12 months to June 2022. COP22, held in Glasgow last year, provided a foundation for change towards global carbon-neutrality and many car manufacturers have made radical commitments towards production of electric vehicles, away from traditional internal combustion engines.

Our core opportunities are that of battery recycling, where we currently lead the Australian industry, and cathode active materials, specifically lithium ferro phosphate ('LFP'). Other opportunities of note relate to the lithium chemical process technologies of LieNA® and SiLeach®. We also have significant exploration upside exposure through a 30% free-carried interest over Charger Metals NL (ASX: CHR) projects (Wundowie, Lake Johnson and Bynoe), and a 20% free-carried interest over the Galan Lithium Limited (ASX: GLN) Greenbushes South project.

The future global demand fundamentals are exceptionally strong and Lithium Australia Limited ('the Company') is positioned to take advantage of this situation.

At our recycling business unit, Envirostream Australia ('Envirostream'), significant increases in volumes have been observed since the launch of the battery recycling scheme ('B-cycle') in January 2022. Our safety culture has facilitated a 99-year EPA licence for the Berwick Road facility which was an industry first. Envirostream's sustainable standards also enabled partnerships with household brands such as Bunnings Warehouse, Officeworks and Battery World, amongst others. Commitment from the larger energy storage manufacturers, such as LG Energy Solution, provide the platform for the rise in lithium-ion batteries available for recycling over the coming year and beyond. Envirostream's largest competitor is landfill – a shift in state or federal policy with regard to the sustainable disposal of these spent batteries, will have a profound impact on Envirostream.

At our Lithium Cathode business unit, VSPC, steps towards commercialising our LFP have been taken. Lycopodium is leading our technical studies for a pre-qualification facility and a definitive feasibility study ('DFS') for a minimum 10,000 tpa LFP Manufacturing Facility. LFP-type lithium-ion batteries ('LIBs') are cheaper, safer and offer a longer service life compared to nickel and cobalt-type LIBs. China dominates the global production of LFP, creating supply risks related to LFP and this is one of the strategic advantages VSPC has. LFP production facilities outside of China are scarce and many are bound by legacy LFP patents. VSPC's proprietary process provides global freedom to operate and with over a decade of experience in the development of cathode active materials can produce LFP to a high standard.

Meanwhile, the Company is advancing its goal of an ethical and sustainable supply of energy metals for the battery industry. Diverting toxic battery chemicals from landfill, increasing the availability of safe, low-cost cathode powders for the electrification of vehicles, and improving the environmental footprint of lithium miners through our proprietary LieNA® process is a positive combination, confirming that our aim is the right one. We have also strengthened our environmental, social and governance systems this year and will continue to do so over time as the Company moves into the next phase of development.

During the year, Adrian Griffin retired as Managing Director. As Managing Director, Adrian's aggregated some exceptional critical materials projects. On behalf of the board, I would like to thank Adrian for his commitment over the past decade.

Recently, we have repositioned the Company, highlighting our achievements and the opportunities ahead. Our search for a CEO to take the business forward is over, with the recent announcement of Mr Simon Linge who will join the Company during FY2023.

As Chairman, I look forward to the coming year. We have a remarkable portfolio of opportunities, a suite of supportive partners and a workforce ready for the challenge ahead of us. As always, I would like to thank my fellow directors and all our people for their contributions this year and look forward to their contribution in the coming year.

George Bauk
Non-Executive Chairman

DIRECTORS' REPORT

The Directors present their report on Lithium Australia Limited ('LIT' or the "Company") and its controlled entities (the "Consolidated Group") for the year ended 30 June 2022 (the "year").

Board of Directors

The names and details of the Consolidated Group's directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Adrian Griffin	Managing Director	Retired 31 May 2022
George Bauk	Non-Executive Chairman	
Kristie Young	Non-Executive Director	
Phil Thick	Non-Executive Director	

Information on Directors

Adrian Griffin (Managing Director)

Qualifications

BSc. (Honours), GSA, MAusIMM

Experience

Mr Griffin has over 40 years' experience in the resources and technology sectors. He has held directorships in numerous private and listed companies.

Other directorships in listed entities held in the past three years

Non-Executive Chairman – Parkway Minerals NL
Non-Executive Chairman – Parkway Corporate Ltd
Non-Executive Director – Charger Metals NL
Non-Executive Director – Battery Future Acquisition Corporation
Non-Executive Director – Reedy Lagoon Corporation Ltd
Non-Executive Director – Northern Minerals Ltd (retired 25 November 2020)

George Bauk (Non-Executive Chairman)

Qualifications

BBus, MBA, FCPA, GAICD

Experience

Mr Bauk is an experienced company director with over 15 years' experience as a listed company director in Australia with the resources industry in both production and exploration with assets in Western Australia, Australia and internationally. He is an experienced executive, with 30 years' experience in the resources industry. Mr Bauk holds a Bachelor of Business (Accounting and Finance) from Edith Cowan University, is a Fellow of the CPA and has an MBA from the University of New England. Mr Bauk has held global operational and corporate roles with WMC Resources and Western Metals. Mr Bauk has a strong background in strategic management, business planning, building teams, finance and capital/debt raising, and experience with a variety of commodities in particular rare earths, gold and industrial minerals. During his time as Managing Director of Northern Minerals Ltd, he led its rapid development from a greenfields heavy rare earth explorer to one of a few global producers of high value dysprosium outside of China. Mr Bauk is a passionate member of the WA resources industry having previously held a number of senior governing positions with the Chamber of Minerals and Energy including Vice President.

Other directorships in listed entities held in the past three years

Non-Executive Chairman – BlackEarth Minerals NL
Non-Executive Chairman – Gascoyne Resources Limited (retired 31 January 2022)
Executive Director – PVW Resources Limited
Executive Chairman – Valor Resources Limited
Managing Director & CEO – Northern Minerals Limited (retired 05 June 2020)

Information on Directors (continued)

Kristie Young (Non-Executive Director)

BEng (Hons) Mining, Post Grad Dip (Education), GAICD

Experience

Ms Young has a unique background with more than 20 years' experience across technical engineering, project evaluation, strategy, business development, growth, marketing, commercial, client management, governance and human resources. Ms Young has most recently held senior growth and business development executive roles with leading professional services firms, PwC and EY. Ms Young is Non-Executive Chair of ChemX Materials Ltd, Non-Executive Director of Tesoro Resources Ltd (ASX:TSO), and sits on the boards of Wesley College WA and the Energy Club of WA. Ms Young holds a Bachelor of Engineering (Mining) Hons from the University of Queensland, a Post Graduate Diploma of Education (Mathematics & IT) from the University of Western Australia, is a Graduate of the Australian Institute of Company Directors and holds a CertIV HR from the Australian HR Institute.

Other directorships in listed entities held in the past three years

Non-Executive Director – Primero Group Limited (company was purchased by NRW and delisted on 24 February 2021)
Non-Executive Director – Tesoro Resources Limited
Non-Executive Director – ChemX Materials Limited

Phil Thick (Non-Executive Director)

Qualifications

BE (Hons), FAICD, FIEAust

Experience

Phil Thick has over 30 years' senior executive experience in oil and gas, mining and chemical processing in large multinational companies, smaller ASX listed companies and privately owned companies. In addition, Phil has extensive experience on many boards in Non-Executive Director roles and has chaired many of those boards for extended periods. Phil had a 20 year career with Shell in Australia and overseas and for the last 3 years was Downstream Director on the Board of Shell Australia. This was followed by 5 years as a director and CEO of Coogee Chemicals and then 4 years as CEO of New Standard Energy. For the past 4 and a half years Phil headed up Tianqi Lithium Australia, a subsidiary of Tianqi Lithium Corp out of China, one of the world's largest lithium companies. Tianqi owns 51% of the Greenbushes mine in Western Australia, the world's best hard-rock lithium resource, and Phil was charged with building the world's largest lithium hydroxide plant in Kwinana south of Perth, an investment of nearly A$1billion. Phil also chairs the boards of the Chamber of Arts and Culture WA and Perth Symphony Orchestra.

Other directorships in listed entities held in the past three years

None

Company Secretary

Catherine Grant-Edwards and Melissa Chapman (Appointed Joint Company Secretary 24 June 2022)

Experience

Ms Melissa Chapman (Certified Practicing Accountant (CPA), AGIA/ACIS, GAICD) and Ms Catherine Grant-Edwards (Chartered Accountant (CA)) were appointed as Joint Company Secretary on 24 June 2022. Ms Chapman and Ms Grant-Edwards are directors of Bellatrix Corporate Pty Ltd (Bellatrix), a company that provides company secretarial and accounting services to a number of ASX listed companies. Between them, Ms Chapman and Ms Grant-Edwards have over 30 years' experience in the provision of accounting, finance and company secretarial services to public listed resource and private companies in Australia and the UK, and in the field of public practice external audit.

Principal activities

The principal activities of the Consolidated Group during the financial year align to advanced materials development to ensure the development of an ethical and sustainable future for the global battery industry. Activities primarily include battery recycling, development of cathode active materials for e-mobility and energy storage applications and lithium extraction technologies.

There were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

Results of operations

The operating loss after income tax of the Consolidated Group for the year ended 30 June 2022 was $20,752,379 (2021: loss of $20,836,213). The operating loss for the year ended 30 June 2022 included impairment of intangible assets of $7,681,637. Please refer to note 12 for further details.

No dividend has been paid during or is recommended for the financial period ended 30 June 2022 (2021: Nil).

Financial position

The Consolidated Group's working capital deficit, being current assets less current liabilities was $1,832,344 at 30 June 2022 (2021: working capital surplus $4,864,341). The working capital deficit for year ended 30 June 2022 included legal claims against the group of $5,043,069 relating to a fire at the premises of Envirostream Australia Pty Ltd, a wholly owned subsidiary for the Consolidated Group. If settlement occurs for these claims, it is expected that insurances are sufficient to meet the liabilities. Please refer to note 16 for further details.

In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Group will be able to pay its debts as and when they become due and payable.

REVIEW OF OPERATIONS 2021-22

Overview

Lithium Australia Limited ('Lithium Australia' or 'the Company') is at the forefront of advanced materials development to ensure an ethical and sustainable future for the global battery industry. Lithium Australia is achieving this via its core business divisions:

Envirostream is leading Australia's battery recycling industry. Currently, over 90% of lithium-ion batteries are not available to be recycled and as such Envirostream's main competition is landfill. Envirostream has been operating since 2017 with battery processing facilities based in Melbourne and has a 99-year EPA license for its lithium-ion battery recycling facilities. Envirostream has partnered with household names to collect batteries across the country.

VSPC is developing the next generation of cathode powders including lithium ferro phosphate ('LFP'). There is an increase in global battery demand, with LFP becoming the preferred chemistry, an opportunity exists to break China's LFP domination. With more than 10 years' experience in LFP chemistry and technical studies in progress, VSPC is set to increase its LFP manufacturing facilities to leverage the 7-fold increase in LFP demand estimated by 2030 (Source: ICCSino, Nov 2021 forecast, Company analysis).

Other opportunities in the Company include extraction and refining technologies for the recovery of lithium chemicals (LieNA® and SiLeach®). The Company holds investments in listed companies as well as joint venture holdings of 30% and 20% respectively for certain tenements held by Charger Metals (ASX: CHR) and Galan Lithium (ASX: GLN).

Change of Company Name

The Company changed its name from Lithium Australia NL to Lithium Australia Limited in line with the Company's change of focus from exploration and mining to upstream processing of lithium chemicals, production of battery materials and providing end-of-life solutions for batteries. The Company's ASX ticker code remained LIT.

Leadership and management

The Company board has three independent non-executive directors. During the year, Mr Adrian Griffin retired as managing director, taking on a newly created role of technical advisor. The search for a replacement CEO commenced immediately following Mr Griffin's retirement, resulting in Mr Simon Linge being appointed as CEO of the Company, as announced on 20 September 2022.

During the year, Ms Catherine Grant-Edwards and Ms Melissa Chapman were appointed as Joint Company Secretary to replace Mr Barry Woodhouse who resigned as Company Secretary to pursue other opportunities.

Funding

During the year, the Company continued to fund its core activities. Fundraising totaled $6.6 million (net of costs), through a combination of the following.

- Funds raised At The Market Subscription Agreement (ATM) with Acuity Capital.
- LITCF shareholders fully paying up their LITCF partly paid shares placements.
- Option holders converting options.

In addition to the abovementioned fundraising, the Company realised $0.935 million in government grant income and $1.16 million in R&D tax rebates during the year.

REVIEW OF OPERATIONS 2021-22 (continued)

Impact of COVID-19

During the year, issues surrounding COVID-19 continued to affect the Company. The most significant impact resulted from lockdown protocols set by state governments, coupled with restrictions on travel, both locally and internationally. All Company employees continue to adhere to best practice in hygiene and social distancing in accordance with government requirements.

Although the arrival of the Omicron Coronavirus variant led to higher case numbers across the country, the Company's working from home policy protected our people and progress materially continued as planned.

COVID-19 related delays were experienced by external contractors and consultants during the installation and commissioning of the LieNA® autoclave and pilot plant. Due to these delays, the funding and licensing agreement between the Company and German natural resources holding and investment company Deutsche Rohstoff AG formally ended during the year (for details of that agreement, see ASX release of 29 April 2021).

Environmental, Social and Governance ('ESG') systems

Lithium Australia's products and business are based on sustainability. The Company strives to reduce its environmental footprint as it drives the development of a sustainable battery industry through disruptive, circular-economy technologies, transparency and resource efficiency. Lithium Australia advanced its ESG systems during the year to bolster protection from adverse impacts and promote favourable outcomes.

The safety of the Company's employees, contractors and partners is considered to be of the upmost importance, and it is pleasing to note that there were no lost time injuries during the year.

REVIEW OF OPERATIONS 2021-22 (continued)

Battery Recycling

Overview

Launched in 2017, Envirostream Australia Pty Ltd ('Envirostream', 100%-owned subsidiary), which is leading Australia's battery recycling industry, is at the cutting edge of delivering safe and innovative management solutions to one of the Australian waste industry's biggest challenges – battery disposal.

Its state-of-the-art Victorian-based battery processing facilities are providing a sustainable solution by collecting, sorting and processing critical battery metals from all types of spent batteries to power the batteries of tomorrow.

With battery recycling partnerships alongside some of Australia's leading brands, Envirostream benefits from the Australian government-backed battery recycling scheme which is providing rebates across collection, sorting, and processing of batteries.

Envirostream is the national leader in mixed-battery recycling. Using international best practice, it provides sustainable solutions for the disposal of end-of-life ('EOL') batteries and the recovery of critical energy metals which are used to manufacture new lithium-ion batteries ('LIBs').

Presently, only about 10% of EOL LIBs in Australia are made available for recycling with the balance consigned to landfill. LIB waste growth is estimated at 20% per annum and could exceed 100,000t by 2036 (Source: CSIRO https://www.csiro.au/en/research/technology-space/energy/energy-storage/battery-recycling) resulting in significant potential for additional recycling volumes at Envirostream.

The compound growth in waste is an outcome of the electrification of things which is building momentum in Australia. The increase in the availability of EOL batteries for recycling is shifting. The national battery stewardship scheme ('B-cycle'), implemented in January 2022, provides an incentive for consumers to recycle spent batteries. B-cycle, recognised by the Australian government, collects a levy from battery importers and then provides rebates to accredited partners for the collection, sorting and processing of spent batteries.

During the year, Lithium Australia completed all formalities for acquiring a final 10% interest in Envirostream for a consideration of $250,000.

Collection

Envirostream fire safe collection bin

Envirostream offers a range of battery collection and disposal services. Envirostream has quickly grown a national network of over 700 accredited B-cycle drop-off locations with its partners supplying EOL batteries. The business also supplies services to other scheme collectors to sort and recycle batteries. Envirostream is actively growing the network of B-cycle drop-off locations and partners and will keep the market informed as progress is made.

Envirostream fire safe collection box

Envirostream has partnerships including the following:

REVIEW OF OPERATIONS 2021-22 (continued)

Expansion of Production Capacity

During the year, EPA Victoria issued an operating license for Envirostream's Berwick Road site, valid for 99 years, allowing processing of more than 500tpa of specified electronic waste. This licence, a first for the battery recycling industry, represents a significant step for the business in preparation for much higher volumes, which started to increase during the year and have continued subsequent to year end.

Envirostream also launched a new site at Laverton North to complement Berwick Road. The combination of the EPA licence and Laverton North significantly increase capacity for the collection, sorting and processing of LIBs.

Envirostream fire safe storage box

Sales


Envirostream MMD

As an accredited partner to B-cycle, Envirostream obtains revenue (in the form of rebates) from the scheme for collecting, sorting, and processing batteries covered by the scheme.

Envirostream's processes also generate saleable product including MMD (contains cobalt and nickel), copper, aluminium and steel. The high-value MMD is shipped from Envirostream's facilities for further treatment by Tier 1 mining companies and international battery recycling companies. The other materials are sold to the scrap market.

Envirostream is currently pursuing long-term offtake agreements for MMD.

EV and ESS trials

Envirostream has relationships with electric vehicle ('EV') manufacturers in Australia seeking an EOL solution for their batteries.

Battery volumes available for recycling are expected to significantly increase from EV's and energy storage systems ('ESS') over the balance of the decade. In preparation for this, work has commenced to ensure EV and ESS batteries can be efficiently dismantled and recycled.

Since the beginning of the year, Envirostream has undertaken trials for several EV manufacturers to recycle their battery packs and report back findings. The knowledge gained by Envirostream is important to ensure readiness for the expected increase in future EV volumes.

Safety, the environment and permitting

Envirostream continuously improves its operating systems, to ensure that its battery collection, storage and processing are conducted in a manner that mitigates the fire risks associated with these activities.

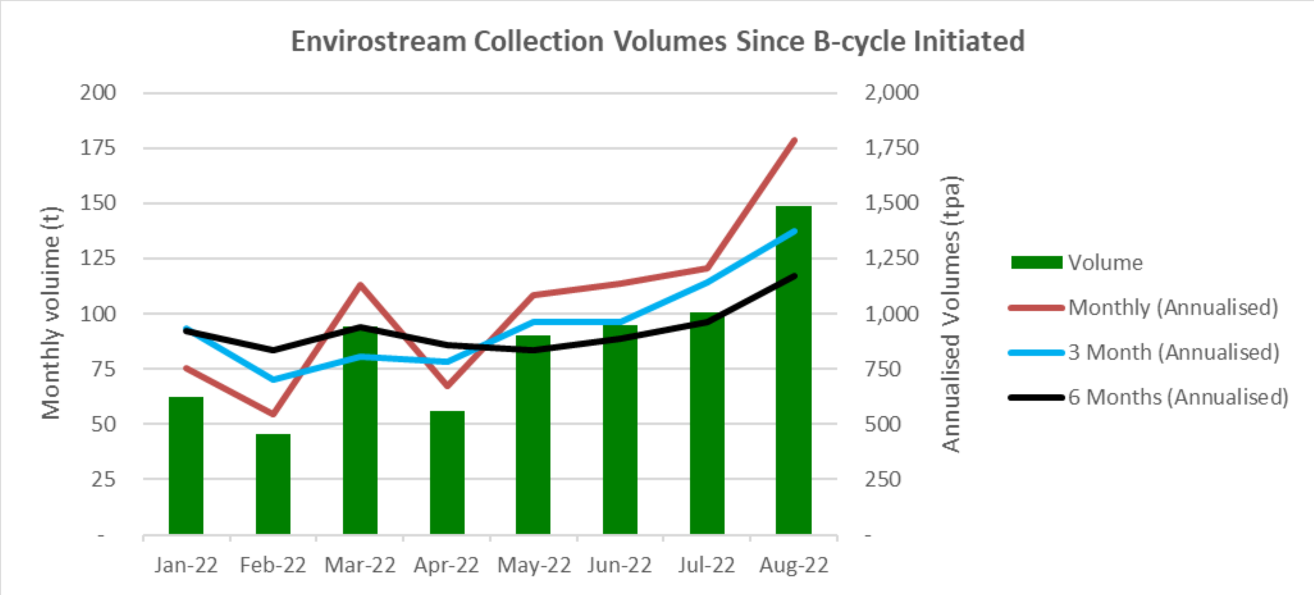
One of the most high-risk activities is incorrect storage of spent batteries, especially EOL LIBs. While Envirostream cannot control the nature or packaging of materials supplied by third parties, it can mitigate safety risks, including the risk of fire, and has implemented the following strategies to do so.

- Obtaining advice from Fire Rescue Victoria on risks and mitigation strategies.
- Installing early-warning heat and gas detection systems at the recycling facility, with the site and alarms monitored 24/7.
- Prioritisation of EOL LIBs processing to minimise inventories of dangerous goods.
- Adhering to information on the management and storage of combustible recyclable and waste material published by EPA Victoria, to guide the storage of different battery types at its premises.
- Process equipment modifications that include extra water-cooling points, as well as procedural changes to safe operating practices and additional operator training.

REVIEW OF OPERATIONS 2021-22 (continued)

End-of-life battery collections continue to rise

Collection and processing volumes increased subsequent to the commencement of the B-cycle scheme in January 2022. The graphic below demonstrates the increase in collections up to June 2022 and the increases subsequent to the year end.



During the year, Envirostream received its first cash rebate from the scheme. Details of rebate rates from B-cycle for collection, sorting, and processing are listed below.

- Collection in metropolitan areas $2.50/kilogram ('kg') or regional/remote areas $3.50/kg
- Sorting $1.00/kg
- Processing $1.00/kg.

Envirostream's IP

The Company continued to progress its battery recycling IP portfolio including a process for recovering values from batteries (PCT/AU2021/050887), a process for recovering values from alkaline batteries (Australian Provisional Patent Application 2021902192) and a process for recovering metal value from process liquors (PCT/AU2021/050886). A response to Written Opinions issued by the Australian Patent Office for PCT/AU2021/050887 and PCT/AU2021/050886 were filed to continue progressing these applications.

REVIEW OF OPERATIONS 2021-22 (continued)

Cathode Active Materials

Overview

VSPC Pty Ltd ('VSPC', 100%-owned subsidiary), which has over 20 years' experience, develops leading-edge materials for e-mobility and energy storage applications and, ultimately, a zero-carbon economy. Its patents cover the production of advanced powders for next generation lithium-ion batteries, especially lithium ferro phosphate ('LFP').

Currently, demand for LFP represents more than half the global market for lithium-ion battery materials. The Company is one of only a few entities outside of China with the technical expertise to manufacture LFP powder of the highest quality to meet those burgeoning market pressures.

VSPC is now on a clear path to production. With a Research & Development (R&D) facility (pilot plant) located in Queensland, a Definitive Feasibility Study ('DFS') for an initial 10,000 tonnes per annum ('tpa') LFP manufacturing facility is well underway, and with customer offtake discussions advancing in parallel, VSPC is positioning for its first commercial footprint.

Commercialisation

VSPC's laboratory in Brisbane, Queensland.

The Company seeks opportunities to accelerate commercialisation of LFP production by way of its proprietary RC Process. During the year, the Company made a non-binding offer to acquire the Canadian-based LFP production operations of Johnson Matthey PLC, as well as an R&D facility in Germany. The proposed transaction did not advance.

To further VSPC towards commercialisation, during the year, the DFS advanced, with Lycopodium selected as the principal engineer. The scope of the DFS was expanded to include an engineering study for a pre-qualification pilot plant to expedite product development and customer pre-qualification. Key study activities have included preparation of engineering specifications for vendor enquiries for major equipment supply, location analysis, vendor testwork planning and confirmatory testing of material handling characteristics.

Successful completion of the DFS for an LFP manufacturing facility would signal a major step-up in production capacity for VSPC from its current R&D facility. The DFS builds upon the previously released pre-feasibility study (PFS), announced on 14 April 2021, and which indicated the following.

100% of the Project (equity/pre-debt basis)	
Annual LFP production (stages 1 and 2)[1,2]	10,000 tpa
Plant investment (stages 1 and 2)[1] over three years	US$113 M
Annual sales of LFP[1,2]	US$140 M
Average annual earnings before interest, taxes, depreciation and amortisation (EBITDA) [1,2]	US$66 M
Average annual undiscounted free cashflows [1,2]	US$56 M
Net present value (NPV) – tpa 8% real [1,2]	**US$253 M**
Payback period	**5 years**
Internal rate of return (IRR) [1,2]	**33%**

[1] Stage 2 contemplated further expansion from 5,000 tpa to 10,000 tpa 2 years later.
[2] Post plant commissioning.

REVIEW OF OPERATIONS 2021-22 (continued)

LFP and LMFP

VSPC's processes are ideally suited to producing LFP cathode powders. This is significant, since LFP batteries are gaining popularity due to their many superior attributes – they outperform nickel-based cathode materials in terms of thermal and chemical stability; they are cheaper and safer and offer a longer service life. Currently, LFP is experiencing strong demand and growth relative to nickel-based cathode alternatives. LMFP battery cells share all the benefits of LFP cells but, significantly, deliver an increase in energy density of up to 25% when compared with LFP.

Cooperative Research Centres Project (CRC-P)

The federal government's CRC-P grant provides co-funding for a project entitled "Advanced Nano-engineered Battery for Fast Charging Catenary-free Trams".

This project aims to produce a range of innovative battery chemistries using low-cost, safe and non-toxic materials, that are optimized for fast-charging and without negatively affecting the battery life-cycle and energy storage capability. This will be achieved by developing new nano-composites with precisely controlled particle size distribution, geometric configuration, exposed facets, surface coatings and interfacial properties. A prototype cell using this technology will be developed and tested within 3 years from the commencement of the project.

During the year, core activities related to the AMGC grant were completed in co-ordination with its project partners including Commonwealth Scientific and Industrial Research Organisation (CSIRO) and The University of Queensland (UQ).

VSPC's IP

The Company continued to maintain its property portfolio for IP families related to the Production of Fine-Grained Particles, Method for Making Metal Oxides and Method for Producing Fine-Grained Particles.

Its international (PCT) Patent Application No. PCT/AU2021/050572 Entitled: "Method for making lithium metal phosphates" was subject to an International Preliminary Report on Patentability (IPRPII) in which all the claims have been classified as novel and involving an inventive step over the cited art. The next milestone for this application is entry into the national/regional phase in the jurisdictions of interest. This patent has been granted in Australia.

An International Search Report and Written Opinion was issued by the Australian Patent Office for the international (PCT) Patent Application No. PCT/AU2022/050283 Entitled: "Production of iron (II) oxalate", in which various claims have been classified as novel and involving an inventive step over the cited art. A response to the Search Report and Written Opinion will be considered by the Company to continue progressing this application.

VSPC's pilot plant in Brisbane, Queensland.

REVIEW OF OPERATIONS 2021-22 (continued)

Lithium chemicals

Overview

Lithium Australia has developed a suite of extraction and refining technologies for the recovery of lithium chemicals from various materials, including spodumene and lithium micas. These processes have a common thread, the recovery of lithium as LP, for use as a direct-feed chemical in the production of LFP cathode powders without the need to produce an intermediate chemical such as lithium hydroxide or carbonate.

Processes

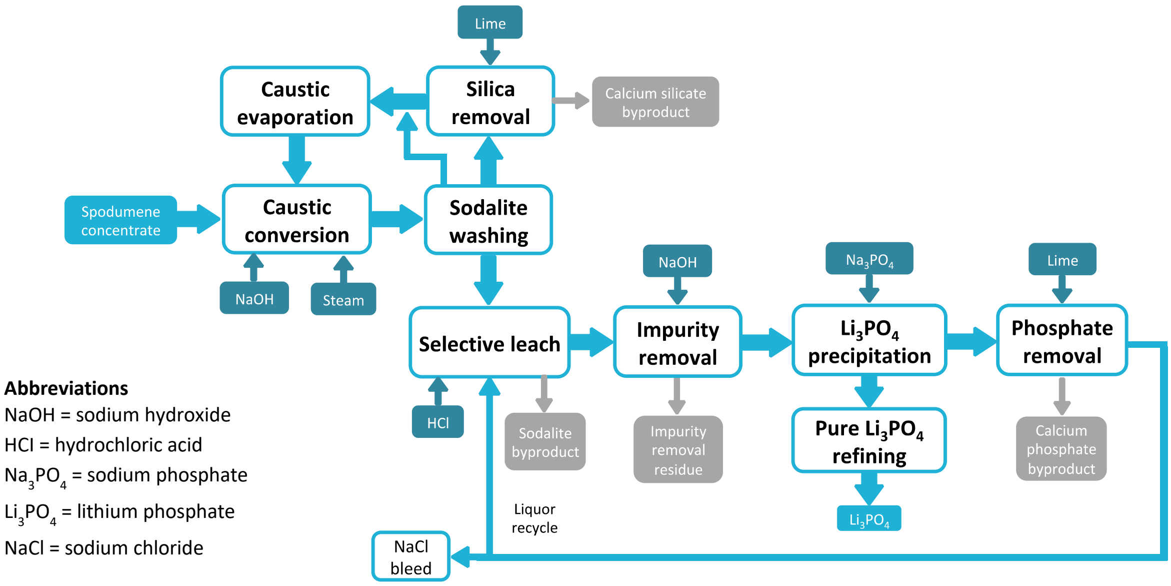
LieNA®

Purpose-built autoclave for LieNA®

The Company's proprietary LieNA® process is designed for low-energy processing of all lithium minerals. The aim is to provide the battery industry with critical chemicals produced in an ethical and sustainable manner, an approach with the potential to not only improve the viability of existing mining operations by extending resource life but also enhance energy security in jurisdictions in which the usual sources of critical battery minerals are either scarce or non-existent.

Conventional mineral processing of spodumene (the primary lithium mineral concentrated from hard-rock operations) involves comminution, separation of heavy media and flotation. Although this type of physical processing is relatively simple, spodumene recovery is low, ranging from 50% to 75% at the mineral concentrator. To address that low rate of recovery, the Company – in collaboration with the Australian Nuclear Science and Technology Organisation ('ANSTO') in Sydney, New South Wales – has developed LieNA®, a process that targets lower-grade, fine spodumene feed and in so doing has the potential to significantly increase the lithium recovery of spodumene mineral-concentrate producers.

The Company is seeking commercial partners for this innovative process for the extraction of lithium from waste spodumene.



LieNA® process flow sheet

REVIEW OF OPERATIONS 2021-22 (continued)

Pilot plant

During the year, a purpose-built autoclave, the final component required for the construction and commissioning of the Company's LieNA® pilot plant, was assembled and pre-commissioned, in conjunction with the autoclave supplier and its Australian agent. The now assembled and pre-commissioned LieNA® autoclave at ANSTO.

During the year, equipment certification for the pilot plant at ANSTO was advanced. Certification is a necessary step and was received subsequent to the end of the year.

IP status

The Company continued to maintain its LieNA® technology IP properties, related to caustic digestion or conversion processes.

Its first-generation LieNA® technology (PCT/AU2017/050808), received a decision to grant from the European Patent Office and was subsequently lodged in the following jurisdictions Austria; Czech Republic; Finland; France; Germany; Ireland; Italy; Norway; Poland; Portugal; Spain; Sweden; and the United Kingdom.

A decision to grant and patent certificate was received from the Chinese Patent Office for the LieNA® first generation technology.

For it's second generation LieNA® technology (PCT/AU2019/050773), notification was received from IP Australia that a standard patent had been received for patent number 2019310188, titled 'Caustic conversion process'. For more details, see the ASX release of 21 December 2021.

A request for examination was filed in Canada, Brazil and China. A Chinese Office Action and an Extended European Search Report (EESR) was received with responses is being considered by the Company to continue progressing this application

SiLeach®

SiLeach® is designed to recover lithium from micas. A fluorine-assisted acid digest, it recovers the lithium as LP. The process, which has application in the recovery of lithium from tailings generated through the mining of tin, tantalum, tungsten and lithium, as well as certain types of clay deposits, has been successfully pilot-tested.

IP status

The Company continued to maintain its Sileach® technology IP properties, related to extracting and recovering lithium values from lithium bearing materials. This includes the first generation (PCT/AU2017/050104) and second generation (PCT/AU2019/050541) SiLeach® technology portfolios.

For its SiLeach® first generation portfolio the original Patent Certificate as issued by the European Patent Office (EPO) receipted. The European Patent is enforceable in the validated countries, which include Czech Republic, France, Germany, Ireland, Italy, Poland, Portugal, Spain and the United Kingdom.

A certificate of grant was also received from the Canadian patent office for the SiLeach® first generation technology.

For it's SiLeach® second generation portfolio an Extended European Search Report (EESR)was received, with no objections raised with the next step being grant and validation. A request for examination was filed in Brazil and Canada, and a response to an office action was also filed in Chile for the second generation SiLeach® technology.

Phosphate Back-End

IP status

The Company continued to progress its Phosphate Back-end technology IP, relating to a process for recovering lithium values (PCT/AU2019/050540). A response to Chinese, Chilean office actions were filed, and an Extended European Search Report (EESR) and associated office action was received. A response to the EESR will be considered by the Company to continue progressing this application.

REVIEW OF OPERATIONS 2021-22 (continued)

Investments in listed companies

Over the last few years, the Company farmed out certain of its exploration assets to reduce the overall investment exposure to these exploration assets. By structuring free-carries at project level as part of the farm out and taking equity in the managing companies as part settlement, the Company retains upside in those assets and potentially preserves access to lithium deposits that may provide feed for future Company mineral processing and chemical production activities.

Charger Metals

Charger Metals NL (ASX: CHR, 'Charger'), which successfully listed on 7 July 2021, exercised its option to acquire the following listed exploration projects from the Company for a consideration of $100,000 and 9.6 million escrowed shares (19.6% at 7 July 2021, 18.8% at 30 June 2022).

- The Coates project, located in the highly prospective Western Yilgarn nickel/copper/platinum group elements belt, approximately 20 kilometres ('km') from the Julimar discovery of Chalice Mining Limited (ASX: CHN, 'Chalice', formerly Chalice Gold Ltd) in WA, in a similar geological environment.
- The Lake Johnston project, near Southern Cross in WA, which lies approximately 70 km east of the world-class Earl Grey/Mt Holland lithium deposit now being developed by Wesfarmers Ltd and SQM, has outcropping lithium (spodumene) pegmatites and is prospective for lithium, gold and nickel.
- The Bynoe project, located near Darwin in the Northern Territory (proximal to the Finnis lithium project of Core Lithium Limited (ASX: CXO), which is at a very advanced stage of development, with a DFS already completed) and prospective for lithium and gold.

Pursuant to the sale and joint venture agreement, the Company retains a 30% free carry in most projects transferred to Charger until completion of a DFS.

Galan Lithium

On 14 January 2021, Galan Lithium Ltd ('Galan', ASX: GLN) acquired 80% of the Company's Greenbushes South lithium project. Located 200 km south of Perth, Western Australia and with an area of 353 km^2, the project commences around 3 km south of the current Greenbushes open-pit lithium mining operation and covers the southern strike projection of the geological structure hosting that mine.

On acquisition by Galan, an unincorporated joint venture between Galan (80%) and the Company (20%) was established with the Company free-carried until completion of a PFS. In addition, the Company was issued 1,221,000 fully paid ordinary shares in the capital of Galan (30 June 2022: 610,500).

Exploration – Lepidolite Hill

Aligned to the Company's strategy, opportunities were pursued to farm-out the Lepidolite Hill Project during the year.

Energy Storage Systems – Soluna Au

The Company owns a 50% stake in Soluna Australia Pty Ltd ('Soluna Au').

Soluna Au offers a range of safe, performance-based battery energy storage systems ('BESS') for renewable energy, along with technical support and customer service, within Australia and New Zealand. Soluna Au operates in a very competitive market. The Company no longer considers Soluna Au as core to its strategy and is seeking opportunities to lower liabilities and crystallise value.

REVIEW OF OPERATIONS 2021-22 (continued)

SUSTAINABILITY

Lithium Australia strives to operate at the highest levels of Environmental, Social & Governance ('ESG') performance and commits to continuously improving the framework the Company measures itself by.

The Company's ESG Framework adheres to the highest international standards, ensuring that outcomes are delivered in the most sustainable manner. The foundation of Lithium Australia's products and business is built on sustainability. We strive to reduce our environmental footprint and drive the development of a sustainable battery industry through disruptive circular economy technologies, ethical transparency and resource efficiency.

Sustainability Report

Lithium Australia's inaugural Sustainability Report is in progress. This report will cover the period from 1 July 2021 to 30 June 2022 (FY22) and will include sustainability progress and performance of Lithium Australia Group. The report will complement this financial report and will include information related to:

- Our ESG Roadmap
- Our Stakeholders and Materiality
- UN Sustainable Development Goals
- Our Governance practices
- Our ESG metrics including GHG Emissions

Workplace health and safety

The Company is committed to ensuring the health, safety and welfare of all employees, including the prevention of injury and ill health, both in the course of their duties and in any Company activities. The Company also has a duty to ensure the health and safety of any person who may be affected by our activities; this extends to contractors, customers, neighbours, visitors and members of the public.

The Company's response to COVID-19 includes adherence to health advice and the direction of the federal and state authorities. Where lockdowns have been enforced, office-based staff have worked from home. Envirostream, based in Victoria, has been included in the list of 'Electricity, gas, water and waste services' considered important infrastructure and is also classified as an essential service. Envirostream has strict COVID-19 protections for the benefit of its employees and the general community and continues to play a vital role in preventing toxic battery waste from entering both landfill and ground-water systems.

The following table summarises the health and safety data for the group.

Year to	Fatalities	Lost time injuries
30 June 2022	0	0
30 June 2021	0	0

REVIEW OF OPERATIONS 2021-22 (continued)

Governance

Corporate Governance

Lithium Australia aspires to the highest standards of corporate behaviour and accountability and support and has adhered to the principles of sound corporate governance. The Board recognises the recent recommendations of the Australian Securities Exchange (ASX) Corporate Governance Council and considers that Lithium Australia is in compliance with guidelines.

More information on how Lithium Australia adheres to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Recommendations can be found in the Corporate Governance Statement on the Lithium Australia website.

Critical risk management

The Lithium Australia Board is responsible for risk management. This includes:

- approving the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct and legal compliance;
- ensuring senior management has developed and implemented a sound system of risk management and internal control in relation to financial reporting risks and reviewed the effectiveness of the operation of that system;
- assessing the effectiveness of senior management's implementation of systems for managing material business risk, including the making of additional enquiries, and to request assurances regarding the management of material business risk, as appropriate;

Lithium Australia's Risk Management Policy was approved by the Board and delegates day-to-day management of risk to the managing director and contains the Company's risk profile and describes some of the policies and practices the Company has in place to manage specific business risks.

The board is responsible for approving the Company's policies on risk oversight and management. The CEO is required to report on the progress of, and on all matters associated with risk management and the effectiveness of the Company's management of its material business risks at least annually.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Consolidated Group during the financial year, other than as stated in the Chairman's Report and outlined in the Review of Operations.

Future developments

Other than as referred to in this report, further information as to the likely developments in the operations of the Consolidated Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Consolidated Group and its shareholders.

REVIEW OF OPERATIONS 2021-22 (continued)

Subsequent events

a) On 01 July 2022, the Company issued 4,054 fully paid ordinary shares ordinary shares upon conversion of options.
b) Subsequent to year end, the Company realised $808,817 through the sale of 610,500 shares held in Galan Lithium Limited. The company no longer holds any investment shares in Galan Lithium Limited.
c) On 19 August 2022, the Company raised $930,000 through the set off 12,750,000 Collateral Shares previously issued to Acuity Capital pursuant to the Controlled Placement Agreement with Acuity Capital. Following the set off, the total number of Collateral Shares held by Acuity Capital is 32,250,000.
d) On 31 August 2022, the Company raised $12,075,202 as part of a Placement to existing shareholders, new high net worth sophisticated and institutional investors, including Director participation.
e) On 01 September 2022, the Company received notification from its insurance provider's legal team, that two of the claims provided for at 30 June 2022 had been settled. The settlement of these two claims will reduce the provision liability and increase profitability by $1,907,783.
f) On 07 September 2022, the Company issued 184,233,885 fully paid ordinary shares pursuant to the placement agreement announced on 31 August 2022.
g) Mr Simon Linge was appointed as CEO of the Company, as announced on 20 September 2022.
h) On 21 September 2022, the increase/(decrease) in share prices had the following effect on the fair value of the investments held:

INVESTMENT	SHARE PRICE AT 30/06/2022	SHARE PRICE AT 21/09/2022	INCREASE/(DECREASE) IN SHARE PRICE	NUMBER OF SHARES HELD AT 30/06/2022	INCREASE/(DECREASE) IN FAIR VALUE
Charger Metals	$0.35	$0.55	$0.20	1,920,000	$384,000
Imagine Lithium Inc	$0.09	$0.07	($0.02)	500,000	($10,000)
BlackEarth Minerals	$0.074	$0.095	$0.021	13,106,571	$275,238
					$649,238

Directors' meetings

The number of meetings attended by each of the Directors of the Consolidated Group during the financial year was:

	Board Meetings	
	Number Held and Entitled to Attend	Number Attended
Adrian Griffin (Retired 31 May 2022)	20	20
George Bauk	21	20
Kristie Young	21	21
Phil Thick	21	19

Environmental issues

The Consolidated Group's exploration activities are subject to the various state and federal statutes relating to mining and environmental protection. The Board believes that the Consolidated Group has adequate systems in place for the management of its environmental obligations. The Consolidated Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Consolidated Group are not aware of any breach of environmental legislation for the financial year under review but note its responsibilities in regard to the Ravensthorpe Project continue. The Company continues to implement adaptive management measures agreed with the State regulator.

REVIEW OF OPERATIONS 2021-22 (continued)

Share options

At the date of this report, the unissued ordinary shares of Lithium Australia Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option	Fair Value	Converted	Balance
28 February 2022	28 February 2025	$0.10	61,720,044	$0.04	(4,054)[a]	61,715,990
24 December 2019	24 December 2022	$0.055	1,833,333	$0.033	-	1,833,333
			63,553,377		(4,054)	63,549,323

[a] On 1 July 2022, 4,054 options were converted to fully paid ordinary shares.

Other than the above, no new options have been issued subsequent to 30 June 2022.

Performance rights

Unlisted performance rights on issue as at 30 June 2022 is as follows:

	Issue Date	Exercised Date	Number Issued	Number Exercised	Number Remaining	Fair Value
Class A	30 April 2018	15 July 2021	900,000	(900,000)	-	$-
Class B	30 April 2018		2,250,000	-	2,250,000	$231,821
Class C	30 April 2018		2,250,000	-	2,250,000	$76,004
Class A	31 December 2018	15 July 2021	400,000	(400,000)	-	$-
Class B	31 December 2018		1,500,000	-	1,500,000	$104,564
Class C	31 December 2018		1,500,000	-	1,500,000	$34,193
Class D	18 December 2020	15 July 2021 & 13 September 2021	3,750,000	(3,750,000)	-	$-
Class E	18 December 2020	15 July 2021 & 13 September 2021	4,625,000	(4,625,000)	-	$-
Class F	18 December 2020	13 September 201	5,625,000	(5,625,000)	-	$-
Class G	11 October 2021	02 November 2021	6,750,000	(3,750,000)	3,000,000	$243,967
Performance Rights Outstanding as at 30 June 2022			**29,550,000**	**(19,050,000)**	**10,500,000**	**$690,549**

No new performance rights have been issued subsequent to 30 June 2022.

Proceedings on behalf of the Consolidated Group

Envirostream Australia Pty Ltd ('Envirostream') has been served writs in regard to statements of claim concerning damage caused by a fire at 31 Colbert Road, Campbellfield, Victoria, on 19 January 2019. These claims are being dealt with under Envirostream's insurance policy and insurers. Please refer to note 16 for further details. Subsequent to year end, the Company received confirmation that litigated claims have been settled by Envirostream's insurance company to the value of $1.7 million. It is anticipated that the settlement of claims will have a positive impact on the financial report for the period ending 31 December 2022.

Apart from as described above and within note 16, no person has applied for leave of Court to bring proceedings on behalf of the Consolidated Group or intervened in any proceedings to which the Consolidated Group is a party for the purpose of taking responsibility on behalf of the Consolidated Group for all or any part of those proceedings.

Remuneration report (audited)

The report outlines the remuneration arrangements in place for Directors and Key Management Personnel (KMP) of Lithium Australia Ltd in accordance with the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel are defined as those having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Group, directly or indirectly, including any Directors of the Consolidated Group.

Remuneration Policy

The Board policy is to remunerate Directors, officers and employees at market rates for time, commitment and responsibilities. The Board determines payment to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Group. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold securities in the Company.

The Consolidated Group's aim is to remunerate at a level that will attract and retain high-calibre Directors, officers and employees. Company officers and Directors are remunerated to a level consistent with the size of the Consolidated Group.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

All equity-based remuneration paid to Directors and executives is valued at the cost to the Consolidated Group and expensed. Options are valued using the Black-Scholes methodology.

Performance Based Remuneration

The issue of shares and options to Directors is in accordance with the Company's employee security incentive plan to encourage the alignment of personal and shareholder returns. The intention of this program is to align the objectives of Directors/executives with that of the business and shareholders. In addition, all Directors and executives are encouraged to hold shares in the Company.

Employment Contracts of Directors and Senior Executives

There are formal contracts entered into with all Key Management Personnel.

Mr Griffin retired as Managing Director on 31 May 2022.

Non-executive Directors are paid under the terms agreed under contract at rates detailed below:
The following Director's fees (inclusive of superannuation) were paid or were due and payable:

- $90,411 to Mr George Bauk
- $60,274 to Ms Kristie Young
- $60,274 to Mr Phil Thick

The Chief Financial Officer, Mr Stuart Tarrant, current contract commenced on 1 June 2021. The contract provides Mr Tarrant with a salary of $274,000 per annum exclusive of superannuation. Mr Tarrant is also entitled to receive a cash bonus up to 15% of his base salary if the following KPI's are met by 30 June 2022:

Bank Balance	>$10M at June 30, 2022 including R&D rebates by 30 November 2021	33%
Compliance	No outstanding compliance obligations	33%
Reporting	Fully functional management reporting system providing analysis for each month of the 2022 FY with output no later than 10 days after month end	33%
		100%

The Company may terminate the employment contract at any time and without prior notice if serious misconduct has occurred. In this event remuneration is only payable up until the date of the termination. At the 30 June 2022, the Company may terminate the employment contract for any reason by giving no less than 4 weeks' notice or in lieu of the notice period, subject to all applicable laws.

Remuneration report (audited) (continued)

Details of Remuneration for year ended 30 June 2022

The remuneration for each director and of the executive officer of the Consolidated Group during the period was as follows:

Directors and Executive Officer's Emoluments

	Short term benefits			Post employment	Share based payments		Total	Performance rights as % of total remuneration
	Salary & fees	Bonus/leave paid out	Non-monetary	Super-annuation	Performance rights	Equity	$	
	Adrian Griffin – Managing Director – Retired 31 May 2022							
2022	386,411	167,255	2,877	38,809	48,311	-	643,663	8%
2021	424,007	71,125	2,877	40,281	672,450	-	1,210,740	56%
	George Bauk – Non Executive Chairman							
2022	82192	-	-	8,219	19,324	-	109,735	18%
2021	90,000	-	-	-	326,450	-	416,450	78%
	Bryan Dixon – Non Executive Director – Retired 27 January 2021							
2022	-	-	-	-	-	-	-	-
2021	30,000	-	-	-	326,450	-	356,450	92%
	Kristie Young – Non Executive Director							
2022	54,795	-	-	5,479	348,514	-	408,788	85%
2021	28,894	-	-	2,745	-	-	31,639	0%
	Phillip Thick – Non Executive Director							
2022	54,795	-	-	5,479	243,967	-	304,241	80%
2021	9,132	-	-	868	-	-	10,000	0%
	Stuart Tarrant – Chief Financial Officer							
2022	274,000	-	-	27,400	-	-	301,400	0%
2021	24,676	-	-	2,250	-	-	26,926	0%
	Barry Woodhouse – Chief Financial Officer – Resigned 01 June 2021							
2022	-	-	-	-	-	-	-	-
2021	300,031	-	-	27,143	24,347	-	351,521	7%
	Total							
2022	**852,193**	**167,255**	**2,877**	**85,386**	**660,116**	**-**	**1,767,827**	**37%**
2021	**906,740**	**71,125**	**2,877**	**73,287**	**1,349,697**	**-**	**2,403,726**	**56%**

Remuneration report (audited) (continued)

KMPs' interests in shares, performance rights and options

The number of ordinary shares held by each KMP of the entity during the financial period is as follows:

	Balance 30/06/2021	Received as Compensation	Options Exercised / Performance Rights Conversion / Redeemed partly paid shares	Net change Other	Balance 30/06/2022
A Griffin	16,614,238	-	12,750,000	(29,364,238)	-[2]
G Bauk	2,700,000	-	1,368,101	(275,000)	3,793,101[1]
K Young	100,000	-	3,750,000	-	3,850,000
P Thick	800,000	-	-	275,000	1,075,000
B Woodhouse	1,113,084	-	400,000	(1,513,084)	-[2]
S Tarrant	-	-	-	-	-
	21,327,322	**-**	**18,268,101**	**(30,877,322)**	**8,718,101**

[1]Included in the closing balance are shares indirectly held by a related third party.

[2]Mr Griffin retired from the board and Mr Woodhouse resigned as KMP during the period.

The number of partly paid shares held by each KMP of the entity during the financial year is as follows:

	Balance 30/06/2021	Received as Compensation	LITCF Redeemed (Paid Up)	Net change Other	Balance 30/06/2022
A Griffin	8,291,718[3]	-	(1,000,000)	(7,291,718)	-[3]
G Bauk	1,168,101	-	(1,168,101)	-	-
K Young	-	-	-	-	-
P Thick	-	-	-	-	-
S Tarrant	-	-	-	-	-
	9,459,819	**-**	**(2,168,101)**	**(7,291,718)**	**-**

[3]Mr Griffin retired from the board during the period.

The number of performance rights held by each KMP of the entity during the financial year is as follows:

	Balance 30/06/2021	Received as Compensation	Options Exercised	Net change Other	Balance 30/06/2022
A Griffin	14,250,000	-	(11,750,000)	(2,500,000)	-[4]
G Bauk	1,200,000	-	(200,000)	-	1,000,000
K Young	-	3,750,000	(3,750,000)	-	-
P Thick	-	3,000,000	-	-	3,000,000
S Tarrant	-	-	-	-	-
	15,450,000	**6,750,000**	**(15,700,000)**	**(2,500,000)**	**4,000,000**

[4]Mr Griffin retired from the board during the period.

The number of listed and unlisted options held by each KMP of the entity during the year is as follows:

	Balance 30/06/2021	Received as Compensation	Options Exercised/ Expired	Net change Other	Balance 30/06/2022
A Griffin	2,031,102	-	(2,031,102)	-	-[5]
G Bauk	144,195	-	(144,195)	-	-
K Young	-	-	-	-	-
P Thick	-	-	-	-	-
B Dixon	-	-	-	-	-
S Tarrant	-	-	-	-	-
	2,175,297	**-**	**(2,175,297)**	**-**	**-**

[5]Mr Griffin retired from the board as KMP during the period.

Remuneration report (audited) (continued)

Performance Rights Issued as Part of Remuneration

During the year ended 30 June 2022, the following share-based payment arrangements were in existence with KMP:

Performance Rights	Number Granted Remaining	Grant Date	Grant Date Fair Value	Expiry Date	Relinquished Date	Vesting Date	Fair Value
Class B	1,750,000[1]	30/04/2018	$0.135	30/04/2023	-	31/03/2023	$180,305[2]
Class C	1,750,000[1]	30/04/2018	$0.135	30/04/2023	-	30/04/2023	$59,114[2]
Class H	1,000,000	11/10/2021	$0.1107	11/10/2026	-	10/10/2026	$85,206
Class H	2,000,000	11/10/2021	$0.1107	11/10/2026	-	10/10/2026	$158,761
	6,500,000						**$483,386**

[1] Includes 2,500,000 to retired KMP, Adrian Griffin.

[2] Includes $171,014 to retired KMP, Adrian Griffin.

Performance Hurdles/Restrictions

	Number of Rights	Hurdle
Class B	3,750,000	Delivery of a definitive feasibility study for the construction of a commercial plant to produce cathode material which supports and investment decision to proceed to construction.
Class C	3,750,000	Commencement of construction of commercial plant.
Class H	1,000,000	Company achieves a 20-day share price of at least $0.15
Class H	2,000,000	Company achieves a 20-day share price of at least $0.20
	10,500,000[1]	

[1] Includes 4,000,000 to current KMP, 2,500,000 to retired KMP and 4,000,000 rights to good leavers and other employees.

Remuneration report (audited) (continued)

Directors and Executive Officer's Performance Rights

Performance Rights	Number granted	Grant date	Grant date fair value	Expiry date	Vesting date	Exercise date	Number vested & exercised	Number expired	Number relinquished	Balance	% of grant vested	% of grant forfeited
Adrian Griffin												
Class A	500,000	30/04/2018	$ 0.135	30/04/2023	30/09/2019	15/07/2021	(500,000)	-	-	-	100%	0%
Class B	1,250,000	30/04/2018	$ 0.135	30/04/2023	30/04/2023	-	-	-	-	1,250,000	0%	0%
Class C	1,250,000	30/04/2018	$ 0.135	30/04/2023	30/04/2023	-	-	-	-	1,250,000	0%	0%
Class D	3,750,000	18/12/2020	$ 0.054	17/12/2025	20/01/2021	13/09/2021	(3,750,000)	-	-	-	100%	0%
Class E	3,750,000	18/12/2020	$ 0.051	17/12/2025	20/01/2021	13/09/2021	(3,750,000)	-	-	-	100%	0%
Class F	3,750,000	18/12/2020	$ 0.048	17/12/2025	20/01/2021	13/09/2021	(3,750,000)	-	-	-	100%	0%
Total	**14,250,000**						**(11,750,000)**	**-**	**-**	**2,500,000**		
George Bauk												
Class A	200,000	30/04/2018	$ 0.135	30/04/2023	30/09/2019	15/07/2021	(200,000)	-	-	-	100%	0%
Class B	500,000	30/04/2018	$ 0.135	30/04/2023	30/04/2023	-	-	-	-	500,000	0%	0%
Class C	500,000	30/04/2018	$ 0.135	30/04/2023	30/04/2023	-	-	-	-	500,000	0%	0%
Total	**1,200,000**						**(200,000)**	**-**	**-**	**1,000,000**		
Kristie Young												
Class G_1	1,875,000	11/10/2021	$ 0.094	11/10/2026	20/01/2021	11/12/2021	(1,875,000)	-	-	-	100%	0%
Class G_2	1,875,000	11/10/2021	$ 0.092	11/10/2026	20/01/2021	11/12/2021	(1,875,000)	-	-	-	100%	0%
Total	**3,750,000**						**(3,750,000)**	**-**	**-**	**-**		
Phil Thick												
Class H_1	1,000,000	11/10/2021	$ 0.085	11/10/2026	10/10/2026	-	-	-	-	1,000,000	0%	0%
Class H_2	2,000,000	11/10/2021	$ 0.079	11/10/2026	10/10/2026	-	-	-	-	2,000,000	0%	0%
Total	**3,000,000**						**-**	**-**	**-**	**3,000,000**		

End of Remuneration Report

Indemnification and insurance of Directors and Officers

The Company paid a premium of $38,738 to insure Directors and Officers of the Company. The Directors and Officers have indemnities in place with the Company whereby the Company has agreed to indemnify the Directors and Officers in respect of certain liabilities incurred by the Director or Officer while acting as a Director of the Company and to insure the Director or Officer against certain risks the Director or Officer is exposed to as an officer of the Company.

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Lithium Australia support and have adhered to the principles of sound corporate governance.

The Board recognises the recent recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Lithium Australia is in compliance with those guidelines. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Consolidated Group. The Consolidated Group's corporate governance statement and disclosures can be found on our website at www.lithium-au.com/corporate-governance/.

Non-audit services

Non-audit services to the value of $3,500 were provided to the Consolidated Group in the year ended 30 June 2022.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the directors of the Consolidated Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 27 and forms part of this Directors' Report for the year ended 30 June 2022.

This report is made in accordance with a resolution of the Directors.

George Bauk
Non-executive Chairman

Dated at Perth this 23rd day of September 2022

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of Lithium Australia Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 23rd day of September 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

Continuing operations	Note	2022 $	2021 $
Sales	2	2,941,117	1,175,746
Cost of sales		(4,638,735)	(1,869,456)
Gross profit / (loss)		(1,697,618)	(693,710)
Revenue		20,527	47,509
Other income	3	4,068,578	3,525,184
Occupancy costs		(235,037)	(236,132)
Professional fees		(387,703)	(627,399)
Corporate fees		(354,771)	(342,033)
Laboratory/plant expense		(2,274,708)	(1,086,800)
Employee benefits expense	5(a)	(7,555,355)	(6,419,204)
Administration costs		(1,260,704)	(854,972)
Depreciation and amortisation	5(b)	(3,326,538)	(2,075,124)
Exploration and evaluation costs written off	5(b)	(26,737)	(126,310)
Impairment of exploration asset	11	-	(5,039,371)
Finance costs		(13,193)	(30,006)
Finance costs unwound		-	(1,521,657)
Impairment of intangible assets	12	(7,698,818)	(15,187)
Impairment of loan		-	(289,042)
Remediation	16	-	(5,043,069)
Other expenditure	5(c)	(10,302)	(8,890)
Loss before income tax		(20,752,379)	(20,836,213)
Income tax expense	6	-	-
Loss from continuing operations		(20,752,379)	(20,836,213)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		1,189	(26,267)
Items that may not be reclassified subsequently to profit or loss:			
Net fair value gain/(loss) on financial assets		1,314,893	1,227,109
Total comprehensive loss for the year		**(19,436,297)**	**(19,635,371)**
Loss for the year attributable to:			
Members of the controlling entity		(20,628,274)	(19,856,374)
Non-controlling interest		(124,105)	(979,839)
		(20,752,379)	(20,836,213)
Total comprehensive loss attributable to:			
Members of the controlling entity		(19,312,192)	(18,655,532)
Non-controlling interest		(124,105)	(979,839)
		(19,436,297)	(19,635,371)
Basic loss per share (cents per share)	21	2.06	2.45

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	7	4,848,069	11,369,696
Trade and other receivables	8	996,721	762,303
Inventory	9	832,950	720,879
Financial assets	10	1,026,584	230,376
Capitalised exploration expenditure – assets held for sale	11	-	336,000
Total current assets		7,704,324	13,419,254
Non-current assets			
Financial assets	10	4,396,886	2,392,943
Capitalised exploration expenditure	11	144,000	144,000
Intangible assets	12	6,071,410	14,607,581
Right of use asset	15	1,699,094	756,238
Property, plant and equipment	13	1,911,267	1,232,468
Total Non-current assets		14,222,657	19,133,230
TOTAL ASSETS		21,926,981	32,552,484
Current liabilities			
Trade and other payables	14	3,239,535	2,464,249
Lease liability	15	607,133	395,802
Provisions	16	5,690,000	5,694,862
Total current liabilities		9,536,668	8,554,913
Non-current liabilities			
Lease liability	15	1,166,541	397,724
Other payables		10,803	-
Total non-current liabilities		1,177,344	397,724
TOTAL LIABILITIES		10,714,012	8,952,637
NET ASSETS		**11,212,969**	**23,599,847**
Equity			
Issued capital	18	88,454,942	81,069,029
Reserves	19	1,861,620	2,138,017
Accumulated losses		(78,463,886)	(58,222,604)
Controlling entity interest		11,852,676	24,984,442
Non-controlling interest		(639,707)	(1,384,595)
TOTAL EQUITY		**11,212,969**	**23,599,847**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserves[a]	Accumulated Losses	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2020	62,225,017	2,194,879	63,308	452,534	(40,236,731)	(115,713)	24,583,294
Loss for the year	-	-	-	-	(19,856,374)	(979,839)	(20,836,213)
Other comprehensive income							
Net fair value gain/(loss) on financial assets	-	-	-	1,227,109	-	-	1,227,109
Effects of exchange rates on foreign currency translation	-	-	(26,267)	-	-	-	(26,267)
Total comprehensive loss for the year	-	-	(26,267)	1,227,109	(19,856,374)	(979,839)	(19,635,371)
Transaction with owner, directly recording in equity:							
Issue of shares	13,905,039	-	-	-	-	-	13,905,039
Capital raising costs	(408,668)	-	-	-	-	-	(408,668)
Shares held in trust	15,100	-	-	-	-	-	15,100
Exercise of performance rights	458,639	(458,639)	-	-	-	-	-
Expiry of options	-	(1,870,501)	-	-	1,870,501	-	-
Movement in performance rights	-	240,396	-	-	-	-	240,396
Performance rights issued	-	1,149,390	-	-	-	-	1,149,390
Acquisition of shares in controlled entity	-	-	-	-	-	(289,043)	(289,043)
Options Converted	4,873,902	-	-	(834,192)	-	-	4,039,710
Balance at 30 June 2021	81,069,029	1,255,525	37,041	845,451	(58,222,604)	(1,384,595)	23,599,847

[a] Other reserves consist of investment revaluation reserve, equity reserve and convertible note reserve

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserves[a]	Accumulated Losses	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2021	81,069,029	1,255,525	37,041	845,451	(58,222,604)	(1,384,595)	23,599,847
Loss for the year	-	-	-	-	(20,628,274)	(124,105)	(20,752,379)
Other comprehensive income							
Net fair value gain/(loss) on financial assets	-	-	-	1,314,893	-	-	1,314,893
Effects of exchange rates on foreign currency translation	-	-	1,189	-	-	-	1,189
Total comprehensive loss for the year	-	-	1,189	1,314,893	(20,628,274)	(124,105)	(19,436,297)
Transaction with owner, directly recording in equity:							
Issue of shares	5,148,503	-	-	-	-	-	5,148,503
Call on Partly Paid Shares	1,043,175						1,043,175
Capital raising costs	(175,635)	-	-	-	-	-	(175,635)
Shares held in trust	(14,898)	-	-	-	-	-	(14,898)
Exercise of performance rights	1,217,165	(1,217,165)	-	-	-	-	-
Expiry of options	-	(72,000)	-	-	72,000	-	-
Issue/amortisation of performance rights	-	724,189	-	-	-	-	724,189
Transfer from investment revaluation Reserve				(314,992)	314,992		-
Conversion of partly paid shares to options	(649,578)			649,578			-
Acquisition of shares in controlled entity				(1,118,993)		868,993	(250,000)
Options Converted	817,181	-	-	(243,096)	-	-	574,085
Balance at 30 June 2022	88,454,942	690,549	38,230	1,132,841	(78,463,886)	(639,707)	11,212,969

[a] Other reserves consist of investment revaluation reserve, equity reserve and convertible note reserve

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		3,019,975	1,141,081
Payments to suppliers and employees		(14,610,561)	(8,615,336)
Payments for exploration and evaluation		(31,537)	(200,843)
Proceeds from Government grants and tax incentives		1,789,595	2,219,512
Proceeds from JobKeeper, apprentice subsidy and cashflow boost		-	574,471
Interest expense		(6,000)	(8,629)
Interest received		20,989	47,509
Net cash used in operating activities	22	(9,817,539)	(4,842,235)
Cash flows from investing activities			
Cash acquired from acquisition		-	10,606
Purchase of property, plant and equipment		(1,902,228)	(891,400)
Proceeds from sale of property, plant and equipment		46,435	
Payment for intangible assets		(982,670)	(833,539)
Proceeds from sale of financial assets		635,505	1,027
Proceeds from disposal of interest in tenements		100,000	125,701
Acquisition of shares in controlled entity		(250,000)	-
Payments for other financial assets		(181,762)	(161,547)
Cash flows from loans to other entities		-	167,065
Net cash (used in)/from investing activities		(2,534,720)	(1,582,087)
Cash flows from financing activities			
Proceeds from issue of shares		6,763,575	16,788,616
Payment for capital raising costs		(175,635)	(413,668)
Proceeds from borrowings		-	-
Payment of borrowings		(738,193)	(357,992)
Transaction costs related to loans and borrowings		(37,088)	(18,868)
Payment for convertible note financing cost		-	-
Payment of convertible note		-	(1,900,000)
Net cash generated by/(used in) financing activities		5,812,659	14,098,088
Net increase/(decrease) in cash held		(6,539,600)	7,673,766
Cash and cash equivalents at the beginning of the period		11,369,696	3,739,382
Effects of exchange rates on consolidation of foreign subsidiary		17,973	(43,452)
Cash and cash equivalents at the end of the period	7	4,848,069	11,369,696

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

These consolidated financial statements and notes represent those of Lithium Australia Limited and its controlled entity (the "Consolidated Group"). Lithium Australia Limited is a public liability company, incorporated and domiciled in Australia.

The Consolidated Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 23 September 2022.

1. Statement of significant accounting policies

The following is a summary of the material accounting policies adopted by the Consolidated Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(i) Going Concern

The financial report has been prepared on the 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 of $20,752,379 (2021: $20,836,213) and net cash outflows from operating and investment activities of $12,352,259 (2021: $6,424,322) during the year ended 30 June 2022. As at balance date the Group had a working capital deficit of $1,832,344 (30 June 2021: $4,864,341 surplus).

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate given:

- Between 08 August and 11 August 2022, the Group realised net proceeds of $737,865 from the sale of its investment in Galan Lithium Limited;
- On 19 August 2022, the Group raised $930,000 via an At-the-Market Subscription Agreement;
- On 31 August 2022, the Group raised in excess of $12 million as part of a Placement;
- The Group has the ability to defer discretionary costs as and when required; and
- In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

(b) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Lithium Australia Limited and its subsidiaries ("the Group"). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

1. Statement of significant accounting policies (continued)

(c) Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made.

Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent it is deemed that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments are classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

(i) Financial assets at fair value through profit and loss or through other comprehensive Income

Financial assets are classified at 'fair value through profit or loss' or 'fair value through other comprehensive income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'fair value through other comprehensive income'.

(ii) Financial Liabilities

The Group's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

1. Statement of significant accounting policies (continued)

(d) Financial Instruments (continued)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative and are recognised in the statement of profit or loss.

Derivatives are classified as current or non-current depending on the expected period of realisation.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

(g) Inventory

The Group values inventories at the lower of cost or net realisable value as determined primarily by the current relevant commodity price, using the weighted average cost method.

(h) Revenue

The Group's revenue streams include the collection of recycling material, collection infrastructure and sale of materials generated from processed recycled materials. Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(i) Impairment of Assets

At each reporting date, the Consolidated Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from the other assets, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generated unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation increase.

1. Statement of significant accounting policies (continued)

(j) Intangible Assets

(i) Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the average remaining life of patents. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the intangible asset acquired is 3.2 years as at balance date.

(ii) Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Property, plant and equipment

IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Consolidated Group’s management. IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. Depreciation is recognised on a diminishing value basis to write down the cost less estimated residual value of IT equipment and other equipment.

The following useful lives are applied:

- IT equipment: 2-5 years
- Other equipment: 3-12 years
- Vehicles: 5-8 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

1. Statement of significant accounting policies (continued)

(m) *Taxation*

The Consolidated Group adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit/loss from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(n) *Trade and Other Payables*

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Consolidated Group prior to the end of the financial year that are unpaid and arise when the Consolidated Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) *Share Based Payments*

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Group's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(p) *Issued Capital*

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(q) *Earnings Per Share*

Basic earnings per share is calculated as net earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for a bonus element.

Diluted EPS is calculated as net earnings attributable to members, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) *Critical Accounting Estimates and Judgments*

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Key Estimates - Impairment

The Consolidated Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Consolidated Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

1. Statement of significant accounting policies (continued)

(r) Critical Accounting Estimates and Judgments (continued)

Key Estimates – Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Consolidated Group as they pertain to current income taxation legislation, and the directors' understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Judgment – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors' understanding thereof. At the current stage of the Consolidated Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Key Estimates and Judgment – Provision for remediation and legal claims

The Consolidated Group assesses the remediation and legal claims provisions at the end of each reporting period based upon the information available to the Consolidated Group at the time, whilst ultimate outcomes of the matter may be dependent upon further legal and/or regulatory processes that cannot be predicted with certainty. The provision for remediation and legal claims represents the probability or possibility that settlement of the obligation would result in an outflow of resources and the ability to measure these costs reliably.

(s) Fair Value of Assets and Liabilities

The Consolidated Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Consolidated Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Consolidated Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Consolidated Group selects a valuation technique

that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Consolidated Group are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

1. Statement of significant accounting policies (continued)

(s) Fair Value of Assets and Liabilities (continued)

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Consolidated Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Consolidated Group would change the categorisation within the fair value hierarchy only in the following circumstances:
(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Consolidated Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(t) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased asset, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

1. Statement of significant accounting policies (continued)

(t) Leases (continued)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Operating lease payments, if they are short term leases or less than AUD$5,000, are charged to profit or loss on a straight-line basis over the term of the lease.

2. Sales

	2022	2021
	$	$
Battery collection and collection infrastructure	919,548	510,553
Processed battery recycled material – finished goods, rebates and other charges	1,592,802	488,390
Battery pack	428,767	176,803
	2,941,117	**1,175,746**

3. Other income

	2022	2021
	$	$
Government grants and tax incentives	2,099,610	1,671,194
JobKeeper, PAYG cashflow boost and apprentice subsidies	-	484,471
Tenement sale and option fees	1,684,000	766,726
Reversal of loan impaired	-	377,877
Profit on asset disposal	10,168	484
Costs recovered	173,785	-
Profit/(Loss) on Right of Use Lease adjustment	3,959	-
Administration fee	40,404	44,573
Miscellaneous income	56,652	179,859
	4,068,578	**3,525,184**

4. Remuneration of auditors

	2022	2021
	$	$
Remuneration of the auditor for:		
Auditing or reviewing the financial report	56,675	54,790
	56,675	**54,790**

5. Loss from ordinary activities

		2022	2021
		$	$
(a)	**Employee benefits expense**		
	Share based payments	928,953	1,400,529
	Defined contribution fund payments	394,323	355,276
	Other employee benefits expense	6,232,079	4,663,399
	Total employee benefits expense from ordinary activities	**7,555,355**	**6,419,204**
(b)	**Depreciation, amortisation, exploration and evaluation expense**		
	Depreciation and amortisation	3,326,538	2,075,124
	Exploration and evaluation costs written off	26,737	126,310
	Total depreciation, amortisation, exploration and evaluation expense from ordinary activities	**3,353,275**	**2,201,434**
(c)	**Other expenses**		
	Assets scrapped	3,556	-
	Miscellaneous expenditure	6,746	8,890
		10,302	**8,890**

6. Income tax expense

		CONSOLIDATED	
		2022	2021
		$	$
(a)	**Major components of income tax expense are as follows:**		
	Current income tax expense/(benefit)	-	-
	Deferred income tax expense/(benefit)	-	-
	Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-
(b)	**The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:**		
	Profit from ordinary activities before income tax expense	(20,752,378)	(20,836,213)
	Prima facie tax benefit on profit from ordinary activities before income tax at 25% (2021: 26%)	(5,188,094)	(5,417,415)
	Tax effect of permanent differences:		
	Share-based expense	232,238	364,137
	Donations	458	153
	Entertainment	7,500	5,029
	R&D incentive expenditure	525,000	612,386
	R&D rebate received	(290,923)	(324,252)
	Foreign entity losses	52,851	883,447
	ATO Cash Flow Boost received	-	(39,000)
	Tax losses not recognised	4,660,970	3,915,515
		-	-
(c)	**Deferred tax assets and (liabilities) are attributable to the following:**		
	Legal fees	52,074	41,322
	Accrued expenses	8,750	11,180
	Payroll liabilities	161,346	173,545
	Provisions	1,267,017	1,317,698
	Plant & equipment	(477,817)	(511,213)
	Unrealised gains	(391,056)	(324,805)
	Intangible assets	382,160	(1,857,152)
	Right of use asset & lease	(18,645)	-
	Tax losses	(983,829)	1,149,425
		-	-
(d)	**Unrecognised deferred tax assets**		
	Deferred tax assets have not been recognised in respect of the following items as the Directors do not believe it is appropriate to regard realisation of future tax benefits as probable:		
	Tax losses	19,575,506	12,504,703
	Capital losses	132,715	138,024
		19,708,221	**12,642,727**

7. Cash and cash equivalents

	2022	2021
	$	$
Cash at bank (AA rated institutions)	4,848,069	11,369,696
	4,848,069	**11,369,696**

8. Trade and other receivables

	2022	2021
	$	$
Other Debtors	426,925	335,101
Prepayments[(a)]	399,400	330,263
GST receivable	170,396	96,939
	996,721	**762,303**

(a) The Company issued 12,500,000 ordinary shares in 2019 as prepayment for the acquisition of $1,000,000 of inventory. At 30 June 2022, the value of inventory outstanding as a prepayment equalled $284,490 (30 June 2021 $279,033).

9. Inventory

	2022 $	2021 $
Battery packs	140,332	303,687
Finished goods	34,545	203,841
Work in progress	16,778	98,328
Unprocessed	118,691	-
Infrastructure	522,604	115,023
	832,950	720,879

10. Financial assets

	2022 $	2021 $
Current		
Fixed term deposits	361,139	230,376
Australian listed shares – Level 1 fair value[1]	665,445	-
	1,026,584	230,376
Non-current		
Australian listed shares – Level 1 fair value[1]	4,281,886	2,355,338
Canadian listed shares – Level 1 fair value	45,000	37,605
Australian unlisted shares – Level 3 fair value	70,000	-
	4,396,886	2,392,943

[1]Financial assets related to shares held in listed and unlisted companies, classified as fair value through other comprehensive income.

11. Capitalised exploration expenditure

	2022 $	2021 $
Opening balance	**480,000**	**5,519,371**
Additions:		
Acquisition of P63/2063 exploration licence	-	-
Impairments:		
Tin International/Sadisdorf	-	(3,609,851)
Greenbushes	-	(102,090)
E27/562	-	(36,684)
P63/2063	-	(105,746)
Lake Johnston	(336,000)	(1,185,000)
Closing balance	**144,000**	**480,000**
Represented as:		
Current – assets held for sale	-	336,000
Non-current	144,000	144,000

Intangible assets

2022	Patents $	Dev. Costs $	Intellectual Property	Total $
Opening balance	335,396	10,060,954	4,211,231	14,607,581
Expenditure during the period	184,395	896,004	-	1,080,399
Less: impairment of intangible asset[1]	(17,181)	(7,681,637)	-	(7,698,818)
Less: amortisation of intangible asset	(103,857)	-	(1,813,895)	(1,917,752)
Closing balance	**398,753**	**3,275,321**	**2,397,336**	**6,071,410**

[1]Includes $7,681,637 impairment of an intangible asset that no longer meets the AASB 138 Intangible Asset recognition criteria. The Company retains the intellectual property and commercial value associated with this asset.

12. Intangible assets (continued)

2021	Patents	Dev. Costs	Intellectual Property	Total
	$	$		$
Opening balance	238,224	9,251,745	6,020,156	15,510,125
Expenditure during the period	146,509	809,209	-	955,718
Less: impairment of intangible asset	(15,187)	-	-	(15,187)
Less: amortisation of intangible asset	(34,150)	-	(1,808,925)	(1,843,075)
Closing balance	**335,396**	**10,060,954**	**4,211,231**	**14,607,581**

13. Property, plant and equipment

2022	Motor Vehicles	Office/ Warehouse Equipment	Computer Equipment	Furniture & Fittings	Laboratory Construction, Equipment & Tools	Collection Equipment	Total
	$	$	$	$	$	$	$
Gross carrying amount							
Balance at 30 June 2021	140,341	175,200	204,565	47,940	3,985,128	-	4,553,174
Additions	-	101,532	113,461	26,200	1,422,675	226,595	1,890,463
Disposals	(20,455)	(111,793)	(54,148)	(1,871)	-	-	(188,267)
Balance at 30 June 2022	119,886	164,939	263,878	72,269	5,407,803	226,595	6,255,370
Accumulated Depreciation							
Balance at 30 June 2021	97,648	100,145	120,276	25,216	2,977,420	-	3,320,705
Disposals	(17,064)	(84,795)	(45,667)	(1,582)	-	-	(149,108)
Depreciation expense	12,248	51,112	100,616	6,404	831,601	170,525	1,172,506
Balance at 30 June 2022	92,832	66,462	175,225	30,038	3,809,021	170,525	4,344,103
Net book value as at 30 June 2022	**27,054**	**98,477**	**88,653**	**42,231**	**1,598,782**	**56,070**	**1,911,267**

2021	Motor Vehicles	Office/ Warehouse Equipment	Computer Equipment	Furniture & Fittings	Laboratory Construction, Equipment & Tools	Total
	$	$	$	$	$	$
Gross carrying amount						
Balance at 30 June 2020	140,341	165,539	149,423	38,306	3,167,639	3,661,248
Entity acquisition/consolidation	-	-	12,325	-	-	12,325
Additions	-	9,661	48,031	9,635	817,488	884,815
Disposals	-	-	(5,214)	-	-	(5,214)
Balance at 30 June 2021	140,341	175,200	204,565	47,941	3,985,127	4,553,174
Accumulated Depreciation						
Balance at 30 June 2020	78,754	83,734	82,352	17,664	2,567,602	2,830,106
Entity acquisition/consolidation	-	-	2,298	-	-	2,298
Disposals	-	-	(4,671)	-	-	(4,671)
Depreciation expense	18,894	16,411	40,297	7,554	409,817	492,973
Balance at 30 June 2021	97,648	100,145	120,276	25,218	2,977,419	3,320,706
Net book value as at 30 June 2021	**42,693**	**75,055**	**84,289**	**22,723**	**1,007,708**	**1,232,468**

14. Trade and other payables

Current - unsecured	2022 $	2021 $
Trade payables	934,400	698,255
Unearned income	821,476	1,172,512
Other creditors and accrued expenses	1,483,659	593,482
	3,239,535	2,464,249

15. Leases

Operating leases relate to the lease of the following commercial premises:

Location	Commencement date	Term (months)	Option (months)	Expiry
West Perth, WA	1/10/2020	36	24	30/09/2025
Wacol, QLD	1/01/2020	36	-	31/12/2022
Campbellfield, VIC	1/04/2020	24	24	31/03/2024
Kew, VIC	6/12/2021	36	-	5/12/2024
Laverton North, VIC	1/07/2021	55	-	31/01/2026

Right-of-use assets:

Buildings	2022 $	2021 $
Cost	2,776,945	1,089,340
Accumulated Depreciation	(1,077,851)	(333,102)
Carrying Amount	**1,699,094**	**756,238**

Amounts recognised in profit and loss:

Buildings	2022 $	2021 $
Depreciation expense on right-of-use asset	744,749	333,102
Interest expense on lease liabilities	42,225	18,868
	786,974	**351,970**

Lease liability:

	2022 $	2021 $
Current	607,133	395,802
Non-current	1,166,541	397,724
Total	**1,773,674**	**793,526**

16. Provisions

	2022 $	2021 $
Employees annual leave and long service leave provisions	621,931	626,793
Remediation (i)	5,043,069	5,043,069
Rehabilitation provision (ii)	25,000	25,000
	5,690,000	**5,694,862**

(i) Envirostream Australia Pty Ltd, a subsidiary of the Company, has been served writs in regard to statements of claims concerning damage caused by a fire at 31 Colbert Road, Campbellfield, Victoria, on 19 January 2019. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a best estimate has been made of the amount of the obligation. These claims are currently being managed by Envirostream's insurance company and the Company expects some or all of the provision to be reimbursed. The Company has not recognised a separate asset and will only do so when the reimbursement is virtually certain. Subsequent to year end, the Company received confirmation that litigated claims have been settled by Envirostream's insurance company to the value of $1.715 million. It is anticipated that the settlement of claims will have a positive impact on the financial report for the period ending 31 December 2022,

(ii) The Company's rehabilitation programs are ongoing on two areas at its Ravensthorpe Project. As at 30 June 2022, the Company estimated the cost of the rehabilitation programs at $25,000 which has been recognised as a provision.

17. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the Consolidated Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Board effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and by share issues.

18. Issued capital

	2022		2021	
	Number	$	Number	$
Fully Paid Ordinary Shares				
Opening Balance	906,580,816	79,490,871	605,437,066	60,641,065
Issue of shares to directors and staff (i)	1,659,657	223,924	7,299,151	377,065
Issue of shares in lieu of payment (ii)	665,146	86,205	3,423,751	180,933
Issue of shares (iii)	47,975,000	2,360,635	-	-
Issue of shares (iv)	19,050,000	1,217,165	8,700,000	458,639
Issue of shares on conversion of options	9,820,569	817,181	42,405,912	4,873,902
Issue of shares on full payment of partly paid shares	49,654,083	4,449,494	57,945,036	2,897,251
Issue of shares	-	-	181,369,900	10,455,584
Shares unissued	-	(14,898)	-	15,100
Transaction costs	-	(175,635)	-	(408,668)
Closing Balance	**1,035,405,271**	**88,454,942**	**906,580,816**	**79,490,871**

(i) 1,659,657 shares were issued to staff.

(ii) 665,146 shares were issued to suppliers and consultants. Share based payments are determined with reference to the fair value of goods or services provided by consultants and settled based on the preceding 5-day VWAP.

(iii) On 28 July 2017, the Company had entered into a Controlled Placement Agreement with Acuity Capital Investment Management Pty Ltd. Pursuant to the Controlled Placement Agreement the Company issued the following shares:

- 05 August 2021 15,000,000 fully paid ordinary shares at net $0.1183 per share;
- 05 August 2021 30,000,000 fully paid ordinary shares were issued as collateral1 for $nil consideration;
- 13 September 2021 2,975,000 fully paid ordinary shares at net $0.1378 per share;

[1] As collateral for the Controlled Placement Agreement, the Company agreed to place 30,000,000 shares from its LR7.1 capacity, at nil consideration to Acuity Capital (collateral shares) but may, at any time, cancel the Controlled Placement Agreement and buy back the collateral shares for no consideration (subject to shareholder approval).

(iv) During the period, the Company issued 19,050,000 fully paid ordinary shares upon conversion of performance rights.

	2022		2021	
	Number	$	Number	$
Partly-paid contributing shares				
Opening Balance	113,968,755	1,578,158	171,913,791	1,583,952
Issue of shares				
Proceeds from partly paid share call	-	1,043,175	-	-
Redemption of LITCE/LITCF	(49,654,083)	(1,971,755)	(57,945,036)	(5,795)
Conversion of partly paid shares to options	(64,314,672)	(649,578)	-	-
Closing Balance	-	-	**113,968,755**	**1,578,158**

19. Reserves

	2022	2021
	$	$
Option reserve	684,547	350,065
Investment revaluation reserve	1,564,226	564,325
Foreign currency translation reserve	38,230	37,041
Performance rights reserve	690,549	1,183,525
Equity Reserve	(1,115,932)	3,061
	1,861,620	2,138,017
Option reserve		
Opening balance	350,065	3,054,758
Expiry of options	(72,000)	(1,870,501)
Exercise of options	(243,096)	(834,192)
Conversion of partly paid shares to options	649,578	-
Closing balance	684,547	350,065

	2022	2021
	$	$
Investment revaluation reserve		
Opening balance	564,325	(662,784)
Net gain/(loss) arising on revaluation of available for sale financial assets	999,901	1,227,109
Closing balance	1,564,226	564,325
Foreign currency translation reserve		
Opening balance	37,041	63,308
Exchange differences arising on translating foreign subsidiary	1,189	(26,267)
Closing balance	38,230	37,041
Performance rights reserve		
Opening balance	1,183,525	252,378
Issue/amortisation of performance rights	724,189	1,389,786
Performance option rights achieved/exercised	(1,217,165)	(458,639)
Closing balance	690,549	1,183,525
Equity Reserve		
Opening Balance	3,061	3,061
Acquisition of shares in controlled entity	(1,118,993)	-
Closing Balance	(1,115,932)	3,061

20. Financial instruments

Financial Risk Management Policies

The Consolidated Group's financial instruments consist solely of deposits with banks. No financial derivatives are held.

Financial Risk Exposures and Management

The main risk the Consolidated Group is exposed to through its financial instruments is interest rate risk.

Interest rate risk

Interest rate risk is managed by obtaining the best commercial deposit interest rates available in the market by the major Australian Financial Institutions.

Credit risk

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Consolidated Group does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Consolidated Group.

Liquidity Risk

The Consolidated Group manages liquidity risk by monitoring forecast cash flows. The Consolidated Group does not have any significant liquidity risk as the Consolidated Group does not have any collateral debts.

20. Financial instruments (continued)

Fair Values

The fair values of financial assets and financial liabilities are presented below and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Sensitivity Analysis
Interest Rate Risk
The Consolidated Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date.

This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2022, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2022	2021
	$	$
Change in loss		
▪ Increase in interest rate by 100 basis points	48,481	113,697
▪ Decrease in interest rate by 100 basis points	(48,481)	(113,697)
Change in equity		
▪ Increase in interest rate by 100 basis points	48,481	113,697
▪ Decrease in interest rate by 100 basis points	(48,481)	(113,697)

2022	Floating Interest Rate	Fixed Interest Rate Maturing in 1 year or less	Fixed Interest Rate Maturing in more than 1 year	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	4,848,069	-	-	-	4,848,069
Financial assets – level 1	-	-	-	4,992,331	4,992,331
Financial assets – level 3	-	-	-	70,000	70,000
Trade and other receivables	-	361,139	-	996,721	1,357,860
Total financial assets	4,848,069	361,139	-	6,059,052	11,268,260
Financial liabilities					
Trade and other payables (i)	-	607,133	1,166,541	3,886,466	5,660,140
Total financial liabilities	-	607,133	1,166,541	3,886,466	5,660,140

(i) The trade and other payables are due within 12 months.

2021	Floating Interest Rate	Fixed Interest Rate Maturing in 1 year or less	Fixed Interest Rate Maturing in more than 1 year	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	11,369,696	-	-	-	11,369,696
Financial assets – level 1	-	-	-	2,392,943	2,392,943
Trade and other receivables	-	230,376	-	762,303	992,679
Total financial assets	11,369,696	230,376	-	3,155,246	14,755,318
Financial liabilities					
Trade and other payables (i)	-	395,802	397,724	3,116,042	3,909,568
Total financial liabilities	-	395,802	397,724	3,116,042	3,909,568

(i) The trade and other payables are due within 12 months.

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurement. Interest rate 2% per annum.

21. Loss per share

	2022	2021
	$	$
Loss used in calculation of basic EPS	(20,628,274)	(19,856,374)
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	1,006,877,041	809,476,058

22. Cash flow information

	2022	2021
	$	$
Loss after income tax	(20,752,378)	(20,836,213)
Adjustments for non-cash income and expense items:		
Depreciation and amortisation	3,852,146	2,653,345
Impairment of exploration asset	-	5,039,371
Impairment of intangible asset	7,681,637	-
(Profit)/loss on disposal of asset	(6,613)	(484)
Share based payment expense	1,036,192	1,897,784
Sale of tenement rights	(1,684,000)	(641,025)
Convertible note financing costs	-	1,521,657
Changes in assets and liabilities:		
(Increase)/decrease in receivables & prepayments	(233,417)	182,789
(Increase)/decrease in inventories	(112,071)	(439,206)
(Decrease)/increase in accounts payable, accruals & employee entitlements	351,270	602,468
(Decrease)/increase in Provisions	(4,863)	5,212,222
(Increase)/decrease in other assets	54,558	(34,943)
Net cash outflows from operating activities	**(9,817,539)**	**(4,842,235)**

23. Segment information

(a) Segment performance

Lithium Australia has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Lithium Australia is managed primarily on the basis of mineral exploration and technology development which includes lithium processing, cathode active materials and recycling. Operating segments are considered to have similar economic characteristics.

Types of reportable segments:

(i) Battery Recycling

The research and development of processing technology for mixed-battery recycling, as well as the sale of recovered energy metals is reported in this segment. Envirostream, a 90% owned subsidiary of the Company, shreds and recycles all types of end-of-life batteries at its Melbourne plant. Its proprietary process involves recovery of energy metals as a mixed metal dust (‘MMD'), which is then exported for further refining.

(ii) Battery Materials

The research and development of advanced, world-leading battery materials including lithium ferro phosphate (‘LFP’), as well as the sale of battery energy storage systems is reported in this segment.

(iii) Chemicals

The research and development of a suite of extraction and refining technologies for the recovery of lithium chemicals from various materials, including lithium micas, spodumene and end of life lithium-ion batteries.

(iv) Raw Materials

The exploration of current projects and the evaluation of new ones are reported in this segment.

23. Segment information (continued)

(b) Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in Lithium Australia's annual financial report.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.
Unless indicated otherwise in the segment asset notes, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated.

Unallocated items

The following items of revenue, expense assets and liabilities are not allocated to operating segments, as they are not considered part of the core operations of any segment:

- Interest revenue;
- Revenue and expenditure directly related to corporate activities and/or not considered part of the core operations of any segment;
- Realised gains/(losses) on assets;
- Income tax expense;
- Deferred tax assets and liabilities;
- Intangible assets.

24. Operating segments

(i) Segment revenues and results

30-Jun-22	Battery Recycling	Battery Materials	Chemicals	Exploration	Total
	$	$	$	$	$
Revenue	3,306,381	1,492,466	637,625	1,684,000	7,120,472
Expenses	(9,095,640)	(4,657,778)	(8,591,833)	(130,648)	(22,475,899)
Total segment profit/(loss)	**(5,789,259)**	**(3,165,312)**	**(7,954,208)**	**1,553,352**	**(15,355,427)**
Unallocated items					
▪ Interest revenue					19,828
▪ Other revenue					216,468
▪ Realised gains/(losses) on assets					3,512
▪ Personnel					(2,445,757)
▪ Administration					(2,028,639)
▪ Other expenses					(1,159,476)
▪ Finance Cost					(2,888)
Net profit/(loss) from continuing operations	**(5,789,259)**	**(3,165,312)**	**(7,954,208)**	**1,553,352**	**(20,752,379)**

24. Operating segments (continued)

(i) Segment revenues and results

30-Jun-21	Battery Recycling	Battery Materials	Chemicals	Exploration	Total
	$	$	$	$	$
Revenue	1,522,852	1,180,241	574,688	766,726	4,043,359
Expenses	(9,133,772)	(2,560,653)	(725,965)	(5,276,792)	(17,697,182)
Total segment profit/(loss)	**(7,610,920)**	**(1,380,412)**	**(151,277)**	**(4,510,066)**	**(13,652,675)**
Unallocated items					
▪ Interest revenue					49,805
▪ Other revenue					656,826
▪ Personnel					(3,226,133)
▪ Administration					(2,132,434)
▪ Other expenses					(979,939)
▪ Finance Cost					(1,551,663)
Net profit/(loss) from continuing operations	**(7,610,920)**	**(1,380,412)**	**(151,277)**	**(4,510,066)**	**(20,836,213)**

(ii) Segment Assets

30-Jun-22	Battery Recycling	Battery Materials	Chemicals	Exploration	Total
	$	$	$	$	$
Segment assets	**5,122,970**	**1,099,791**	**3,935,638**	**170,717**	**10,329,116**
Unallocated items					
▪ Cash and cash equivalents					3,513,007
▪ Trade and other receivables					819,358
▪ Other					7,265,500
Total company assets					**21,926,981**

30-Jun-21	Battery Recycling	Battery Materials	Chemicals	Exploration	Total
	$	$	$	$	$
Segment assets	**2,108,167**	**1,270,846**	**10,357,336**	**498,592**	**14,234,941**
Unallocated items					
▪ Cash and cash equivalents					11,067,774
▪ Trade and other receivables					402,254
▪ Other					6,847,515
Total company assets					**32,552,484**

(iii) Segment Liabilities

30-Jun-22	Battery Recycling	Battery Materials	Chemicals	Exploration	Total
	$	$	$	$	$
Segment liabilities	**7,415,985**	**990,881**	**15,930**	**51,422**	**8,474,218**
Unallocated items					
▪ Trade and other payables					2,113,481
▪ Loans and leases					126,313
Total company liabilities					**10,714,012**

24. Operating segments (continued)

(iii) Segment Liabilities

30-Jun-21	Battery Recycling	Battery Materials	Chemicals	Exploration	Total
	$	$	$	$	$
Segment liabilities	**3,805,039**	**751,740**	**138,628**	**1,552**	**4,696,959**

Unallocated items	
▪ Trade and other payables	4,024,027
▪ Loans and leases	231,651
Total company liabilities	8,952,637

25. Contingent assets

The Consolidated Group have no contingent assets as at 30 June 2022.

26. Contingent liabilities

The Consolidated Group have no contingent liabilities as at 30 June 2022

27. Related party transactions

Related party	Type of transaction	2022	2021
		$	$
Josephine Norman (a)	Consulting	15,678	36,531

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated. There were no other related party transactions other than transactions disclosed in Note 27.

(a) Josephine Norman is the wife of Managing Director, Adrian Griffin (Retired 31 May 2022).

28. Key management personnel compensation

Names and positions held of the Consolidated Group key management personnel in office at any time during the financial period are:

Key Management Person	Position	
George Bauk	Non-Executive Chairman	
Adrian Griffin	Managing Director	Retired 31 May 2022
Kristie Young	Non-Executive Director	
Phil Thick	Non-Executive Director	
Stuart Tarrant	CFO	

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to Key Management Personnel of the Consolidated Group during the year is as follows:

	2022	2021
	$	$
Short-term benefits	1,022,325	980,742
Share based payments	660,116	1,349,697
Post-employment benefits	85,386	73,287
	1,767,827	2,403,726

29. Controlled entities

Lithium Australia Limited is the ultimate parent entity of the consolidated group. The following was a controlled entity at the balance date and has been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of incorporation	2021 Percentage interest held	2022 Percentage interest held	Date acquired/ incorporated
(i) Lithophile Pty Ltd	Australia	100%	100%	01 July 2016
(ii) Resource Conservation and Recycling Corporation Pty Ltd	Australia	100%	100%	10 December 2016
(iii) Trilithium Erzgebirge GmbH	Germany	100%	100%	07 February 2017
(iv) Stanifer Pty Ltd	Australia	100%	100%	23 August 2017
(v) VSPC Pty Ltd	Australia	100%	100%	28 February 2018
(vi) Anode Power Pty Ltd	Australia	100%	100%	18 October 2018
(vii) Envirostream Australia Pty Ltd	Australia	90%	100%	22 November 2019
(viii) Soluna Australia Pty Ltd	Australia	50%	50%	18 July 2019
(ix) Envirostream (UK) Limited	England & Wales	100%	100%	02 July 2020
(x) VSPC (USA) LLC	United States of America	100%	100%	12 July 2021

(i) On 01 July 2016, the Company acquired Lithophile Pty Ltd, a company incorporated in Australia. Lithophile had assets of $33,964 and liabilities of $34,012 at the date of acquisition.

(ii) On 10 December 2016, the Company registered Resource Conservation and Recycling Corporation Pty Ltd, a company incorporated in Australia. Resource Conservation and Recycling Corporation had no assets or liabilities at the date of incorporation.

(iii) On 07 February 2017, the Company registered Trilithium Erzgebirge GmbH, a company incorporated in Germany. Trilithium Erzgebirge GmbH had no assets or liabilities at the date of incorporation.

(iv) On 23 August 2017, the Company registered Stanifer Pty Ltd, a company incorporated in Australia. Stanifer had no assets or liabilities at the date of incorporation.

(v) On 28 February 2018, the Company acquired 100% of the ordinary share capital and voting rights in VSPC and its subsidiaries, in accordance with a Share Sale Agreement executed on 23 February 2018. VSPC is the holder of intellectual property and a pilot plant designed to produce complex metal oxides/phosphate powders for the production of lithium-ion batteries. VSPC had $444,639 net assets and $10,192,597 intellectual property at the date of acquisition.

(vi) On 18 October 2018, the Company registered anode Power Pty Ltd, a company incorporated in Australia. Anode Power had no assets or liabilities at the date of incorporation.

(vii) As at 30 June 2019 the Company had an 11.76% interest in Envirostream with a fair value of $400,000. Subsequent to 30 June 2019 the Company acquired in multiple tranches a further 78.24% for consideration of $650,000 bringing its total ownership to 90%. On 20 April 2022, the Company completed its final 10% acquisition of interest in Envirostream Australia Pty Ltd, for a consideration of $250,000, making it a 100% wholly owned subsidiary.

(viii) On 18 July 2019 the Company incorporated a joint venture of which it holds 50% of the ordinary share capital and voting rights. On 06 October 2020 Adrian Griffin became Chairman of Soluna Australia Pty Ltd and due to having the casting vote, Lithium Australia Limited obtained control.

(ix) On 02 July 2020 the Company registered Envirostream (UK) Limited, a company incorporated in England and Wales. Envirostream (UK) Limited had no assets or liabilities at the date of incorporation.

(x) On 12 July 2021, the Company registered VSPC (USA) LLC, a company incorporated in Nevada USA. VSPC (USA) LLC had no assets or liabilities at the date of incorporation.

30. Parent entity information

	2022	2021
	$	$
Assets		
Current assets	4,405,945	11,470,028
Non-current assets	8,152,783	19,390,437
Total assets	**12,558,728**	**30,860,465**
Liabilities		
Current liabilities	2,113,479	2,034,133
Non-current liabilities	126,313	183,417
Total liabilities	**2,239,792**	**2,217,550**
Equity		
Issued capital	88,454,942	81,069,029
Reserves	2,936,908	2,095,501
Accumulated losses	(81,072,915)	(54,521,614)
Total equity	**10,318,935**	**28,642,916**
Loss for the period	(26,551,301)	(14,237,954)
Total comprehensive loss for the period	**(26,551,301)**	**(14,237,954)**

31. Commitments

(a) Exploration Expenditure

The Consolidated Group has certain obligations with respect to tenements and minimum expenditure requirements in Australia, as follows:

	2022	2021
	$	$
Within 12 months	8,280	316,780
12 Months or longer and not longer than 5 years	8,280	316,780
Longer than 5 years	-	-
Total	**16,560**	**633,560**

32. Share based payments

The following share-based payment arrangements were in existence during the current reporting periods:

OPTIONS

Series	Grant Date	Date of Expiry	Exercise Price	Number under Option	Fair Value
LITAD	24 December 2019 (i)	24 December 2022	$0.0550	1,833,333	$0.03
LITOA	28 February 2022 (ii)	28 February 2025	$0.0499	61,720,044	$0.03
				63,553,377	

The weighted average remaining contractual life of options outstanding at year end was 2.7 years (2021: 1.5 years).
The weighted average exercise price of outstanding options at reporting date was $0.05 (2021: $0.11).

(i) Options issued to Lind Global Macro Fund; LP pursuant to the Convertible Note deed were valued at $1,112,257.

(ii) On 28 February 2022, 64,314,672 partly paid shares were converted to listed options with an exercise price of $0.0499.

32. Share based payments (continued)

PERFORMANCE RIGHTS

Series 1	Issue Date	Date of Expiry	Number Issued	Number Exercised	Fair Value
Class A	30 April 2018	30 April 2023	900,000	**(900,000)**	$-
Class B	30 April 2018	30 April 2023	2,250,000	-	$231,821
Class C	30 April 2018	30 April 2023	2,250,000	-	$76,004
			5,400,000	**(900,000)**	**$307,825**

Series 2	Issue Date	Date of Expiry	Number Issued	Number Exercised	Fair Value
Class A	31 December 2018	31 December 2023	600,000	**(600,000)**	$-
Class B	31 December 2018	31 December 2023	1,500,000	-	$104,564
Class C	31 December 2018	31 December 2023	1,500,000	-	$34,193
			3,600,000	**(600,000)**	**$138,757**

Series 3	Issue Date	Date of Expiry	Number Issued	Number Exercised	Fair Value
Class D	18 December 2020	17 December 2025	7,500,000	**(7,500,000)**	$-
Class E	18 December 2020	17 December 2025	7,500,000	**(7,500,000)**	$-
Class F	18 December 2020	17 December 2025	7,500,000	**(7,500,000)**	$-
			22,500,000	**(22,500,000)**	**$-**

Series 4	Issue Date	Date of Expiry	Number Issued	Number Exercised	Fair Value
Class G_1	11 October 2021	11 October 2026	1,875,000	**(1,875,000)**	$-
Class G_2	11 October 2021	11 October 2026	1,875,000	**(1,875,000)**	$-
			3,750,000	**(3,750,000)**	**$-**

Series 5	Issue Date	Date of Expiry	Number Issued	Number Exercised	Fair Value
Class H_1	11 October 2021	11 October 2026	1,000,000	**(1,875,000)**	$85,206
Class H_2	11 October 2021	11 October 2026	2,000,000	**(1,875,000)**	$158,761
			3,000,000	**(3,750,000)**	**$243,967**

Fair value of equity instruments granted during the year

The weighted average fair value of the equity instruments granted during the financial year is $0.088 (2021: $0.0051). Equity instruments were priced using a modified Black-Scholes option pricing model or Monte Carlo Simulation. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3 years. To allow for effects of early exercise, it was assumed that executives would exercise the options after vesting date when the share price is/was at a premium to the exercise price.

The inputs to the model are listed below.

	Performance Shares	
	Series 1	Series 2
Grant date share price	$0.135	$0.094
Exercise price	$-	$-
Expected volatility	N/A	N/A
Performance Right life	5 years	5 years
Dividend yield	0.00%	0.00%
Risk-free interest rate	N/A	N/A

32. Share based payments (continued)

Performance Shares Series 3								
Class	# Rights	Grant Date	20-day VWAP @ Val Date	Vesting Date	Expiry Date	Expiry Period (Yrs)	Perf. Measur-ement Period	Target Share Price
D	7,500,000	18/12/2020	0.066084	17/12/2025	17/12/2025	5	5	$0.08
E	7,500,000	18/12/2020	0.066084	17/12/2025	17/12/2025	5	5	$0.10
F	7,500,000	18/12/2020	0.066084	17/12/2025	17/12/2025	5	5	$0.12
	22,500,000							

Consecutive days share price must remain above target	Vesting Conditions	Volatility	Continuously Compounded RFR	Dividend Yield	Fair Value Totals Value	Total Value
20	Market Vesting	85%	0.30%	0%	$0.054084	$405,630
20	Market Vesting	85%	0.30%	0%	$0.51084	$383,130
20	Market Vesting	85%	0.30%	0%	$0.048084	$360,630
						$1,149,390

Performance Shares Series 4								
Class	# Rights	Grant Date	20-day VWAP @ Val Date	Vesting Date	Expiry Date	Expiry Period (Yrs)	Perf. Measur-ement Period	Target Share Price
G_1	1,875,000	11/10/2021	0.125217	10/10/2026	11/10/2026	5	5	$0.10
G_2	1,875,000	11/10/2021	0.125217	10/10/2026	11/10/2026	5	5	$0.12
	3,750,000							

Consecutive days share price must remain above target	Vesting Conditions	Volatility	Continuously Compounded RFR	Dividend Yield	Fair Value Totals Value	Total Value
20	Market Vesting	78%	1.00%	0%	$0.094111	$176,458
20	Market Vesting	78%	1.00%	0%	$0.091763	$172,056
						$348,514

Performance Shares Series 5								
Class	# Rights	Grant Date	20-day VWAP @ Val Date	Vesting Date	Expiry Date	Expiry Period (Yrs)	Perf. Measur-ement Period	Target Share Price
H_1	1,000,000	11/10/2021	0.125217	10/10/2026	11/10/2026	5	5	$0.15
H_2	2,000,000	11/10/2021	0.125217	10/10/2026	11/10/2026	5	5	$0.20
	3,000,000							

Consecutive days share price must remain above target	Vesting Conditions	Volatility	Continuously Compounded RFR	Dividend Yield	Fair Value Totals Value	Total Value
20	Market Vesting	78%	1.00%	0%	$0.085	$85,206
20	Market Vesting	78%	1.00%	0%	$0.079	$158,761
						$243,967

33. Subsequent events

i) On 01 July 2022, the Company issued 4,054 fully paid ordinary shares ordinary shares upon conversion of options.

j) Subsequent to year end, the Company realised $808,817 through the sale of 610,500 shares held in Galan Lithium Limited. The company no longer holds any investment shares in Galan Lithium Limited.

k) On 19 August 2022, the Company raised $930,000 through the set off 12,750,000 Collateral Shares previously issued to Acuity Capital pursuant to the Controlled Placement Agreement with Acuity Capital. Following the set off, the total number of Collateral Shares held by Acuity Capital is 32,250,000.

l) On 31 August 2022, the Company raised $12,075,202 as part of a Placement to existing shareholders, new high net worth sophisticated and institutional investors, including Director participation.

m) On 01 September 2022, the Company received notification from its insurance provider's legal team, that two of the claims provided for at 30 June 2022 had been settled. The settlement of these two claims will reduce the provision liability and increase profitability by $1,907,783.

n) On 07 September 2022, the Company issued 184,233,885 fully paid ordinary shares pursuant to the placement agreement announced on 31 August 2022.

o) Mr Simon Linge was appointed as CEO of the Company, as announced on 20 September 2022.

p) On 21 September 2022, the increase/(decrease) in share prices had the following effect on the fair value of the investments held:

Investment	Share Price at 30/06/2022	Share Price at 21/09/2022	Increase/(Decrease) in Share Price	Number of Shares held at 30/06/2022	Increase/(Decrease) in fair Value
Charger Metals	$0.35	$0.55	$0.20	1,920,000	$384,000
Imagine Lithium Inc	$0.09	$0.07	($0.02)	500,000	($10,000)
BlackEarth Minerals	$0.074	$0.095	$0.021	13,106,571	$275,238
					$649,238

DIRECTORS' DECLARATION

The Directors of Lithium Australia Limited declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 including compliance with accounting standards and:

    (a) comply with International Financial Reporting Standards as disclosed in note1(a); and

    (b) give a true and fair view of the Consolidated Group's financial position as at 30 June 2022 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the period ended on that date; and

2. At the date of this statement there are reasonable grounds to believe that the Consolidated Group will be able to pay its debts as and when they become due and payable.

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

George Bauk
Non-executive Chairman

Dated at Perth this 23rd day of September 2022

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lithium Australia Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Intangible Assets – Key Audit Matter As disclosed in Note 12, the intangible assets of $6,071,410 was considered to be a key audit matter due to the significance to the consolidated statement of financial position and the impairment charge recognized in the year amounting to $7,681,637. This involves significant management judgement with respect to technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future benefits and the ability to measure the costs reliably.	Our procedures included but were not limed to: • Assessing the recognition criteria for development costs; • Evaluating the key assumptions used for estimates made in capitalising development costs related to the development of the various lithium extraction technologies and the generation of probable future economic benefits; • Testing additions to capitalised development expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records and the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 138 Intangible Assets; • Evaluating the completeness of the Consolidated Entity's assessment of impairment indicators for intangible assets in development; • Assessing the key assumptions within the impairment assessment of each asset including commercial prospects and future funding plans for each asset; • Applying our knowledge of the business and corroborating our work with external information where possible; and • Assessing the adequacy of the disclosures in Note 12.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provisions arising from Envirostream "EVS" Remediation – Key Audit Matter As disclosed in Note 16, the Consolidated Entity has recognised a $5,043,069 provision in relation to the EVS Fire that occurred in January 2019. The assessment of potential assets and liabilities associated with such matters can require significant judgement to be exercised. Such judgements are based upon the information available to the consolidated entity at the time, whilst the ultimate outcomes of the matter may be dependent upon further legal and/or regulatory processes that cannot be predicted with certainty. This area is a key audit matter due to the material provision balance and the significant judgement with respect to the probability or possibility that settlement of the obligation would result in an outflow of resources and the ability to measure the costs reliably.	Our procedures included but were not limed to: • discussing ongoing legal and regulatory matters with management and the Board. • reviewing management's assessment of the legal claims made against EVS and relevant supporting documentation in order to develop our understanding of the matters. • assessing the probability or possibility that settlement of the obligations would result in an outflow of resources and the ability to measure the costs reliably. • assessing the adequacy of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2022 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.

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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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, related safeguards.

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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Lithium Australia Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 23rd day of September 2022

ADDITIONAL ASX INFORMATION

1. Corporate governance statement

The Company's Corporate Governance Statement can be found at www.lithium-au.com/corporate-governance/

2. Substantial shareholders

There are no substantial holders as at 21 September 2022.

3. Issued capital

The issued capital of the company as at 21 September 2022 consists of:

Quoted/unquoted	Class	Number of units	Number of holders
Quoted	Fully Paid Ordinary Shares	1,219,643,210	20,213
Quoted	$0.0499 Options (LITOA)	61,715,990	478
Unquoted	Performance Rights	10,500,000	7
Unquoted	$0.055 Options	1,833,333	1

4. Voting rights

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

5. Holders holding less than a marketable parcel

The number of holders holding less than a marketable parcel of the entity's main class of securities as at 21 September 2022 are as follows:

Number of holders	Number of units
7,362	35,571,634

6. Distribution of shareholders

The distribution of holders of fully paid ordinary shares as at 21 September 2022 are as follows:

Distribution of equity securities	Number of holders	Number of Units	% of Total Issued Capital
0-1,000	383	82,948	0.01%
1,001 - 5,000	4,092	15,670,276	1.29%
5,001 – 10,000	4,845	38,947,616	3.19%
10,001 - 100,000	9,124	332,496,288	27.26%
100,001 and over	1,769	832,446,082	68.25%
TOTALS	20,213	1,219,643,210	100%

ASX ADDITIONAL INFORMATION (continued)

7. 20 Largest shareholders

The names of the 20 largest holders of ordinary shares as at 21 September 2022 are as follows:

Rank	Name	Units	% of Units
1	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	63,784,262	5.23
2	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	32,250,000	2.64
3	BNP PARIBAS NOMS PTY LTD <DRP>	22,937,064	1.88
4	CITICORP NOMINEES PTY LIMITED	20,630,819	1.69
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,219,051	1
6	ADRIAN CHRISTOPHER GRIFFIN + JOSEPHINE DAWN NORMAN <FUTURE TECHNOLOGY A/C>	11,750,000	0.96
7	LIND GLOBAL FUND II LP	11,019,780	0.9
8	HOOKS ENTERPRISES PTY LTD <HOEKSEMA SUPERFUND A/C>	8,600,000	0.71
9	BRIO CAPITAL MASTER FUND LTD	7,692,308	0.63
10	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	6,438,228	0.53
11	BRAND INVESTMENT AUSTRALIA PTY LTD <BRAND INVESTMENT AUS A/C>	5,436,776	0.45
12	SPARTUS INVESTMENT PTY LTD	5,361,565	0.44
13	MR ADRIAN CHRISTOPHER GRIFFIN + MS JOSEPHINE DAWN NORMAN <FUTURE TECHNOLOGY A/C>	5,351,510	0.44
14	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	5,212,799	0.43
15	YLPG HOLDINGS PTY LTD	4,833,021	0.4
16	RESOURCE & LAND MANAGEMENT SERVICES PTY LTD <THE SKERMAN SUPER FUND A/C>	4,658,526	0.38
17	BERGEN GLOBAL OPPORTUNITY FUND LP	4,615,386	0.38
18	MR ADRIAN CHRISTOPHER GRIFFIN	4,578,017	0.38
19	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	4,427,195	0.36
20	IAN EDNEY	4,310,800	0.35
Totals: Top 20 holders of LIT ORDINARY FULLY PAID		**246,107,107**	**20.18**

The names of the 20 largest holders of quoted options (LITOA) as at 21 September 2022 are as follows:

Rank	Name	Units	% of Units
1	BNP PARIBAS NOMS PTY LTD <DRP>	8,171,665	13.24
2	MR ADRIAN CHRISTOPHER GRIFFIN	6,411,718	10.39
3	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,558,828	4.15
4	MR WILLIAM BAMBLING + MRS JOYCE BAMBLING	2,190,000	3.55
5	TA SECURITIES HOLDINGS BERHAD	2,000,000	3.24
6	WARREN KAWATI	2,000,000	3.24
7	MR JOSHUA DOUGLAS GALLAGHER	2,000,000	3.24
8	MR BLAKE CANNON ISMAY	2,000,000	3.24
9	MR MOHAN SINGH NANDHA	1,620,000	2.62
10	MR JIA-JIAN CHEN + MRS ZHANG PING	1,610,000	2.61
11	MRS ANJANA NANDHA	1,250,000	2.03
12	LASTRANE PTY LTD	1,100,114	1.78
13	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,046,640	1.7
14	MR JAY SAMUEL	1,025,000	1.66
15	ALEXANDER BARBLETT	1,000,000	1.62
16	ADRIAN CHRISTOPHER GRIFFIN	1,000,000	1.62
17	AVON VALLEY EXPLORATION P/L	1,000,000	1.62
18	MS ANNA MARIA SCIULLI	1,000,000	1.62
19	MR WARREN ALLEN BRAY	761,796	1.23
20	MS ANH LE	651,467	1.06
Totals: Top 20 holders of quoted options LITOA		**40,397,228**	**65.46**

8. Company secretary

The Joint Company Secretary is Ms Catherine Grant-Edwards and Ms Melissa Chapman.

ASX ADDITIONAL INFORMATION (continued)

9. Registered office and principle administrative office

Level 1, 677 Murray Street, West Perth, WA, 6005. Telephone number: 08 6145 0288.

10. Register of securities

Register of securities is kept at Advanced Share Registry, 150 Stirling Highway, Nedlands, WA, 6009.

Telephone number: 08 9389 8033.

11. Other stock exchanges

The Company's securities are not quoted on any other recognisable stock exchange.

12. Restricted securities or securities subject to voluntary escrow

There are no restricted securities and no securities subject to voluntary escrow.

13. Unquoted securities

In accordance with Listing Rule 4.10.16, the following persons hold 20% or more of the equity securities in an unquoted class:

Class	Holder	Number of units	% Held
$0.055 Options	Lind Global Macro Fund LP	3,333,333	100%

14. Review of operations

A review of operations and activities for the reporting period that complies with Sections 299 and 299A are outlined in the Directors' report.

15. On market buy backs

There is no current on market buy back of Lithium Australia shares.

ASX ADDITIONAL INFORMATION (continued)

16. Schedule of mineral tenements

Australian projects

Tenement	Location	Registered holder	Interest	Notes
E63/1777	Lake Johnston, WA	Johnston Lakes Nickel Pty Ltd	30%	1,2b
E63/1722	Lake Johnston, WA	Johnston Lakes Nickel Pty Ltd	30%	1,2a
E63/1723	Lake Johnston, WA	Johnston Lakes Nickel Pty Ltd	30%	1,2a
E63/1809	Lake Johnston, WA	Lithium Australia Ltd	30%	3,5
E63/1866	Lake Johnston, WA	Lithium Australia Ltd	30%	3,5
E63/1903	Lake Johnston, WA	Lithium Australia Ltd	0%	8
P70/1752	Wundowie, WA	Lithium Australia Ltd	30%	5
P70/1753	Wundowie, WA	Lithium Australia Ltd	30%	5
E70/4690	Greenbushes, WA	Lithium Australia Ltd	20%	4
E70/4777	Greenbushes, WA	Lithium Australia Ltd	20%	4
E70/4790	Greenbushes, WA	Lithium Australia Ltd	20%	4
E70/5198	Wundowie, WA	Lithium Australia Ltd	30%	3,5
E70/5680	Greenbushes, WA	Lithium Australia Ltd	20%	4
P15/5574	Coolgardie, WA	Lithium Australia Ltd	100%	6,7
P15/5575	Coolgardie, WA	Lithium Australia Ltd	100%	6,7
P15/5739	Coolgardie, WA	Lithium Australia Ltd	100%	6,7
EL30897	Bynoe, NT	Lithium Australia Ltd	30%	3,5

Notes	
1	Lithium Australia Ltd holds 30% of the lithium rights.
2	(a) Rights Acquisition Agreement dated 17 August 2016 between Lefroy Exploration Ltd and Lithium Australia Ltd. (b) Lefroy Exploration Ltd gold and base metal rights sale agreement dated 10 March 2021.
3	Charger Metals NL ('CHR') exercised its option to acquire a 70% interest under the Acquisition and Joint Venture Agreement (as amended) (Acquisition Agreement). This does not include E63/1903, where CHR holds 100% of the tenement.
4	Joint venture agreement with Galan Lithium Ltd dated 13 January 2021 whereby Lithium Australia Ltd holds a 20% free-carried interest until completion of a PFS.
5	Lithium Australia Ltd holds 30% of all mineral rights.
6	Focus Minerals Ltd acquisition agreement dated 16 September 2020 – Focus Minerals Ltd retains a 1% royalty on all minerals.
7	Reference is made to the Company’s Prospectus dated 10 February 2022, which disclosed indicative terms had been agreed whereby, subject to certain conditions precedent, Lithium Australia Ltd would transfer 75% interest in the Lepidolite Hill tenements for a consideration of two million shares in the newly incorporated entity. During the June 2022 quarter, the Company received notice that the proposed acquirer would not be proceeding with the proposed transaction. Accordingly, LIT retains a 100% interest in these tenements.
8	Registered holder until a 100% Registrable interest is transferred to CHR pursuant to the Acquisition Agreement (refer to Note 3.)