

# **First Lithium Limited**

**(Formerly known as Ookami Limited)**

**ABN 67 009 081 770**

**Annual Report - 30 June 2023**

<b>Directors</b>	Lee Christensen (non-Executive Chairman) Venkatesh Padala (Managing Director and Chief Executive Officer) Jason Ferris (Non-Executive Director) Andrew Law (Non-Executive Director)
<b>Company secretary</b>	Alan Armstrong
<b>Registered office</b>	Level 8, 216 St Georges Terrace Perth, Western Australia, 6000 Ph: +61 8 9481 0389
<b>Share register</b>	Automic Registry Services Level 2, 267 St Georges Terrace Perth, WA 6000
<b>Auditor</b>	Pitcher Partners BA&A Pty Ltd Level 11, 12-14 The Esplanade Perth, WA 6000
<b>Bankers</b>	National Australia Bank Gateway Building Cnr Marmion & Davy Streets Booragoon, WA 6154
<b>Stock exchange listing</b>	First Lithium Limited shares are listed on the Australian Securities Exchange (ASX) codes: FL1 Level 40, Central Park 152-158 St Georges Terrace Perth, WA 6000

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### **General information**

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2023.

The Directors' present their report, together with the financial statements of First Lithium Limited (**the Company**) and controlled entities (**the Group**) for the financial year ended 30 June 2023 and the auditor's report thereon.

## Directors

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

Name	Status	Appointed	Resigned/Ceased
Lee Christensen	Non-Executive Chairman	4 September 2023	-
Venkatesh Padala	Managing Director and Chief Executive Officer	4 September 2023	-
Jason Ferris	Non-Executive Director	4 September 2023	-
Andrew Law	Non-Executive Director	21 April 2022	-
John Ciganek	Non-Executive Chairman	9 July 2021	4 September 2023
Joseph van den Elsen	Managing Director and Chief Executive Officer	3 September 2020	31 December 2022
Emmanuel Correia	Non-Executive Director	3 September 2020	4 September 2023
	Non-Executive Director	9 July 2021	22 November 2022

## Information on Directors

Name:	<b>Mr. Lee Christensen</b>
Title:	Non-Executive Chairman
Appointment date:	4 September 2023
Qualifications:	BJur BComm LLB
Experience and expertise:	Mr. Christensen is an experienced ASX company director and lawyer and former senior partner at both Dentons and Gadens in Perth, specialising in dispute resolution, insolvency and restructures.
Other current directorships:	Non-Executive Director of Titanium Sands Limited (ASX: TSL) (since 16 April 2015) Non-Executive Director of Skin Elements Limited (ASX: SKN) (since 31 August 2021)
Former directorships (last 3 years):	NIL
Interests in shares:	200,000 ordinary shares (190,000 escrowed for 2 years from date of re-quotations)
Interests in options:	NIL

Name:	<b>Mr. Venkatesh Padala</b>
Title:	Managing Director ( <b>MD</b> ) and Chief Executive Officer ( <b>CEO</b> )
Appointment date:	4 September 2023
Qualifications:	BEng
Experience and expertise:	Mr. Padala is an Engineering graduate with over 25 years of professional experience in Technical, Financial, AI based manufacturing and mining industries.

He has successfully executed his role as executive director in mining, technical and manufacturing industries in India and US for the past 15+ years. Mr. Padala has been on the board of Intermin Mines Corporation since 2016. He has extensive experience in strategising and building various business.

Other current directorships:	NIL
Former directorships (last 3 years):	NIL
Interests in shares:	NIL
Interests in options:	NIL

Name: **Mr. Jason Ferris**  
Title: Non-Executive Director  
Appointment date: 4 September 2023  
Qualifications: FAIM MAICD  
Experience and expertise: Mr. Ferris is an experienced ASX director and he has worked in financial services, property and corporate finance industries for more than 25 years. He holds an AFSL license and is a Fellow of the Australian Institute of Management (FAIM) and is a Member of the Australian Institute of Company Directors (MAICD).

Mr. Ferris has facilitated many joint venture opportunities in the property, tech and mining sectors.

Other current directorships: Non-Executive Director of Titanium Sands Limited (ASX: TSL) (since: 31 July 2014)  
Former directorships (last 3 years): NIL  
Interests in shares: 400,000 ordinary shares (380,000 escrowed for 2 years from date of re-quotations)  
Interests in options: NIL

Name: **Mr. Andrew Law**  
Title: Non-Executive Director  
Appointment Date: 21 April 2022  
Qualifications: Higher National Diploma in Mine Engineering (Witwatersrand)  
Master degree in Business Administration (University of Western Australia)

Experience and expertise: Mr. Law has over 35 years' experience in the mining industry in Australia, Africa and South America. His extensive technical and management experience ranges from deep level underground mining environments (bulk and narrow vein); to large open pit environments (across multi commodities); and to large mineral sands dredging environments.

Executive Management experience has been gained at both the senior operations level and the corporate level with companies such as, Anglo American Corporation, Plutonic Resources, Roche Mining, Placer Dome, Millennium Minerals, Mundo Minerals Limited and St Barbara Limited.

Mr. Law's specialist skills are in corporate strategic business planning and due diligence; management of feasibility studies; operational performance optimisation and improvement reviews; Ore Reserve compliance and auditing (ASX,TSX,SEC,SGX,JSE); corporate management mentoring; mentoring senior operational management and personnel; as well as peer reviewing mining studies and projects.

He is a Fellow of the AusIMM(CP), a Fellow of the Institute of Quarrying – Australia, a Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

Other current directorships: Arcadia Minerals Limited (ASX: AM7) (Since 24 September 2021)  
Former directorships (last 3 years): -  
Interests in shares: NIL  
Interests in options: NIL

**Name:** Mr. Joseph van den Elsen  
**Title:** Non-Executive Director  
**Appointment Date:** Non-Executive Director from 1 January 2023  
 Managing Director (**MD**) and Chief Executive Officer (**CEO**) from 14 April 2021 to 31 December 2022  
**Resignation Date:** 4 September 2023  
**Qualifications:** Graduate Diploma in Environment, Energy and Resources Law  
 Graduate Diploma in Mineral Exploration Geoscience  
 Bachelor of Laws  
 Bachelor of Arts  
**Experience and expertise:** Mr. van den Elsen currently serves as the Executive Chairman of Ronin Resources Ltd, a public exploration and development company advancing a coal project in Colombia. Prior to joining Ronin Resources Ltd, he held executive positions with MHM Metals and Hampshire Mining. He is currently studying towards a Master of Science (Mineral Economics) through Curtin University.  
 Previously, he was an Associate Director with UBS and held a comparable position with Goldman Sachs JB Were.  
**Other current directorships:** Executive Chairman of Ronin Resources Limited (ASX: RON) (since 16 December 2021)  
**Former directorships (last 3 years):** Arcadia Minerals Limited (ASX: AM7) (resigned 24 September 2021)  
 Oar Resources Limited (ASX: OAR) (resigned 1 February 2022)  
**Interests in shares:** Not applicable as no longer a director  
**Interests in options:** Not applicable as no longer a director

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

Name: **Mr. Emmanuel Correia**  
Title: Non-Executive Director  
Appointment Date: 9 July 2021  
Resignation Date: 22 November 2022  
Qualifications: Bachelor of Business and Chartered Accountant  
Experience and expertise: Mr. Correia is a Chartered Accountant and founding Director of Peloton Capital and Advisory and has over 25 years public company and corporate finance experience in Australia, North America and the United Kingdom.

Mr. Correia has also held various senior positions with Deloitte and other accounting firms and boutique corporate finance houses specialising in corporate finance, corporate strategy, mergers and capital raising activities.

Other current directorships: Non-Executive Director of BPM Minerals Limited (ASX: BPM) (Since 11 September 2020)  
Non-Executive Director of Pantera Minerals Limited (ASX: PFE) (Since 23 December 2020)  
Non-Executive Director of Top End Energy Limited (ASX: TEE) (Since 25 May 2021)  
Former directorships (last 3 years): Argent Minerals Limited (ASX: ARD) (Resigned March 2021)  
Canyon Resources Limited (ASX: CAY) (Resigned December 2020)  
Interests in shares: Not applicable as no longer a director  
Interests in options: Not applicable as no longer a director

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

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

### Meetings of Directors

The number of meetings of the Company's Board of Directors (**the Board**) held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Directors' Meetings	
	Attended	Eligible to Attend
Joseph van den Elsen	4	4
John Ciganek	4	4
Andrew Law	4	4
Emmanuel Correia (Resigned 22 November 2022)	2	2

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

### Company secretary

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

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

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

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

### Principal activities

First Lithium Limited (formerly known as Ookami Limited) is a ASX listed Company focused on West African mineral exploration and development. For the year ended 30 June 2023, the principal activities of the Group are to primarily prepare compliance documents for the acquisition of advanced lithium exploration project. The Group has focused on the exploration and assessment of the areas known as the Boulbi Project and the Messok East Project, located in Senegal and Cameroon respectively for the first half year and decided to discontinued operations in second half of the year for both projects. Refer to Review of Operations and Significant Changes in State of Affairs for further information on the Group's recent activities.

### Review of operations

#### *i. Financial Review*

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$2,464,396 (30 June 2022: \$939,332) and had net assets of \$3,806,972 (30 June 2022: \$7,133,452) as of 30 June 2023.

As at 30 June 2023, the Group's cash and cash equivalents balance increased by \$1,238,390 to a balance of \$3,977,081 and the Group had positive working capital of \$3,943,071 (30 June 2022: positive working capital of \$5,166,580).

#### *ii. Operations Review*

During the year, on 3 November 2022, the Company announced a conditional right to acquire 100% of the issued capital (**Proposed Acquisition**) in First Lithium Pty Ltd (**First Lithium**), which holds beneficial interest in an advanced lithium exploration project (**Mali Lithium Project**). Pursuant to the Proposed Acquisition, the Company proposed to issue:

- (A) 43,625,000 Shares to the vendors of First Lithium (**First Lithium Vendors**);
- (B) 10,000,000 Shares under the terms of a **Public Offer**;
- (C) 30,500,000 Options to the First Lithium Vendors;
- (D) 1,800,000 Lead Manager Options to Inyati Capital Pty Ltd; and
- (E) 15,000,000 Performance Shares to Intermin Mines Corp (a First Lithium Vendor).

The Company continued to work through primarily preparing documents for the acquisition of an advanced lithium exploration project (Mali Lithium).

Subsequent to year end, the Company announced the completion of the Proposed Acquisition. Refer to significant changes in the state of affairs and matters subsequent to the end of the financial year for further information.

### ***Boulbi Project***

The Boulbi Project is located in the Tambacounda region of eastern Senegal, adjacent to the borders with both Mali and Mauritania, and can be accessed by sealed roads from Dakar, the Senegalese capital.

The Group held a 51% interest in the Boulbi Project as at 30 June 2022 with the ability to increase its interest to 70% by way of an earn-in agreement.

The Group did not satisfy the minimum expenditure requirement to earn a 70% interest in the Boulbi Project from its current 51%, and as a result, under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Ltd, the Group interest in the Boulbi Project diluted to 49% as of 19 December 2022. As a consequence, and in conjunction with other factors, management has determined that the Company no longer controls the Boulbi Project and has deconsolidated it for accounting purposes from the 19th of December 2022, being the date, the Company determined it lost control.

### ***Messok East Project***

The Company holds a 100% interest in the Messok East Project, comprised of one exploration permit and three applications for exploration permits prospective for Co-Ni laterite mineralization.

During the year, the Group commenced a follow-up work program mapping and sampling on previously identified exploration targets. Following the external consultant review, management has concluded that the assay results indicate low prospectivity for Ni-Co laterite mineralisation and that, at this stage, further exploration of the Messok East Project is not warranted and as such, the Group has discontinued operations on this project.

Consequently, the Group did not see to renew the granted permit for the Messok East Project in April 2023.

### **Material Business Risks**

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

#### ***(a) Risk relating to the Company***

##### **(i) Exploration and operating**

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

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

The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Group.

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

**(ii) Sovereign Risk**

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

**(iii) Contractual Risk**

The Group's ability to acquire an interest in the Mali Lithium Project is subject to the terms of the Acquisition Agreement and a separate agreement between Intermin and First Lithium.

The ability of the Group to achieve its stated objectives will depend on the performance by the parties of their obligations under these agreements and the ability of the parties to settle and complete these agreements.

If the Group is unable to satisfy its undertakings under these agreements the Group's ability to acquire an interest in the Mali Lithium Project may be jeopardised.

If any party defaults in the performance of their obligations, it may be necessary for the Group to approach a court to seek a legal remedy, which can be costly.

**(iv) Mine Development**

Possible future development of mining operations at the Mali Lithium Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

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

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

**(v) Additional requirements for capital**

The funds to be raised under the Public Offer together with the Group's existing cash reserves are considered sufficient to meet the immediate objectives of the Group. Additional funding may be required in the event costs exceed the Group's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Group may incur. If such events occur, additional funding will be required.

In addition, should the Group consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Group's development plans, the quantum of which remain unknown at the date of this Notice.

Following completion of the Public Offer, the Group may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Group's activities may result in delay and indefinite postponement of their activities and the Group's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Group and might involve substantial dilution to Shareholders.

**(vi) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment.

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

*(b) Industry Specific Risks*

**(i) Tenure and renewal**

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

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

**(ii) Exploration Costs**

The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability.

**(iii) Exploration Success**

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

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

**(iv) Environmental**

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

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

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

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

### Significant changes in the state of affairs

#### *i. Personnel Changes*

On 22 November 2022, Mr. Emmanuel Correia resigned as a Non-Executive Director of the Company.

#### *ii. Acquisition of advanced lithium exploration project*

On 3 November 2022, the Company entered into the share sale agreement (**the SSA**) to acquire 100% of the issued share capital of First Lithium Pty Ltd (**First Lithium**) (**Proposed Acquisition**). First Lithium has, in turn, entered into an agreement to acquire the entire issued share capital of Intermin Mali Lithium Holdings (**Intermin**), a company incorporated in Mauritius, which through its wholly owned subsidiary Intermin Mali SARL (**Intermin Mali**) holds a 100% interest in two lithium mineral bearing permits, Faraba and Gouna (**the Mali Lithium Project**) (**Intermin Acquisition**). The Mali Lithium Project covers a combined area of 175km<sup>2</sup> in the Sikasso region of Mali, West Africa.

Under the key terms of the SSA, in consideration for the Proposed Acquisition, Intermin has agreed to issue First Lithium:

- (a) an aggregate of 43,625,000 Intermin ordinary shares at \$0.20 each;
- (b) 15,000,000 performance shares, subject to milestones<sup>1</sup>; and
- (c) 30,500,000 options exercisable at \$0.30 each on or before the date which is 3 years from the date of issue.

<sup>1</sup> The performance shares proposed to be issued will vest upon the Company announcing a JORC 2012 compliant Mineral Resource estimate of inferred level or greater on the Mali Lithium Project of at least:

- (a) 10MT at a minimum cutoff grade of 1.1% Li<sub>2</sub>O within 2 years of completion of the Proposed Acquisition; or
- (b) 15 MT at a minimum cutoff grade of 1.1% Li<sub>2</sub>O within 3 years of completion of the Proposed Acquisition.

The completion of the Proposed Acquisition is conditional on certain conditions being satisfied as follows:

- (a) Intermin and First Lithium having obtained all regulatory consents and approvals which are necessary for the Proposed Acquisition, including all approvals required from the ASX;
- (b) Completion of technical, financial and legal due diligence of all parties on or prior to the date that is 2 months from the date of execution of the SSA;
- (c) Settlement and completion of the Intermin Acquisition occurring immediately prior to settlement and completion of the Proposed Acquisition; and
- (d) The Company lodging a prospectus with ASIC for a public offer of not less than \$2,000,000 through the issue of shares at \$0.20 per share within 4 months of execution of the SSA.

Upon completion of the Proposed Acquisition and re-instatement to Official Quotation, the Company will change its name to First Lithium Limited and trade under the code ASX: FL1 with a reinvigorated Board of Directors seeking to explore and develop the Mali Lithium Project as well as seek out further complementary mineral exploration and resource opportunities which have the potential to generate growth and value for Shareholders.

The shareholders of the Company approved the Proposed Acquisition at the General Meeting held on 27 April 2023. As at 30 June 2023, certain conditions noted above had not been satisfied and hence the Proposed Acquisition had not been completed as at that date. Subsequent to year end, the Proposed Acquisition completed on 5 September 2023. Refer to matters subsequent to the end of the financial year for further information.

### *iii. Dilution of Boulbi Project*

During the year, the Group was not able to satisfy the minimum expenditure requirement of at least US\$750,000 on the Boulbi Project within 24 months post re-admission to the ASX and also commence a 5,000-metre drilling campaign within 12 months of the Joint Venture Agreement commencement date (9 July 2021).

Under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Limited, the Group's interest in the Boulbi Project has therefore diluted from its current 51%, to 49%. As a consequence, management determined that the Group no longer controls the Boulbi Project and has deconsolidated it for accounting purposes as at that date.

### *iv. Dilution of Messok East Project*

The Group holds a 100% interest in the Messok East Project, comprised of one exploration permit and three applications for exploration permits prospective for Co-Ni laterite mineralization.

During the year, the Group commenced a follow-up work program mapping and sampling the previously identified exploration targets. Following the external consultant review, management has concluded that the assay results indicate low prospectivity for Ni-Co laterite mineralisation and that, at this stage, further exploration of the Messok East Project is not warranted. The Group advised the shareholders that it would discontinue its interest by not seeking to renew the granted permit when its due for renewal in April 2023.

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

#### **Matters subsequent to the end of the financial year**

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

On 18 August 2023, the ASX has granted the Company a waiver from Listing Rule 14.7 to permit the Company to issue the securities under the Public Offer and acquisition of First Lithium Pty Ltd no later than 4 September 2023.

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

On the same day, the new Board and Company Secretary were appointed while Mr. Andrew Law remains on the Board as Non-Executive Director.

On 19 September 2023, the Company's name has officially changed with Australian Securities and Investment Commission (ASIC) and will be changed on the official Australian Securities Exchange (ASX) list upon the Company's re-quotations.

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

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

#### **Dividends**

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

#### **Likely developments and expected results of operations**

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

#### **Indemnity and insurance of officers and auditor**

##### ***Indemnification***

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

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

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

##### ***Insurance premium***

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

## Unissued shares under Options

### i. Options

During the year, no Options were issued, exercised, cancelled, forfeited or lapsed.

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

Grant Date	Expiry Date	Exercise Price per Option	Fair Value per Option	Number under To Option
15/07/2021	08/07/2024	\$0.30	\$0.040	1,500,000
20/04/2022	08/07/2024	\$0.30	\$0.051	3,500,000
05/07/2022	08/07/2024	\$0.30	\$0.000	2,500,000
04/09/2023	04/09/2026	\$0.30	\$0.087	30,500,000
04/09/2023	04/09/2027	\$0.30	\$0.090	1,800,000

1,500,000 Options were issued to the Lead Manager of the acquisition of Cameroon Cobalt Pty Ltd and Valhalla Minerals Limited under the Lead Manager Offer. No vesting conditions are attached to these Options.

3,500,000 Options were issued to the Lead Manager of the acquisition of African Mining Corporation Pty Ltd under the Lead Manager Offer. No vesting conditions are attached to these Options.

2,500,000 Placement Options were issued to Placement participants with nil consideration. No vesting conditions are attached to these Options.

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

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

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

### ii. Management Performance Options

During the year, no Management Performance Options were issued, exercised, cancelled, forfeited or lapsed.

On 2 August 2023, 2,400,000 Management Performance Options to Directors lapsed. On issue at the date of this report, there is no Management Performance Options outstanding.

### iii Management performance rights

During the year, no Management Performance Rights were issued, exercised, cancelled, forfeited or lapsed.

On issue at the date of this report, the Company has 15,000,000 Management Performance Rights which will be escrowed for 24 months from 4 September 2023.

## Environmental regulation

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

### Non-audit services

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

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

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

	30 June 2023	30 June 2022
	\$	\$
<b>Amount paid/payable for services other than audit and review of financial statements</b>		
<b>Other assurance services</b>		
Pitcher Partners BA&A Pty Ltd - Investigating Accountants Report	15,000	-
<b>Other services</b>		
Pitcher Partners (WA) Pty Ltd - Taxation	6,000	5,000
<b>Total auditor's remuneration for non-audit services</b>	<u>21,000</u>	<u>5,000</u>

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

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

### Proceedings on behalf of the Company

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

### Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 is set out immediately after this Directors' report.

### Rounding of amounts

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

### Remuneration report (audited)

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

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

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

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

Details of the nature and amount of each element of the remuneration of each of the KMP of the Group (defined as "Directors", both Non-Executive and Executive) for the year ended 30 June 2023 are set out in the following tables:

<b>Name</b>	<b>Status</b>	<b>Appointment and resignation</b>
Joseph van den Elsen	Managing Director and Chief Executive Officer	Appointed 14 April 2021 Ceased 31 December 2022
	Non-Executive Director	Appointed 1 January 2023 Resigned 4 September 2023
	Non-Executive Chairman/Director	Appointed 9 December 2020 Resigned 4 September 2023
Andrew Law	Non-Executive Director	Appointed 21 April 2022
Emmanuel Correia	Non-Executive Director	Appointed 9 July 2021 Resigned 22 November 2022

### Introduction

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

### Remuneration governance

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

### *Executive and Non-Executive remuneration*

#### Executive remuneration arrangements

Given the current size and level of activities of the Group, Non-Executive Directors also act in a managerial capacity but are not considered to be executives of the Group.

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

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

The Group's financial performance during the year 30 June 2023 and for the previous four financial years is set out in the table below. These financial results shown below were all prepared in accordance with Australian Accounting Standards (**AASBs**).

	2023	2022	2021 <sup>a</sup>	2020	2019
Net (Loss) after tax	(2,464,396)	(939,332)	(850,030)	(1,251,433)	(824,468)
(Loss) per share (cents)	(5.42) <sup>c</sup>	(2.52) <sup>b</sup>	(19.96) <sup>b</sup>	(23.02) <sup>b</sup>	(20.08) <sup>b</sup>
Share price at 30 June (cents)	0.18	0.16	0.022	0.022	0.022

<sup>a</sup>The Company remained in the voluntary suspension from April 2019 – June 2021.

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

<sup>c</sup>The Company was in voluntary suspension from October 2022 to 4 September 2023.

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

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

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

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

**Name:** **Joseph van den Elsen**  
**Title:** Appointed as Non-executive Director on 3 September 2020 and appointed as Managing Director (**MD**) and Chief Executive Officer (**CEO**) on 14 April 2021 until 31 December 2022.  
**Agreement commenced:** 14 April 2021 to 31 December 2022  
**Term of agreement:** The Company has entered into a Consultancy Deed with Gotham Corporate Pty Ltd (**Consultant**). Under the agreement, the Consultant, Mr. Joseph van den Elsen provides the service as a MD and CEO of the Company.  
**Details:** Mr. Joseph van den Elsen is to be paid an annual fee of \$180,000 for his services as MD and CEO and will be reimbursed for all reasonable expenses incurred in performing his duties.

Termination of employment can be provided by the Company with three months written notice or by the Executive with three months written notice. On termination of the Deed, the Consultant will be entitled to receive from the Company all payments owed to the Consultant under the Deed up to and including the date of termination and any payments due to Mr. Joseph van den Elsen. The notice period can be waived if there is sufficient cause.

There are no termination or retirement benefits payable under the agreement.

The appointment of Mr. Joseph van den Elsen as MD and CEO is otherwise on terms that are customary for an appointment of this nature.

#### **Non-Executive Director fee arrangements**

The Group policy is to remunerate Non-Executive Directors at a level to comparable companies for time, commitment, and responsibilities. Non-Executive Directors' fees cover all main Board activities and membership of any committee. The Group has no established retirement or redundancy schemes in relation to Non-Executive Directors.

The Non-Executive Directors can be provided with performance rights that are meant to incentivise the Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice will be sought when required and non-Executive remuneration is approved by shareholders at the AGM.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of \$300,000 per annum and any change is subject to approval by shareholders at a General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group.

The Non-Executive Director annual fee has been set to \$48,000 per annum.

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

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

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

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

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

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

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

Name: **Andrew Law**  
Title: Non-Executive Director  
Agreement commenced: 21 April 2022  
Term of agreement: Annual fee of \$48,000  
Details: The Company has entered into an agreement with Mr. Andrew Law in respect of his appointment as a Non-Executive Director of the Company.

Mr. Andrew Law is to be paid an annual fee of \$48,000 for his services as Non-Executive Director and Chairman, of which the monthly fee will be paid in arrears upon receipt of an invoice. The Company will reimburse for all reasonable expenses incurred in performing his duties.

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

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

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

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

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

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

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

Name: **Emmanuel Correia**  
Title: Non-Executive Director  
Agreement commenced: 9 July 2021 to 22 November 2022  
Term of agreement: Annual fee of \$48,000  
Details: The Company has entered into an agreement with Mr. Emmanuel Correia in respect of his appointment as a Non-Executive Director of the Company.

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

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

The Company does not have a Director's Retirement Scheme in place at present. Total fees for the Non-Executive Directors for the financial year were \$138,933 (30 June 2022: \$90,000) and cover main Board activities only.

## Performance Conditions Linked to Remuneration

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

The Board adopted the Plan to allow Eligible Participants to be granted Performance Rights to acquire shares in the Company.

The objective of the Plan is to provide the Group with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Eligible Participants. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Group's business activities, which the Group measures with reference to the Company's share price. The Company remained in voluntary suspension during the financial year and hence the Company's share price has not been a key reference in measuring the growth of the Group's business activities during the financial year ended 30 June 2023.

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

### Details of remuneration

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
30 June 2023	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors:</b>							
Joseph van den Elsen <sup>a</sup>	90,000	-	-	-	-	60,383	150,383
<b>Non-Executive Directors:</b>							
John Ciganek <sup>b</sup>	48,000	-	-	-	-	20,127	68,127
Joseph van den Elsen <sup>c</sup>	24,000	-	-	-	-	-	24,000
Andrew Law <sup>d</sup>	48,000	-	-	-	-	8,731	56,731
Emmanuel Correia <sup>e</sup>	18,933	-	-	-	-	20,569	39,502
	228,933	-	-	-	-	109,810	338,743

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

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

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

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

<sup>e</sup> Resigned on 22 November 2022. Non-Executive Director fees were payable to Cardrona Energy Pty Ltd, a company controlled by Emmanuel Correia.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
30 June 2022	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors:</b>							
Joseph van den Elsen <sup>a</sup>	180,000	-	-	-	-	58,895	238,895
<b>Non-Executive Directors:</b>							
John Ciganek <sup>b</sup>	40,000	-	-	-	-	19,631	59,631
Emmanuel Correia <sup>c</sup>	40,000	-	-	-	-	19,631	59,631
Andrew Law <sup>d</sup>	10,000	-	-	-	-	1,674	11,674
Faldi Ismail <sup>e</sup>	-	-	-	-	-	-	-
	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,831</u>	<u>369,831</u>

<sup>a</sup> MD and CEO fees payable to Gotham Corporate Pty Ltd, a company controlled by Joseph van den Elsen.

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

<sup>c</sup> Non-Executive Director fees were payable to Cardrona Energy Pty Ltd, a company controlled by Emmanuel Correia.

<sup>d</sup> Andrew Law was appointed as Non-Executive Director of the Company on 21 April 2022. Remuneration disclosed is for period 21 April 2022 to 30 June 2022. Non-Executive Director fees were payable to Fusion (WA) Pty Ltd, a company controlled by Andrew Law.

<sup>e</sup> Faldi Ismail resigned on 9 July 2021.

### Equity-based compensation

#### Issue of shares

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

#### Options

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

#### Performance options

There were no performance options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023. The 2023 share-based payments expense related to the management performance options issued in FY 2022, as noted on the following pages.

### Additional disclosures relating to equity

#### KMP Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Purchases during the year	Disposals/ other	Balance at the end of the year
<b>30 June 2023</b>					
<b>Executive Directors</b>					
Joseph van den Elsen <sup>a</sup>	-	-	-	-	-
<b>Non-Executive Directors</b>					
John Ciganek	125,000	-	-	-	125,000
Joseph van den Elsen <sup>a</sup>	-	-	-	-	-
Andrew Law	-	-	-	-	-
Emmanuel Correia <sup>b</sup>	250,000	-	-	-	250,000
	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>

<sup>a</sup> Transitioned from Executive Director to non-Executive Director on 1 January 2023.

<sup>b</sup> Balance at the date of resignation, 22 November 2022.

#### KMP Option holding

Other than the Management Performance Options held by the relevant Director, no other options over ordinary shares in the Company were held during the financial year by any Director or other members of KMP of the Group, including their personally related parties (30 June 2022: nil).

#### Options awarded, vested and lapsed during the year

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

#### KMP Management Performance Options holding

During the year, no Management Performance Options were issued, and no Management Performance Options were cancelled, forfeited or lapsed.

The Company has the following Management Performance Options on issue as at 30 June 2023. On 2 August 2023, 2,400,000 Management Performance Options were lapsed.

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

	Balance at the start of the year	Granted as remuneration	Expired/ forfeited/ other	Balance at the end of the year
<i>Management Performance Options over ordinary shares</i>				
<b>Executive Directors</b>				
Joseph van den Elsen <sup>a</sup>	1,200,000	-	-	1,200,000
<b>Non-Executive Directors</b>				
John Ciganek	400,000	-	-	400,000
Joseph van den Elsen <sup>a</sup>	-	-	-	-
Andrew Law	400,000	-	-	400,000
Emmanuel Correia <sup>b</sup>	400,000	-	-	400,000
	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>

	Vested and exercisable	Unvested and un-exercisable	Balance at the end of the year
<i>Management Performance Options over ordinary shares</i>			
<b>Executive Directors</b>			
Joseph van den Elsen <sup>a</sup>	-	1,200,000	1,200,000
<b>Non-Executive Directors</b>			
John Ciganek	-	400,000	400,000
Joseph van den Elsen <sup>a</sup>	-	-	-
Andrew Law	-	400,000	400,000
Emmanuel Correia <sup>b</sup>	-	400,000	400,000
	-	2,400,000	2,400,000

<sup>a</sup> Transitioned from Executive Director to non-Executive Director on 1 January 2023.

<sup>b</sup> Balance at the date of resignation, 22 November 2022.

No Management Performance Options were granted as remuneration for the year ended 30 June 2023.

#### *Loans from or to KMP and their related parties*

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

#### *Other transactions with KMP and their related parties*

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

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

Entity	Nature of transaction	KMP	Total Expense		Payable Balance	
			30 June 2023	30 June 2022	30 June 2023	30 June 2022
Gotham Corporate Pty Ltd	Consulting fee	Joseph van den Elsen	61,200	-	67,320	-

#### **Voting and comments made at the Company's 2022 AGM**

The Company received 98% of "yes" votes on its remuneration report for 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

*This concludes the remuneration report, which has been audited.*

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

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Lee Christensen', written over a horizontal line.

Lee Christensen  
Non-Executive Chairman

29 September 2023

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

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of First Lithium Limited (formerly known as Ookami Limited) and the entities it controlled during the year.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO  
Executive Director  
Perth, 29 September 2023

First Lithium Limited  
(Formerly known as Ookami Limited)  
Consolidated statement of profit or loss and other comprehensive income  
For the year ended 30 June 2023



	Note	30 June 2023 \$	30 June 2022 \$
<b>Revenue</b>			
Interest income		39,796	846
<b>Expenses</b>			
Compliance and regulatory costs		(75,397)	(42,403)
Director fees		(138,933)	(121,500)
Exploration expenditure expenses		(186,916)	(315,872)
Insurance expense		(45,662)	(42,553)
Contingent settlement fee to Boulbi vendors		(75,000)	-
Professional fees	4	(241,090)	(188,903)
Share based payment expense	20	(109,810)	(99,831)
Transaction costs		(499,262)	(98,344)
Other expenses		(12,675)	31,666
<b>(Loss) before income tax expense from continuing operations</b>		<b>(1,344,949)</b>	<b>(876,894)</b>
Income tax expense	5	-	-
(Loss) after income tax expense from continuing operations		(1,344,949)	(876,894)
(Loss) after income tax expense from discontinued operations	21	(1,119,447)	(62,438)
<b>(Loss) after income tax expense for the year</b>		<b>(2,464,396)</b>	<b>(939,332)</b>
<b>Other comprehensive (loss)</b>			
<i>Items that may not be reclassified subsequently to profit or loss</i>			
(Loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(466,620)	(466,620)
Foreign currency translation		-	1,181
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income of associates		-	-
Other comprehensive (loss) for the year, net of tax		(466,620)	(465,439)
<b>Total comprehensive (loss) for the year</b>		<b>(2,931,016)</b>	<b>(1,404,771)</b>
(Loss) for the year is attributable to:			
Non-controlling interest		1,913	(386)
Owners of the Company		(2,466,309)	(938,946)
		<b>(2,464,396)</b>	<b>(939,332)</b>

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

First Lithium Limited  
(Formerly known as Ookami Limited)  
Consolidated statement of profit or loss and other comprehensive income  
For the year ended 30 June 2023



	Note	30 June 2023 \$	30 June 2022 \$
Total comprehensive (loss) for the year is attributable to:			
Owners of the Company		(2,932,929)	(1,404,503)
Non-Controlling Interest		1,913	(268)
		<u>(2,931,016)</u>	<u>(1,404,771)</u>
		<u>(2,931,016)</u>	<u>(1,404,771)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for (loss) from continuing operations attributable to the owners of First Lithium Limited</b>			
Basic earnings per share	8	(2.96)	(2.58)
Diluted earnings per share	8	(2.96)	(2.58)
<b>Earnings per share for (loss) from discontinued operations attributable to the owners of First Lithium Limited</b>			
Basic earnings per share	8	(2.46)	(0.06)
Diluted earnings per share	8	(2.46)	(0.06)
<b>Earnings per share for (loss) attributable to the owners of First Lithium Limited</b>			
Basic earnings per share	8	(5.42)	(2.52)
Diluted earnings per share	8	(5.42)	(2.52)

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

	Note	30 June 2023 \$	30 June 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	3,977,081	5,215,390
Trade and other receivables		31,729	28,550
Other assets	12	74,177	38,405
<b>Total current assets</b>		<u>4,082,987</u>	<u>5,282,345</u>
<b>Non-current assets</b>			
Investments in associate	14	1	-
Financial assets at fair value through OCI reserve	13	-	466,620
Property, plant and equipment		418	1,715
Exploration and evaluation assets	15	-	1,498,537
<b>Total non-current assets</b>		<u>419</u>	<u>1,966,872</u>
<b>Total assets</b>		<u>4,083,406</u>	<u>7,249,217</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	201,434	115,765
Other liabilities	17	75,000	-
<b>Total current liabilities</b>		<u>276,434</u>	<u>115,765</u>
<b>Total liabilities</b>		<u>276,434</u>	<u>115,765</u>
<b>Net assets</b>		<u>3,806,972</u>	<u>7,133,452</u>
<b>Equity</b>			
Issued capital	18	34,724,514	34,724,514
Reserves	19	(707,723)	(350,082)
Accumulated losses		(30,209,819)	(27,712,901)
Equity attributable to the owners of First Lithium Limited		3,806,972	6,661,531
Non-controlling interest		-	471,921
<b>Total equity</b>		<u>3,806,972</u>	<u>7,133,452</u>

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

First Lithium Limited  
(Formerly known as Ookami Limited)  
Consolidated statement of changes in equity  
For the year ended 30 June 2023



	Issued capital \$	Financial assets at fair value through OCI reserve \$	Share based payment reserves \$	Translation reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2021	27,439,194	(270,697)	48,900	-	(26,773,956)	-	443,441
(Loss) after income tax expense for the year	-	-	-	-	(938,946)	(386)	(939,332)
Other comprehensive (loss)/income for the year, net of tax	-	(466,620)	-	1,063	-	118	(465,439)
Total comprehensive (loss)/income for the year	-	(466,620)	-	1,063	(938,946)	(268)	(1,404,771)
Issue of ordinary shares related to Capital Raise and Placement during the year	7,127,788	-	-	-	-	-	7,127,788
Issue of ordinary shares related to the Transaction A during the year	1,000,000	-	-	-	-	-	1,000,000
Costs related to the Capital Raise and Placement during the year	(842,468)	-	237,324	-	-	-	(605,144)
Options and Management Performance Options expensed during the year	-	-	99,831	-	-	-	99,831
Non-controlling interest arising from the Transaction A during the year	-	-	-	-	-	472,307	472,307
Balance at 30 June 2022	<u>34,724,514</u>	<u>(737,317)</u>	<u>386,055</u>	<u>1,063</u>	<u>(27,712,902)</u>	<u>472,039</u>	<u>7,133,452</u>

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

First Lithium Limited  
(Formerly known as Ookami Limited)  
Consolidated statement of changes in equity  
For the year ended 30 June 2023



	Issued capital \$	Financial assets at fair value through OCI reserve \$	Share based payment reserves \$	Translation reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2022	34,724,514	(737,317)	386,055	1,063	(27,712,902)	472,039	7,133,452
Profit/(loss) after income tax expense for the year	-	-	-	-	(2,466,309)	1,913	(2,464,396)
Other comprehensive (loss) for the year, net of tax	-	(466,620)	-	-	-	-	(466,620)
Total comprehensive (loss)/income for the year	-	(466,620)	-	-	(2,466,309)	1,913	(2,931,016)
Issue of ordinary shares related to Capital Raise and Placement during the year	-	-	350	-	-	-	350
Options and Management Performance Options expensed during the year	-	-	109,810	-	-	-	109,810
Loss of control of subsidiary during the year	-	-	-	(1,063)	(30,609)	(473,952)	(505,624)
Balance at 30 June 2023	<u>34,724,514</u>	<u>(1,203,937)</u>	<u>496,215</u>	<u>-</u>	<u>(30,209,820)</u>	<u>-</u>	<u>3,806,972</u>

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

	Note	30 June 2023 \$	30 June 2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(490,060)	(723,452)
Payments for software platform		-	(12,241)
Payments for exploration and evaluation		<u>(320,857)</u>	<u>(316,215)</u>
		(810,917)	(1,051,908)
Interest received		<u>39,796</u>	<u>852</u>
Net cash used in operating activities	11	<u>(771,121)</u>	<u>(1,051,056)</u>
<b>Cash flows from investing activities</b>			
Payment for expenses relating to acquisitions		(417,927)	(261,048)
Net cash acquired on acquisition of assets		-	6,348
Purchase of equipment		-	(1,669)
Net cash outflow on loss of control of subsidiary		(3,592)	-
Proceeds from disposal of subsidiary	21	<u>-</u>	<u>19,900</u>
Net cash used in investing activities		<u>(421,519)</u>	<u>(236,469)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	18	-	7,127,788
Share or options issue transaction costs		-	(578,256)
Proceeds from issue of options		350	-
Proceeds from borrowings		-	3,283
Repayment of borrowings		-	(77,416)
Transaction costs related to loans and borrowings		-	(10,945)
Prepaid re-compliance costs		<u>(46,019)</u>	<u>-</u>
Net cash from/(used in) financing activities		<u>(45,669)</u>	<u>6,464,454</u>
Net increase/(decrease) in cash and cash equivalents		(1,238,309)	5,176,929
Cash and cash equivalents at the beginning of the financial year		<u>5,215,390</u>	<u>38,461</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>3,977,081</u></u>	<u><u>5,215,390</u></u>

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

## Note 1. Reporting Entity

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

The financial statements were issued in accordance with a resolution by the Board on 20 September 2023.

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

## Note 2. Significant accounting policies

### Basis of preparation

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

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

### *Reporting basis and convention*

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

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Rounding of amounts

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

### *Parent entity information*

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

### New or amended Accounting Standards and Interpretations adopted

The Group has considered the implications of new or amended Accounting Standards and Interpretations which have become applicable for the current annual financial reporting period beginning on or after 1 July 2022. It has been determined by the Group that there is no impact, material or otherwise, of the new or amended Accounting Standards and Interpretations and therefore no changes to Group accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the financial year.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the following new and amended Accounting Standards and Interpretations:

**Note 2. Significant accounting policies (continued)**

<b>New pronouncement</b>	<b>Effective Date</b>	<b>Application</b>
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 January 2024	All entities
ASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025	All entities

**Going Concern**

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

The Consolidated Statement of Profit and Loss and Other Comprehensive income shows that the Group incurred a net loss of \$2,464,396 during the year ended 30 June 2023 (30 June 2022: loss of \$939,332). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$3,977,081 (30 June 2022: \$5,215,390), and net assets of \$3,806,972 (30 June 2022: \$7,133,452) as of 30 June 2023.

The consolidated financial report has been prepared on going concern basis. In arriving at this position, the Directors have had regard to the fact that the Group has, or in the Directors’ opinion will have access to, sufficient cash to fund administrative and other committed expenditure and settle its liabilities as they fall due for a period of at least 12 months from the date of signing this report. In forming this view, the Directors have taken into consideration the following:

- The current level of cash and cash equivalents.
- The Company completed the Public Offer to raise \$2,000,000 (before associated costs) through the issue of 10 million shares at an issue price of \$0.20 per share for the Proposed Acquisition of 100% of the issued capital of Firth Lithium Pty Ltd, which holds the Mali Lithium Project. The Group intends to apply existing funds and fund raised as a result of the Public Offer towards exploration expenditure on the Mali Lithium Project, costs of the Proposed Acquisition, expenditure in relation to the Group undertaking due diligence investigations on potential additional complementary project opportunities and general working capital.
- On 4 September 2023, the Company completed the acquisition of the entire share capital of First Lithium Pty Ltd. Contemporaneous, also completed the acquisition of the entire share capital of Intermin Mali Lithium Holdings which holds 100% interest in two lithium mineral bearing permits, Faraba and Gouna.
- On 28 September 2023, the Company completed the public offer and changed its name to First Lithium Limited. It was restated to quotation and commenced trading on ASX under the ASX code: FL1.

The Group’s cashflow forecasts for the twelve months ended 30 September 2024 indicate that the Group will have access to sufficient cash to fund administrative and other committed expenditure and be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the financial report.

**Principles of consolidation**

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

## Note 2. Significant accounting policies (continued)

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the Non-controlling interests, even if this results in the Non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the Non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the Non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and Non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### *Direct Transaction Cost*

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

### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

## Note 2. Significant accounting policies (continued)

### *Non-controlling interest (NCI)*

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

### **Foreign currency translation**

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

### *Foreign currency transactions*

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

### *Foreign operations*

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

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

### **Current and non-current classification**

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

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

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

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

### **Financial assets and liabilities at amortised cost**

#### **Associates**

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

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

## Note 2. Significant accounting policies (continued)

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

### *Financial assets at amortised cost*

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

### *Impairment of financial assets*

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

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

### *Classification of financial liabilities*

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

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

### **Operating expenses**

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

### **Goods and Services Tax (GST) and other similar taxes**

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

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

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

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

### **Provisions**

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

### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

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

**Note 13** - Financial assets at fair value through OCI

**Note 14** - Investment in associates

**Note 15** - Exploration and evaluation assets

**Note 20** - Share-based payment transactions

**Note 21** - Discontinued operations

**Note 23** - Fair value measurements

### Note 4. Professional fees

	30 June 2023	30 June 2022
	\$	\$
Accounting and company secretary fees	104,700	107,400
Audit and tax expenses	43,534	36,335
Legal and consulting fees	92,856	45,168
	<u>241,090</u>	<u>188,903</u>

### Note 5. Income tax

	30 June 2023	30 June 2022
	\$	\$
<i>Numerical reconciliation of income tax benefit/(expense) and tax at the statutory rate</i>		
(Loss) before income tax expense from continuing operations	(1,344,949)	(876,894)
(Loss) before income tax expense from discontinued operations	(1,119,447)	(62,438)
	<u>(2,464,396)</u>	<u>(939,332)</u>
Tax at the statutory tax rate of 30%	(739,319)	(281,800)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	32,943	29,949
Non-deductible expenditure	335,834	75,527
Non-deductible transaction cost	205,853	-
Offset against DTA/DTL not recognised	164,689	-
Temporary differences not recognised	-	27,379
Disposal of subsidiary	-	130,387
Accounting gain on disposal	-	(6,560)
Debt forgiveness expense	-	25,118
	<u>-</u>	<u>-</u>
Income tax benefit	<u>-</u>	<u>-</u>

**Note 5. Income tax (continued)**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Accrued expenses	51,096	6,000
Plant and equipment	1,500	1,500
Tax losses	1,598,312	1,299,109
Capital and business expenditure	163,975	229,355
Investments	279,972	139,986
Non-recognition of deferred tax position	<u>(2,094,855)</u>	<u>-</u>
Deferred tax liabilities balance comprises:		
Prepayments	(22,253)	-
Offset against DTA	<u>22,253</u>	<u>-</u>
Net deferred tax not recognised	<u>-</u>	<u>1,675,950</u>

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

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

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
(Increase) in deferred tax asset	(315,406)	(13,452)
Increase/(decrease) in deferred tax liability	10,732	1,041
Under/(over) provision	(68,771)	-
Offset against deferred tax asset/deferred tax liability not recognised	373,445	12,412
Deferred income tax related to items charged or credited directly to equity		
(Increase) in deferred tax asset	139,986	-
Offset against deferred tax asset/deferred tax liability not recognised	(139,886)	-
Deferred tax assets not brought to account <sup>1</sup>		
	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
Temporary differences	474,289	365,320
Operating tax losses	1,416,756	1,299,109
Capital losses	<u>181,556</u>	<u>124,118</u>
	<u>2,072,601</u>	<u>1,788,547</u>

*Carry forward losses*

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2023, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

<sup>1</sup>The gross value of deferred tax assets not brought to account are temporary differences \$2,072,601 (30 June 2022: \$1,788,546), operating tax losses \$1,416,756 (30 June 2022 : \$1,299,109) and capital losses \$181,556 (30 June 2022 : \$124,118).

## Note 5. Income tax (continued)

### *Accounting policy for income tax*

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

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

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

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

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

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

### *Utilisation of tax losses*

A Group cannot carry forward losses unless it satisfies either the "continuity of ownership" test (ITAA97 s 165-12) or the "same business" test (ITAA97 s 165-13) as described in the *Income Tax Assessment Act 1997*. The Group has determined that it satisfies these tests for the current reporting period and will continue to reassess its conclusion at each subsequent reporting date.

Where forward-looking information (such as a significant change in economic conditions) may provide evidence that there may be an increasing number of defaults, historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## Note 6. Key Management Personnel disclosures

### *Compensation*

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

	30 June 2023	30 June 2022
	\$	\$
Short-term employee benefits	228,933	270,000
Post-employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	109,810	99,831
	<u>338,743</u>	<u>369,831</u>

**Note 7. Auditor's Remuneration**

	30 June 2023	30 June 2022
	\$	\$
<b>Remuneration of the auditor of the Group (Pitcher Partners BA&amp;A Pty Ltd) for:</b>		
Audit or review of the financial reports	38,100	32,335
Investigating Accountant Report	15,000	-
<b>Remuneration of auditor related entity for non-audit services</b>		
Pitcher Partners (WA) Pty Ltd - taxation	6,000	5,000
	<u>59,100</u>	<u>37,335</u>

**Note 8. Earnings per share**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>45,446,467</u>	<u>37,250,875</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>45,446,467</u>	<u>37,250,875</u>
	Cents	Cents
Basic earnings per share	(2.96)	(2.35)
Diluted earnings per share	(2.96)	(2.35)
	30 June 2023	30 June 2022
	\$	\$
<i>Earnings per share for (loss) from discontinued operations</i>		
(Loss) after income tax attributable to the owners of First Lithium Limited	<u>(1,119,447)</u>	<u>(62,438)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>45,446,467</u>	<u>37,250,875</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>45,446,467</u>	<u>37,250,875</u>
	Cents	Cents
Basic earnings per share	(2.46)	(0.17)
Diluted earnings per share	(2.46)	(0.17)
	30 June 2023	30 June 2022
	\$	\$
<i>Earnings per share for (loss)</i>		
(Loss) after income tax	(2,464,396)	(939,332)
Non-controlling interest	<u>(1,913)</u>	<u>386</u>
(Loss) after income tax attributable to the owners of First Lithium Limited	<u>(2,466,309)</u>	<u>(938,946)</u>

**Note 8. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	45,446,467	37,250,875
Weighted average number of ordinary shares used in calculating diluted earnings per share <sup>1</sup>	<u>45,446,467</u>	<u>37,250,875</u>

<sup>1</sup>Options and Management Performance Options on issue as at the reporting date are not considered to be dilutive.

	Cents	Cents
Basic earnings per share	(5.42)	(2.52)
Diluted earnings per share	(5.42)	(2.52)

*Accounting policy for earnings per share*

*Basic earnings per share*

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

*Diluted earnings per share*

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

**Note 9. Operating segments**

*Identification of reportable segments*

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information.

The Board of Directors review internal management reports on quarterly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decision.

The nature of operations and principal activities of the Group are exploration in West Africa specifically Senegal and Cameroon. Given, the nature of the Group, its size and current operations, management does not treat any part of the consolidated entity as a separate operating segment.

Internal financial information used by the Group's chief operating decision maker is presented as a Group without dissemination to any separate identifiable segment.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

**Note 10. Cash and cash equivalents**

	30 June 2023	30 June 2022
	\$	\$
<i>Current assets</i>		
Cash at bank	3,977,081	5,215,390

The effective interest rate on short-term bank deposit was 9.25% per annum.

*Accounting policy for cash and cash equivalents*

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

**Note 11. Cash flow information**

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

	30 June 2023	30 June 2022
	\$	\$
(Loss) after income tax expense for the year	(2,464,396)	(939,332)
Adjustments for:		
Depreciation, amortisation and impairment	1,298	1,135
Share-based payments	109,810	99,831
Foreign exchange differences	(7,636)	(1,181)
Gain on disposal of subsidiary	-	(21,886)
Loss on loss of control of subsidiary	478,831	-
Written off exploration assets	493,096	-
Transaction cost expensed	499,262	261,048
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(3,178)	459
Decrease in other assets	526	(3,469)
Increase/(decrease) in trade and other payables	121,266	(447,005)
Increase in fund liabilities	-	(656)
Net cash used in operating activities	(771,121)	(1,051,056)

*Non-cash investing and financing activities*

	30 June 2023	30 June 2022
	\$	\$
Directors' performance options	109,810	99,831

**Note 12. Other assets**

	30 June 2023	30 June 2022
	\$	\$
<i>Current assets</i>		
Prepayments	37,879	38,405
Re-compliance cost	36,298	-
	<u>74,177</u>	<u>38,405</u>

Re-compliance cost relates to costs incurred for re-compliance with ASX's admission and quotation requirements. The re-compliance costs were reallocated to equity upon successful completion of the Company's capital raise subsequent to the reporting date in accordance with note 18.

**Note 13. Financial assets at fair value through OCI reserve**

	30 June 2023	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Investment in Brontech Pty Ltd (Brontech)	466,620	466,620
Less: Provision for impairment	(466,620)	-
	<u>-</u>	<u>466,620</u>
Investment in National Currency eXchange Group Limited (NCX)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>466,620</u>

There were no new investments acquired during the financial year ended 30 June 2023 and no changes in the number of shares held in the existing investments.

*Accounting Policies*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Classification of financial assets at fair value through OCI*

Financial assets at fair value through OCI comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the Group considers this classification to be most relevant.

*Key judgements*

*Measurement of financial assets at fair value through OCI*

The fair value of the financial assets at fair value through OCI has been determined in accordance with the fair value hierarchy disclosed in note 23.

**Note 13. Financial assets at fair value through OCI reserve (continued)**

*Assessment of control or significant influence*

At each reporting date the Group assesses the nature of the arrangement that exists with each of the entities that it invests in (**investee**) to determine the appropriate accounting treatment in the financial report. Significant judgment is required to be applied in considering the level of influence that the Group may have in directing the operational and decision making of the investees. Factors that determine the level of influence include, but are not limited to, percentage of equity holding in the investee, board representation and voting rights. Depending on the Groups conclusion as to the level of influence that exists at each reporting date, the Group may consolidate the results of the investee, equity account the results of the investee or hold the investee as a financial asset at fair value through other comprehensive income in the Groups Consolidated Statement of Financial Position.

In regards to the investments shown above it is determined that neither control of significant influence exists.

**Note 14. Investment in associates**

During the year, the Group was not able to satisfy the minimum expenditure requirement of at least US\$750,000 on the Boulbi Project within 24 months post re-admission to the ASX and also commence a 5,000-metre drilling campaign within 12 months of the Joint Venture Agreement commencement date (9 July 2021).

Under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Limited, the Group's interest in the Boulbi Project has therefore diluted from its current 51%, to 49%. As a consequence, management has determined that the Group no longer controls the Boulbi Project and has deconsolidated it for accounting purposes as at that date.

*Key judgments*

*Assessment of control or significant influence*

In making the judgement of loss of control, the Directors not only considered the Group's ownership interest in the Boulbi Project, but also the representation of appointees on the Board of Directors of Valhalla Minerals Limited, and the lack of ability to direct the Boulbi Project operations due to resigning as the Boulbi Project Manager on 19 December 2022.

Having concluded that the 49% ownership interest in the Boulbi Project did not provide the Group with control, the Directors assessed whether the Group retains significant influence over the Boulbi Project. The Directors assessed that the Group does have significant influence by virtue of its 49% interest in the Boulbi Project and hence has accounted for its interest in Valhalla Minerals Limited as an associate from 19 December 2022. Refer to **note 27** and **note 29** for further information on investment in associates.

	30 June 2023	30 June 2022
	\$	\$
<b>Current assets</b>		
Investment in Valhalla Minerals Limited ( <b>Valhalla</b> ) <sup>1</sup>	1	-
	-	-
	<u>1</u>	<u>-</u>

<sup>1</sup>During the year, the Group entered into negotiations to sell its current 49% interest in the Boulbi Project to the Boulbi Project vendors (subject to shareholder approval) for a nominal consideration of \$1. Management has therefore assessed the fair value of the investment in Valhalla as the price that the Group would receive for selling its interest in the Boulbi Project in an orderly transaction to the Boulbi Project vendors.

**Note 15. Exploration and evaluation assets**

	30 June 2023	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Exploration assets - The Messok East Project	-	493,662
Exploration assets - The Boulbi Project	-	1,004,875
	-	1,498,537

*Reconciliations*

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

	\$
Balance at 1 July 2021	-
Additions	1,498,537
Balance at 30 June 2022	1,498,537
Impairment of exploration and evaluation assets during the year	(493,662)
Loss of control of subsidiary during the year	(1,004,875)
Balance at 30 June 2023	-

*Accounting policy for exploration and evaluation assets*

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

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

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

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

Exploration and evaluation expenditure is carried forward on the basis that the exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation, to the area of interest is continuing. The future recoverability of the carrying amount of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation or, alternatively, the sale of an area of interest.

**Note 15. Exploration and evaluation assets (continued)**

*Key judgement*

*Capitalisation of exploration and evaluation assets*

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

*Impairment of exploration and evaluation assets*

At each reporting period, the Group assesses indicators of impairment. Exploration and evaluation costs are deferred until exploration and evaluation activities reach a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operation are continuing.

The Group has allowed the Messok East Project exploration permit to lapse following unfavourable exploration results and consequently, the exploration and evaluation assets relating to the Messok East Project have been fully impaired to nil.

**Note 16. Trade and other payables**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	106,054	64,498
Borrowings	-	6,148
Accrued expenses	95,320	20,000
Other payables	60	25,119
	<u>201,434</u>	<u>115,765</u>

Refer to note 22 for further information on financial instruments.

*Accounting policy for trade and other payables*

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

**Note 17. Other liabilities**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
<i>Current liabilities</i>		
Other liabilities	<u>75,000</u>	<u>-</u>

Being contingent settlement between Valhalla Minerals Limited and First Lithium Limited to resolve claims between them subsequently.

**Note 18. Issued capital**

	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Shares	Shares	\$	\$
Issued capital	45,446,667	45,446,467	36,198,675	36,198,675
Capital raising costs	-	-	(1,474,161)	(1,474,161)
	<u>45,446,667</u>	<u>45,446,467</u>	<u>34,724,514</u>	<u>34,724,514</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	4,259,259		27,439,194
Issue of ordinary shares related to the Capital Raise during the year	15 July 2021	28,888,865	\$0.200	5,777,788
Issue of ordinary shares for acquisition of Cameroon Cobalt	15 July 2021	2,500,000	\$0.200	500,000
Issue of ordinary shares for acquisition of Valhalla Minerals	15 July 2021	2,500,000	\$0.200	500,000
Cancellation of ordinary shares pursuant to selective buy back	23 Nov 2021	(201,657)	\$0.000	-
Costs related to the Capital Raise and Placement during the year		-	\$0.000	(842,468)
Issue of ordinary shares relating to the Placement during the year	31 May 2022	<u>7,500,000</u>	\$0.180	<u>1,350,000</u>
Balance	30 June 2022	45,446,467		34,724,514
voluntary escrowed shares 12 months	30 June	<u>200</u>	\$0.000	<u>-</u>
Balance	30 June 2023	<u>45,446,667</u>		<u>34,724,514</u>

*Ordinary shares*

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

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

*Capital risk management*

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

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

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

**Note 18. Issued capital (continued)**

*Accounting policy for issued capital*

Ordinary shares are classified as equity.

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

**Note 19. Reserves**

	30 June 2023	30 June 2022
	\$	\$
Financial assets at fair value through OCI reserve	(1,203,937)	(737,317)
Foreign currency reserve	-	1,181
Share-based payments reserve	495,864	386,054
Options reserve	350	-
	<u>(707,723)</u>	<u>(350,082)</u>

*Movements in reserves*

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

	Share based payment reserve \$	Financial assets at fair value through OCI reserve \$	Foreign currency translation reserve \$	NCI foreign currency translation reserve \$	Total \$
Balance at 1 July 2021	48,900	(270,697)	-	-	(221,797)
Fair value movement recognised in OCI during the year	-	(466,620)	1,063	118	(465,439)
Issued of 1,500,000 Lead Manager Options to Broker during the year <sup>1</sup>	60,455	-	-	-	60,455
Issued of 2,400,000 Performance Options to Directors during the year <sup>2</sup>	99,831	-	-	-	99,831
Issued of 3,500,000 Lead Manager Options related to transaction B to Broker during the year <sup>3</sup>	176,868	-	-	-	176,868
<b>Balance at 30 June 2022</b>	<b>386,054</b>	<b>(737,317)</b>	<b>1,063</b>	<b>118</b>	<b>(350,082)</b>
Fair value movement recognised in OCI during the year	-	(466,620)	-	-	(466,620)
Expense recognised for the year relating to the 2,400,000 management performance options issued to Directors in previous year	109,810	-	-	-	109,810
Cash receipt for issued of 3,500,000 Lead Manager Options related to transaction B to Broke during the previous year	350	-	-	-	350
Loss of control of subsidiary during the year	-	-	(1,063)	(118)	(1,181)
<b>Balance at 30 June 2023</b>	<b>496,214</b>	<b>(1,203,937)</b>	<b>-</b>	<b>-</b>	<b>(707,723)</b>

#### Note 19. Reserves (continued)

<sup>1</sup>1,500,000 Options were issued to the Lead Manager of the Transaction A (as detailed in the financial report for the year ended 30 June 2022) under the Lead Manager Offer. No vesting conditions are attached to these Options.

<sup>2</sup>On 15 July 2021, the Company completed the Transaction A (as detailed in the financial report for the year ended 30 June 2022) and 1,000,000 Class A and 1,000,000 Class B Management Performance Options were issued to the Directors. On 21 April 2022, 200,000 Class A and 200,000 Class B Management Performance Options were issued to Mr. Andrew Law.

<sup>3</sup>3,500,000 Options were issued to the Lead Manager of the Transaction B (as detailed in the financial report for the year ended 30 June 2022) under the Lead Manager Offer. No vesting conditions are attached to these Options.

#### Note 20. Share-based payments

Set out below is a summary of options granted in prior year has been fully vested:

On 15 July 2021, 1,500,000 Options were issued to the Lead Manager of the Transaction A (detailed on 30 June 2022 Financial Report) under the Lead Manager Offer exercisable at \$0.30 each within 36 months.

On 20 April 2022, 3,500,000 Options were issued to the Lead Manager of the Transaction B (detailed on 30 June 2022 Financial Report) under the Lead Manager Offer exercisable at \$0.30 each within 36 months.

	Number of options 30 June 2023	Weighted average exercise price 30 June 2023	Number of options 30 June 2022	Weighted average exercise price 30 June 2022
Outstanding at the beginning of the financial year	5,000,000	\$0.300	-	\$0.000
Granted	-	\$0.000	5,000,000	\$0.300
Forfeited	-	\$0.000	-	\$0.000
Exercised	-	\$0.000	-	\$0.000
Cancelled	-	\$0.000	-	\$0.000
	<u>5,000,000</u>	<u>\$0.300</u>	<u>5,000,000</u>	<u>\$0.300</u>
Outstanding at the end of the financial year	<u>5,000,000</u>	<u>\$0.300</u>	<u>5,000,000</u>	<u>\$0.300</u>

#### 30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
15/07/2021	08/07/2024	\$0.300	1,500,000	-	-	-	1,500,000
20/04/2022	08/07/2024	\$0.300	3,500,000	-	-	-	3,500,000
			<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

#### 30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
15/07/2021	08/07/2024	\$0.300	-	1,500,000	-	-	1,500,000
20/04/2022	08/07/2024	\$0.300	-	3,500,000	-	-	3,500,000
			<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial 30 June 2023 was 1.11 years (30 June 2022 was 2.11 years).

## Note 20. Share-based payments (continued)

Set out below is a summary of options granted under the First Lithium Limited Performance Rights Plan (**Plan**):

**Class A:** Management Performance Options with an exercise price of \$0.001, exercisable before 8 July 2023, vesting upon the Company achieving a volume weighted average market price (as defined in the Listing Rule) of shares for a period of 20 consecutive trading days on which shares are traded (disregarding any intervening days on which no trade occurred, if any) (20 days VWAP) of \$0.40.

**Class B:** Management Performance Options with an exercise price of \$0.001, exercisable before 8 July 2023, vesting upon the Company achieving a 20-day VWAP \$0.80.

	Number of Management Options 30 June 2023	Weighted average exercise price 30 June 2023	Number of Management Options 30 June 2022	Weighted average exercise price 30 June 2022
Outstanding at the beginning of the financial year	2,400,000	\$0.001	-	
Granted	-	\$0.000	2,400,000	\$0.001
Forfeited	-	\$0.000	-	\$0.000
Exercised	-	\$0.000	-	\$0.000
Lapsed	-	\$0.000	-	\$0.000
Cancelled	-	\$0.000	-	\$0.000
Outstanding at the end of the financial year	<u>2,400,000</u>	\$0.001	<u>2,400,000</u>	\$0.001

### 30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
15/07/2021	08/07/2023	\$0.001	2,000,000	-	-	-	2,000,000
21/04/2022	08/07/2023	\$0.001	400,000	-	-	-	400,000
			<u>2,400,000</u>	-	-	-	<u>2,400,000</u>

### 30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
15/07/2021	08/07/2023	\$0.001	-	2,000,000	-	-	2,000,000
21/04/2022	08/07/2023	\$0.001	-	400,000	-	-	400,000
			-	<u>2,400,000</u>	-	-	<u>2,400,000</u>

### Key judgement

#### Calculation of fair value of share-based payments

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

The weighted average remaining contractual life of Management Performance options outstanding at the end of the financial year was 0.19 years (30 June 2022: 1.02 years). The options were subsequent lapsed on 8 July 2023.

**Note 20. Share-based payments (continued)**

Total share-based payments recognised during the year 2023 and 2022 as follow:

Recipient	Class of SBP	Quantity	Fair Value per Option	Value recognised during the year	Value to be recognised in future years	Value recognised during prior year
CPS Capital Group	Unlisted options	1,500,000	\$0.0403	-	-	60,455
CPS capital Group	Unlisted options	3,500,000	\$0.0326	-	-	114,235
Mr. Joseph van den Elsen	Performance Options Class A	600,000	\$0.1243	37,341	818	36,420
	Performance Options Class B	600,000	\$0.0767	23,041	505	22,473
Mr. John Ciganek	Performance Options Class A	200,000	\$0.1243	12,447	273	12,140
	Performance Options Class B	200,000	\$0.0767	7,680	168	7,491
Mr. Emmanuel Correia	Performance Options Class A	200,000	\$0.1243	12,720	-	12,140
	Performance Options Class B	200,000	\$0.0767	7,849	-	7,491
Mr. Andrew Law	Performance Options Class A	200,000	\$0.0464	7,647	167	1,467
	Performance Options Class B	200,000	\$0.0066	1,085	23	208
		<u>7,400,000</u>		<u>109,810</u>	<u>1,954</u>	<u>274,520</u>

*Accounting policy for share-based payments*

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

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

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

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

#### Note 20. Share-based payments (continued)

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

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

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

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

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

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

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

## Note 21. Discontinued operations

On 19 December 2022, the Group's interest in the Boulbi Project was diluted from its current 51%, to 49%. As a consequence, the Group no longer controlled the Boulbi Project and deconsolidated it for accounting purposes. As at that date, the Group also determined that the Boulbi Project was no longer core to its activities and effectively ceased operations.

On 19 December 2022, the Group has advised the shareholders that it would discontinue its 100% interest by not seeking to renew the granted permit when it stands for renewal in April 2023. As at that date, the Group has determined that the Messok East Project was no longer core to its activities and effectively ceased operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and other comprehensive income. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

### *Financial performance information for Boulbi and Messok East Projects*

	<b>30 June 2023</b>
	\$
Messok East Project - Debt forgiven	67,167
Boulbi Project - Exploration expenses	(64,529)
Boulbi Project - Other expenses	(8,920)
Messok East Project - Exploration expenses	(74,071)
Messok East Project - Written off of exploration assets	(493,096)
Messok East Project - Written off of loan	(67,167)
Total expenses	<u>(707,783)</u>
(Loss) before income tax expense	(640,616)
Income tax expense	-
(Loss) after income tax expense	<u>(640,616)</u>
Loss on loss of control over Valhalla Minerals Limited	(478,831)
Income tax expense	-
(Loss) on disposal after income tax expense	<u>(478,831)</u>
(Loss) after income tax expense from discontinued operations	<u><u>(1,119,447)</u></u>
	<b>30 June 2023</b>
	\$
Net cash used in operating activities	(81,610)
Net decrease in cash and cash equivalents from discontinued operations	<u><u>(81,610)</u></u>

**Note 21. Discontinued operations (continued)**

*Carrying amounts of assets and liabilities disposed - Valhalla Minerals Limited*

	<b>30 June 2023</b>
	\$
Cash and cash equivalents	3,592
Total assets	<u>3,592</u>
Trade and other payables	32,212
Total liabilities	<u>32,212</u>
Net liabilities	<u><u>(28,620)</u></u>

*Details of the deconsolidation of subsidiary - Valhalla Minerals Limited*

	<b>30 June 2023</b>
	\$
Carrying amount of net liabilities disposed	28,620
Written off loan to Valhalla Minerals Limited	<u>(507,451)</u>
(Loss) on disposal before income tax	<u>(478,831)</u>
(Loss) on disposal after income tax	<u><u>(478,831)</u></u>

*Accounting policy for discontinued operations*

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**Note 22. Financial instruments**

*Financial risk management policies*

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

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

*Specific Financial Risk Exposures and Management*

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

*Foreign currency risk*

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

**Note 22. Financial instruments (continued)**

As announced on 20 September 2019, the Group intended to divest its investment in NCX by entering into a binding Sale Share Agreement with Lateral Capital Ventures Pty Ltd (**Lateral**) to dispose of the investment on behalf of the Group. Given the occurrence of COVID19 resulting in an uncertain economic market, this has continued to impact Lateral's ability to dispose of the investment. Consequently, the Directors have assessed the fair value of the investment as at 30 June 2021 and on the basis that no reliable information is available to determine an appropriate estimate of fair value and the uncertainty within the external operating environment, the Directors consider it prudent to continue to value the investment at \$nil as at 30 June 2023.

The investment is denominated in US dollars but note that as a result of the Directors' assessment that the fair value of the NCX investment is \$nil, any movement in exchange rates will result in a nil impact on the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position as there would be an equal and opposite impact on fair value movements to continue to reflect the fair value of the NCX investment as \$nil.

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

	Assets		Liabilities	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
US dollars	-	-	-	-
West African CFA Franc	-	1,441	-	26,241
	-	1,441	-	26,241

*Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for investments.

The Group is exposed to security price risk on investments over the medium to longer terms which is demonstrated within the following table showing the impact of reasonably possible changes in price, with all other variables constant, on the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Given the significant judgment involved in determining fair value, a sensitivity of 10% movement in estimated share price has been used for illustrative purposes on the basis it is not possible to determine a reasonably possible movement with any certainty. Note that the below table only considers Brontech as a result of the Directors' assessment that the fair value of the NCX investment is \$nil.

In addition, any options on issue as at the reporting date within the non-listed entities the Group has invested in that are subsequently exercised may result in a change to the Group's equity holding. This in turn may impact the fair value of the Group's investment held in that entity.

30 June 2023	% change	Average price increase		Average price decrease	
		Effect on total comprehensive loss	Effect on equity	Effect on total comprehensive loss	Effect on equity
	10.00%	-	-	(10.00%)	-

Note 22. Financial instruments (continued)

30 June 2022	% change	Average price increase		Average price decrease		
		Effect on total comprehensive loss	Effect on equity	% change	Effect on total comprehensive loss	Effect on equity
	10.00%	46,662	46,662	(10.00%)	(46,662)	(46,662)

**Net fair value of financial assets and liabilities**

*Fair value hierarchy*

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

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

The fair value of the financial assets at fair value through OCI has been determined in accordance with the fair value hierarchy disclosed above and the judgments disclosed in **note 23**.

Reconciliation of level 3 fair value movements

	30 June 2023	30 June 2022
	\$	\$
Financial investment in unquoted equity shares		
Opening Balance	466,620	466,620
Fair value movement recognised in OCI	(466,620)	-
Closing Balance	-	466,620

*Interest rate risk*

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances. The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	30 June 2023		30 June 2022	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Cash and Cash equivalents	0.87%	3,977,081	0.01%	5,215,390
Trade and other receivables	-	31,729	-	28,550
Trade and other payables	-	(201,434)	-	(115,765)
Net exposure to cash flow interest rate risk		3,807,376		5,128,175

**Note 22. Financial instruments (continued)**

**Sensitivity Analysis**

The following table illustrates sensitivities to the Group’s exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

30 June 2023	Basis points increase			Basis points (decrease)		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
+/- 1% in interest rates	100	<u>45,962</u>	<u>45,962</u>	(100)	<u>(45,962)</u>	<u>(45,962)</u>

  

30 June 2022	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
+/- 1% in interest rates	100	<u>26,270</u>	<u>26,270</u>	(100)	<u>(26,270)</u>	<u>(26,270)</u>

**Credit risk**

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

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (“ECLs”). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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

	30 June 2023	30 June 2022
	\$	\$
Cash and cash equivalents - AA Rated	<u>3,977,081</u>	<u>5,215,390</u>

**Note 22. Financial instruments (continued)**

**Liquidity risk**

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

During the year, the Group has access to a credit standby facility for funding, refer to note 24 for details. The financial liabilities of the Group are confined to trade and other payables as well as borrowings as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

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

**Remaining contractual maturities**

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

<b>30 June 2023</b>	<b>Weighted average interest rate</b> %	<b>1 year or less</b> \$	<b>Between 1 and 2 years</b> \$	<b>Between 2 and 5 years</b> \$	<b>Over 5 years</b> \$	<b>Remaining contractual maturities</b> \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	201,434	-	-	-	201,434
Other liabilities	-	75,000	-	-	-	75,000
Total non-derivatives		276,434	-	-	-	276,434

<b>30 June 2022</b>	<b>Weighted average interest rate</b> %	<b>1 year or less</b> \$	<b>Between 1 and 2 years</b> \$	<b>Between 2 and 5 years</b> \$	<b>Over 5 years</b> \$	<b>Remaining contractual maturities</b> \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	115,765	-	-	-	115,765
Total non-derivatives		115,765	-	-	-	115,765

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

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

**Financial arrangement**

The Group has no other financial arrangements in place.

**Note 23. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability that are not based on observable external data.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2023</b>				
<i>Assets measured at fair value through OCI - unquoted equity shares</i>				
Investment in Brontech	-	-	-	-
Investment in NCX	-	-	-	-
Total assets	-	-	-	-
<b>30 June 2022</b>				
<i>Assets measured at fair value through OCI - unquoted equity shares</i>				
Investment in Brontech	-	-	466,620	466,620
Investment in NCX	-	-	-	-
Total assets	-	-	466,620	466,620

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

*Valuation techniques for fair value measurements categorised within level 2 and level 3*

The Group's financial investment in the unquoted equity shares of Brontech and NCX are not traded in an active market. Given the investments are considered level 3 investments, there is a significant level of Director judgment required to determine fair value as at any given reporting date. The investments have been fair valued using significant unobservable inputs for which market data is not available and developed using the best information available about the assumptions that market participants would use when pricing the asset.

The significant unobservable inputs considered by the Directors in the determination of fair value of Brontech and NCX as at 30 June 2023 are as follows:

**Brontech**

Historically, in determining the fair value of its investment in Brontech the Directors have concluded that cost is an appropriate estimate of fair value in the absence of any more reliable information to determine the investment's fair value.

However, as a result of the internal assessment performed for the year ended 30 June 2023, the Group has concluded that the fair value of its investment in Brontech is \$nil as at 30 June 2023 and impairment of \$466,620 has been provided during the year.

Matters considered during the internal assessment included:

**Note 23. Fair value measurement (continued)**

- (i) Given this is not a core asset of the business and there is no ready market for a reliable valuation.
- (ii) Global interest rate triggered heavy losses on outperformed market benchmarks.
- (iii) No evidence of a capital raised by Brontech in the last year to suggest that its value is contrary to movements in the market generally; and
- (iv) Brontech’s financial performance, which has not improved to a degree to justify that its value is contrary to movements in the market generally.

In the absence of any other more reliable indicators of the fair value of the Groups investment in Brontech, and the potential range of results possible from applying generally accepted valuation techniques, the Directors concluded to impair full amount of \$466,620 on the internal assessment and information available as noted above represents a \$nil value as at 30 June 2023.

Sensitivity in the valuation of the Group’s financial investment in the unquoted equity shares of Brontech and NCX and impact on total comprehensive loss and equity for the year is disclosed in **note 22**.

**NCX**

As announced on 20 September 2019, the Group intended to divest its investment in NCX by entering into a binding Sale Share Agreement with Lateral to dispose of the investment on behalf of the Group.

Given the occurrence of COVID-19 resulting in an uncertain economic market, this has impacted Lateral’s ability to dispose of the investment. Consequently as at 30 June 2023 the Directors assessed that the Group continued to retain the risks and rewards of ownership of the NCX investment.

On the basis that no reliable information was available to determine an appropriate estimate of fair value and the uncertainty within the external operating environment, the Directors considered it prudent to value the investment at \$nil as at 30 June 2021. The Directors have considered whether any further reliable information is available as at 30 June 2023 to indicate that the value as at that date should be adjusted. On the basis that no additional reliable information is available to determine an appropriate estimate of fair value, the Directors consider it prudent to continue to value the investment at \$nil.

*Level 3 assets and liabilities*

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	<b>Investment in Brontech \$</b>	<b>Investment in NCX \$</b>	<b>Total \$</b>
Balance at 1 July 2021	933,240	-	933,240
fair value movement recognised in OCI	<u>(466,620)</u>	<u>-</u>	<u>(466,620)</u>
Balance at 30 June 2022	466,620	-	466,620
fair value movement recognised in OCI	<u>(466,620)</u>	<u>-</u>	<u>(466,620)</u>
Balance at 30 June 2023	<u>-</u>	<u>-</u>	<u>-</u>

*Accounting policy for fair value measurement*

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

**Note 23. Fair value measurement (continued)**

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

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

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

**Note 24. Related party transactions**

*Subsidiaries*

Interests in subsidiaries are set out in note 26.

*Associates*

Interests in associates are set out in note 27.

*KMP*

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

**Note 24. Related party transactions (continued)**

*Purchases and Services by KMP*

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

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

The following transactions occurred with related parties and has been disclosed in the remuneration report:

Entity	Nature of transaction	KMP	Total Expense 30 June 2023	Total Expense 30 June 2022	Payable Balance 30 June 2023	Payable Balance 30 June 2022
Gotham Corporate Pty Ltd	Managing Director fee and Executive fee	Joseph van den Elsen	114,000	180,000	-	-
Gotham Corporate Pty Ltd	Consulting fee	Joseph van den Elsen	61,200	-	67,320	-
Cardona Energy	Non-Executive Director fee	Emmanuel Correia	18,933	40,000	-	4,400
Fusion WA Pty Ltd	Non-Executive Director fee	Andrew law	48,000	10,000	4,400	4,400
The Ciganek Family Trust	Non-Executive Director fee	John Ciganek	48,000	40,000	4,400	4,400

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

*Share-based payments*

Refer to note 20 Share Based Payments for details of equity transactions with related parties.

**Note 25. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	30 June 2023 \$	30 June 2022 \$
(Loss) after income tax	(2,496,919)	(1,022,458)
Total comprehensive (loss)	(2,496,919)	(1,022,458)

**Note 25. Parent entity information (continued)**

*Statement of financial position*

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
Total current assets	4,082,987	5,281,470
Total assets	4,083,406	6,751,397
Total current liabilities	276,434	84,710
Total liabilities	276,434	91,048
Equity		
Issued capital	34,724,514	34,724,514
Financial assets at fair value through OCI reserve	(1,203,937)	(737,317)
Share-based payments reserve	495,864	386,054
Options reserve	350	-
Accumulated losses	(30,209,819)	(27,712,902)
Total equity	<u>3,806,972</u>	<u>6,660,349</u>

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

*Contingent liabilities*

The Company is in a dispute with the other shareholders of Valhalla (the joint venture entity in relation to the Boulbi Project). The other shareholders assert that the Company is in breach of its obligations to sole fund the Boulbi Project pursuant to the terms of the Boulbi Earn-in Agreement. The Company considers the basis of these claims to be without merit and the formal dispute resolution procedure under the Boulbi Earn-in Agreement has been invoked. The dispute has not been resolved, however, based on the information available to the Company, a contingent liability of \$75,000 has been recognised within other liabilities at 30 June 2023 for the expected costs of settlement of the dispute. If the dispute remains unresolved, then the dispute could be referred to arbitration in Perth, Western Australia for final determination.

*Capital commitments*

The parent entity had no capital commitments as at 30 June 2023 and 30 June 2022.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2.

**Note 26. Interests in subsidiaries**

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

**Note 26. Interests in subsidiaries (continued)**

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2023 %	30 June 2022 %
Cameroon Cobalt Pty Ltd	Republic of Cameroon, Africa	100.00%	100.00%

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

Name	Principal place of business / Country of incorporation	Principal activities	Non-controlling interest			
			Ownership interest 30 June 2023 %	Ownership interest 30 June 2022 %	Ownership interest 30 June 2023 %	Ownership interest 30 June 2022 %
Valhalla Minerals Limited	Republic of Senegal, Africa	Mining and exploration	-	57.00%	-	43.00%
Sahel Minerals SARL	Republic of Senegal, Africa	Mining and exploration	-	51.00%	-	49.00%

During the year, the Group was not able to satisfy the minimum expenditure requirement of at least US\$750,000 on the Boulbi Project within 24 months post re-admission to the ASX and also commence a 5,000-metre drilling campaign within 12 months of the Joint Venture Agreement commencement date (9 July 2021).

Under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Limited, the Group's interest in the Boulbi Project has therefore diluted from its current 51%, to 49%. As a consequence, management has determined that the Group no longer controls the Boulbi Project and has deconsolidated it for accounting purposes as at that date.

Having concluded that the 49% ownership interest in the Boulbi Project did not provide the Group with control, the Directors assessed the Group retains significant influence over the Boulbi Project. The Directors assessed that the Group does have significant influence by virtue of its 49% interest in the Boulbi Project and hence has accounted for its interest in Valhalla Minerals Limited as an associate from 19 December 2022.

**Note 27. Interests in associates**

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

*Summarised financial information*

	<b>30 June 2023</b>
	<b>\$</b>
<i>Summarised statement of profit or loss and other comprehensive income</i>	_____
(Loss) after income tax from discontinued operations	_____(6,904)
Other comprehensive income	_____ -
Total comprehensive (loss)	_____ <u><u>(6,904)</u></u>
<i>Reconciliation of the Group's carrying amount</i>	
Opening carrying amount	_____ 1
Closing carrying amount	_____ <u><u>1</u></u>

**Note 28. Dividends**

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

**Note 29. Contingent liabilities**

The Group is in a dispute with the other shareholders of Valhalla (the joint venture entity in relation to the Boulbi Project). The other shareholders assert that the Company is in breach of its obligations to sole fund the Boulbi Project pursuant to the terms of the Boulbi Earn-in Agreement. The Company considers the basis of these claims to be without merit and the formal dispute resolution procedure under the Boulbi Earn-in Agreement has been invoked. The dispute has not been resolved, however, based on the information available to the Group, a contingent liability of \$75,000 has been recognised within other liabilities at 30 June 2023 for the expected costs of settlement of the dispute. If the dispute remains unresolved, then the dispute could be referred to arbitration in Perth, Western Australia for final determination.

There are no contingent liabilities at the end of the reporting period (30 June 2022: nil)

**Note 30. Commitments**

The Group has no commitments as both the exploration projects have been diluted during the financial year.

**Note 31. Events after the reporting period**

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

On 18 August 2023, the ASX has granted the Company a waiver from Listing Rule 14.7 to permit the Company to issue the securities under the Public Offer and acquisition of First Lithium Pty Ltd no later than 4 September 2023.

**Note 31. Events after the reporting period (continued)**

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

On the same day, the new Board and Company Secretary were appointed while Mr. Andrew Law remains on the Board as Non-Executive Director.

On 19 September 2023, the Company's name has officially changed with Australian Securities and Investment Commission (ASIC) and will be changed on the official Australian Securities Exchange (ASX) list upon the Company's re-quotations.

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

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

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards (including the Australian Accounting interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Lee Christensen', written over a horizontal line.

Lee Christensen  
Non-Executive Chairman

29 September 2023

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
FIRST LITHIUM LIMITED (FORMERLY KNOWN AS OOKAMI LIMITED)**

**Report on the Audit of the Financial Report**

*Opinion*

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

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
FIRST LITHIUM LIMITED (FORMERLY KNOWN AS OOKAMI LIMITED)**

*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.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Accounting for Financial Investment in Brontech Pty Ltd and National Currency eXchange Group Ltd ("Investees").</b></p> <p>Refer to Note 13 and 23 to the financial report.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the design and implementation of the relevant process and controls associated with determining the appropriate accounting treatment and the valuation of the Group's financial investment in the investees in accordance with AASB 9.</p> <p>Reviewing and challenging judgements and estimates adopted in the valuation methodology applied to determine fair value of the investees in accordance with AASB 13 in the financial report as at 30 June 2023.</p> <p>Agreeing the existence and number of shares held in the investees as at 30 June 2023 to the share certificates.</p> <p>Evaluated the methodology for determining the valuation of the investment in the investees and corroborating assumptions made in management's assessment of fair value to supporting documentation.</p> <p>Corroborating unobservable inputs to ensure they are consistent with the overall trends within the market segment in which the Group's financial asset operates.</p> <p>Assessing the adequacy of disclosures in the financial report, in accordance with AASB 7 Financial Instruments: Disclosures</p>

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
FIRST LITHIUM LIMITED (FORMERLY KNOWN AS OOKAMI LIMITED)**

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**Discontinued Operations**

Refer to Note 21 to the financial report.

During the year, the Group noted it would not meet the minimum expenditure requirements originally contemplated under the Earn-in and Joint Venture Agreement associated with the Boulbi Project area of interest.

On 19 December 2022, the Group resigned as the Project Manager for the Boulbi Project.

As a result of the failure to meet the minimum expenditure requirements to earn a 70% interest in the Boulbi Project, the Group's ownership interest was contractually diluted from 51%, to 49%.

The Group has therefore assessed that it no longer controlled the Boulbi Project and deconsolidated it for accounting purposes. As at that date, the Group also determined that the Boulbi Project was no longer core to its activities and effectively ceased (discontinued) operations.

On 19 December 2022, the Group advised shareholders that it would discontinue its 100% interest in the Messok East Project, by not seeking to renew the granted permit when it stands for renewal in April 2023. As at that date, the Group has determined that the Messok East Project was no longer core to its activities and effectively ceased (discontinued) operations.

We considered this to be a key audit matter due to the number of judgements required in determining the valuation of the assets associated with the disposal group, the significance of the transaction to the Group and the nature of disclosures required in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the design and implementation of the relevant process and controls associated with determining the appropriate accounting treatment for the discontinued operations identified during the year.

Reading the relevant agreements to understand the structure and key terms, and using this information to evaluate the accounting treatment and conclusion reached by the Group in comparison to Australian Accounting Standards to determine that the Boulbi Project is a discontinued operation.

Reviewed the Group's provided assessment that the Messok East Project should be presented as discontinued operations as at 30 June 2023 in accordance with the requirements of Australian Accounting Standards.

Checking the mathematical accuracy of the calculations performed for discontinued operations.

Assessing the likelihood of recovery of any assets held for sale recognised as a result of the discontinued operations.

Assessing the adequacy of the Group's Discontinued Operations disclosures in the financial report as outlined under Note 21.

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**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 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**

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
FIRST LITHIUM LIMITED (FORMERLY KNOWN AS OOKAMI LIMITED)**

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

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
FIRST LITHIUM LIMITED (FORMERLY KNOWN AS OOKAMI LIMITED)**

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

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

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

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 16 to 24 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of First Lithium Limited (formerly known as Ookami Limited), for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO  
Executive Director  
Perth, 29 September 2023

Additional information required by the Australia Securities Exchange Ltd ('ASX') and not shown elsewhere in this report is as follows. The information is current as at 28 September 2023.

**(a) Distribution of Shareholders**

<b>Holding Ranges</b>	<b>Holders</b>	<b>Total Units</b>	<b>% Issued Share Capital</b>
above 0 up to and including 1,000	134	28,444	0.03%
above 1,000 up to and including 5,000	213	625,026	0.63%
above 5,000 up to and including 10,000	432	4,158,584	4.20%
above 10,000 up to and including 100,000	294	11,861,794	11.97%
above 100,000	137	82,397,819	83.17%
<b>Totals</b>	<b>1,210</b>	<b>99,071,667</b>	<b>100.00%</b>

The number of shareholders with an unmarketable parcel of shares is 238, with a total of 244,865 shares, amounting to 0.25% of Issued Capital.

**Distribution of Option holders (ASX:FL10B)**

<b>Holding Ranges</b>	<b>Holders</b>	<b>Total Units</b>	<b>% Issued Share Capital</b>
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	5	47,777	0.80%
above 10,000 up to and including 100,000	66	2,201,020	36.68%
above 100,000	6	3,751,203	62.52%
<b>Totals</b>	<b>77</b>	<b>6,000,000</b>	<b>100.00%</b>

The number of shareholders with an unmarketable parcel of shares is 0, with a total of 0 shares, amounting to 0.00% of Issued Capital.

**(b) Top 20 Shareholders**

	Shareholder	Number of Shares	%
1	INTERMIN MINES CORPORATION	27,500,000	27.76%
2	INYATI FUND PTY LTD	2,750,000	2.78%
3	EFFICIENT ENERGY AUSTRALIA LIMITED	2,575,000	2.60%
4	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	2,353,856	2.38%
5	SREENADHA REDDY VEDICHERLA	1,500,000	1.51%
5	MOHAN REDDY ANNAPUREDDY	1,500,000	1.51%
6	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	1,412,408	1.43%
7	ROBERT LESLIE NELSON & CORAL CHANTRY	1,400,000	1.41%
8	MR ROBERT LESLIE NELSON & MRS CORAL CHANTRY	1,250,000	1.26%
9	BLUE COASTERS PTY LTD	1,200,000	1.21%
10	BENEFICO PTY LTD	1,000,000	1.01%
10	BORG GEOSCIENCE PTY LTD	1,000,000	1.01%
10	MICHAEL JOHN DAVY	1,000,000	1.01%
11	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	925,000	0.93%
12	WELLSTAR HOLDINGS PTY LTD <WELLSTAR SF A/C>	918,334	0.93%
13	AH SUPER PTY LTD <THE AH SUPER FUND NO 3 A/C>	827,063	0.83%
14	GODIN CORP PTY LTD <SEVEN A/C>	752,778	0.76%
15	VERT NOMINEES (WA) PTY LTD <NOMINEES A/C>	700,000	0.71%
16	FREMANTLE ENTERPRISES PTY LTD <GALLAGHER FAMILY A/C>	698,854	0.71%
17	TEN BRICKS PTY LTD	678,333	0.68%
18	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	675,000	0.68%
19	SUNSET TIDAL PTY LTD <SUNSET TIDAL INVESTMENT A/C>	666,667	0.67%
20	ASHBURTON RESOURCES PTY LTD	658,333	0.66%
	<b>Total</b>	<b>53,941,626</b>	<b>54.45%</b>
	<b>Total issued capital - selected security class(es)</b>	<b>99,071,667</b>	<b>100.00%</b>

**Top 20 Option Holders (ASX:FL10B)**

	Shareholder	Number of Shares	%
1	INYATI FUND PTY LTD	2,166,667	36.11%
2	TELLARO PTY LTD <TELLARO A/C>	570,000	9.50%
3	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	458,333	7.64%

4	CPS CAPITAL NO 5 PTY LTD	300,000	5.00%
5	GOFFACAN PTY LTD <KMM FAMILY A/C>	147,870	2.46%
6	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	108,333	1.81%
7	WESTBELLE PTY LTD <THE STATION A/C>	92,593	1.54%
7	GODIN CORP PTY LTD <SEVEN A/C>	92,593	1.54%
7	OKAWARI CONSORTIUM PTY LTD <THE OKA T A/C>	92,593	1.54%
8	GLOBAL CONSORTIUM HOLDINGS PTY LTD <FTW HOLDINGS A/C>	92,592	1.54%
8	GOLDEN DAWN LIMITED	92,592	1.54%
9	HUNTERLAND HJDN PTY LTD	76,667	1.28%
9	THE 5TH ELEMENT MCTN PTY LTD	76,667	1.28%
9	QUATTRO STAGIONE PTY LTD	76,667	1.28%
9	FREYABEAR FHMN PTY LTD	76,667	1.28%
9	HONEYBEE ANHM PTY LTD	76,667	1.28%
10	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	58,333	0.97%
11	KOJIN PTY LTD	55,556	0.93%
11	SUNSET TIDAL PTY LTD <SUNSET TIDAL INVESTMENT A/C>	55,556	0.93%
12	DAVY CORP PTY LTD <DAVY INVESTMENT A/C>	46,296	0.77%
13	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	42,593	0.71%
14	MRS VALERIA MARTINEZ VIADEMONTTE	37,037	0.62%
14	KALCON INVESTMENTS PTY LTD	37,037	0.62%
15	FLAVOCADO PTY LTD	33,333	0.56%
15	HYVA PTY LTD	33,333	0.56%
15	KHE SANH PTY LTD <TRADING NO 1 A/C>	33,333	0.56%
15	VELVET HEART PTY LTD	33,333	0.56%
15	ACACIA EQUITIES PTY LTD	33,333	0.56%
15	WOLF LIKE ME PTY LTD	33,333	0.56%
16	MRS GABRIELLE ANNE GROVES	30,000	0.50%
16	VENTURE NINE PTY LTD	30,000	0.50%
16	MRS KATHLEEN MARY NEESHAM	30,000	0.50%
16	RENEWABLE HSE PTY LTD <HOADY FAMILY A/C>	30,000	0.50%
16	MRS EDILCE RIBEIRO BRAGA	30,000	0.50%
16	MRS NATALIE ELLEN NEESHAM	30,000	0.50%
17	ROWAN HALL PTY LTD <ROWAN HALL INVESTMENT A/C>	27,778	0.46%
17	MR SCOTT ROBERT WEIR <THE S R INVESTMENT A/C>	27,778	0.46%
18	FLUE HOLDINGS PTY LTD	25,000	0.42%
18	MR SCOTT DEAKIN <DEAKIN FAMILY A/C>	25,000	0.42%
18	MR THOMAS FRANCIS CORR	25,000	0.42%

19	MR NATHAN CARATTI	23,426	0.39%
20	MS YVONNE ANNE NICHOLAS	23,148	0.39%
20	ARMS CAPITAL PTY LTD	23,148	0.39%
	<b>Total</b>	<b>5,510,185</b>	<b>91.84%</b>
	<b>Total issued capital - selected security class(es)</b>	<b>6,000,000</b>	<b>100.00%</b>

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

	Shareholder	Number of Shares	%
1	INTERMIN MINES CORPORATION	27,500,000	27.76%

**(d) Voting Rights**

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

Ordinary shares:

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

**(e) Restricted Securities**

The Company has the following restricted securities on issue as at 28 September 2023:

- 29,020,000 fully paid ordinary shares - restricted to 28 September 2025
- 1,800,000 options exercisable at \$0.40 on or before 28 September 2027 – restricted to 28 September 2025
- 27,500,000 options exercisable at \$0.30 on or before 4 September 2026 – restricted to 28 September 2025
- 15,000,000 performance shares – restricted to 28 September 2025; and
- 3,000,000 options exercisable at \$0.30 on or before 4 September 2026 - restricted to 4 September 2024

**(f) Unquoted Securities**

The Company has the following unquoted securities on issue as at 28 September 2023:

Options	Number	Expiry Date	Exercise Price
Unlisted options	1,800,000	28 September 2027	\$0.40
Unlisted options	27,500,000	4 September 2026	\$0.30
Unlisted options	3,000,000	4 September 2026	\$0.30
Unlisted options	1,500,000	8 July 2024	\$0.30
Performance rights	15,000,000		
<b>Total</b>	<b>48,800,000</b>		

**(g) On-Market Buy Back**

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