# First Lithium Limited

**ABN 67 009 081 770**

## Condensed Consolidated Interim Financial Report
## For the half-year ended 31 December 2023

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

## General information

This report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, finance position and financing and investing activities of First Lithium Limited as the full financial report. Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2023. It is also recommended that this financial report be considered together with any public announcement made by First Lithium Limited during the half-year ended 31 December 2023, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*, including its quarterly reports lodged with the Australian Securities Exchange.

The Directors' present their report, together with the condensed financial report of the consolidated entity consisting of First Lithium Limited (**the Company**) and it's controlled entities (**the Group**) for the half-year ended 31 December 2023 and independent review 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** | **Position** |
|---|---|
| Lee Christensen | Non-Executive Chairman (appointed 4 September 2023) |
| Venkatesh Padala | Managing Director and Chief Executive Officer (appointed 4 September 2023) |
| Jason Ferris | Non-Executive Director (appointed 4 September 2023) |
| Andrew Law | Non-Executive Director |
| John Ciganek | Non-Executive Chairman (resigned 4 September 2023) |
| Joseph van den Elsen | Non-Executive Director (resigned 4 September 2023 |

## 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 half-year ended 31 December 2023, the principal activities of the Group are completing acquisition and progressing exploration of the two lithium mineral bearing permits, Faraba and Gouna at Mali (the "Mali Lithium Project").

## Review of Operations

### Results of Operations

The net loss after tax for the half-year ended 31 December 2023 attributable to the Group was $9,417,312 (2022: $157,804). As at 31 December 2023 the Group's cash and cash equivalents stood at $3,546,130 (30 June 2023: $188,420). The Group also had capitalised exploration, evaluation and development expenditure of $1,591,619 (30 June 2023: nil).

### Projects

**Blakala Exploration Program Commenced**

The Group commenced its maiden exploration program post listing on the ASX, in late October 2023, which included 6,000m of planned diamond drilling to delineate the already identified spodumene bearing pegmatites highlighting substantive surface expressions. The program followed previous trenching and also included channel sampling ahead of the drilling program to identify prospective drill targets as part of the program.

**Faraba Exploration Program Commenced**

In addition to the drilling at Blakala, the Group also commenced a drilling program for an additional 2,000m of drilling at the Company's 2nd prospect Faraba. The program commenced in November 2023 and was intended to follow previous trenching and further examine and define the lithium-spodumene bearing pegmatites which were identified in the previous confirmatory drilling program.

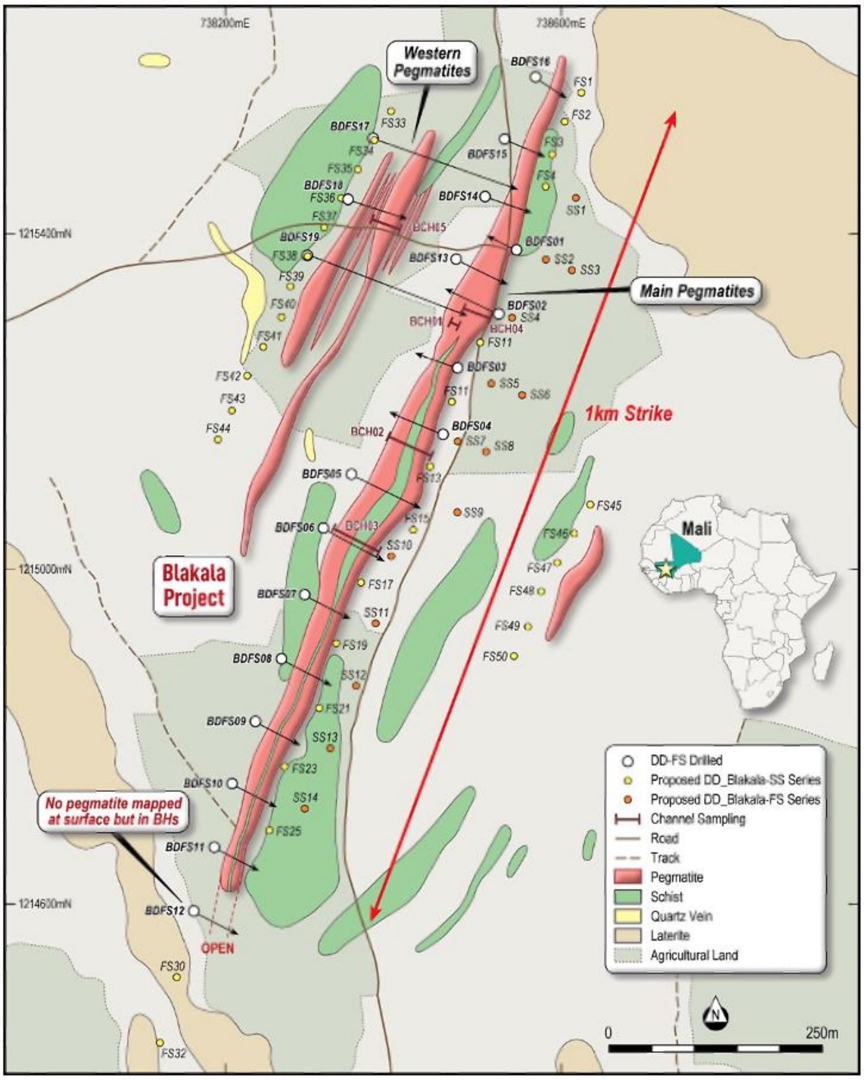


***Figure 1:*** *Locality of completed diamond drillholes (BDFS01 to BDFS19) at the Blakala prospect, location of pegmatite outcrop Channels (BCH01 to BCH05)*

**Drilling Results Identify Continuous Pegmatite Intercepts**

The first diamond drillhole results confirmed one thick pegmatite of 112.8m was intercepted in BDFS02, with significant spodumene mineralisation seen throughout. Further announcements followed throughout November, confirming additional significant mineralised intersections, increasing the total mineralised strike to over 646m from the first 1,560m drilled. A further five thick pegmatites were intersected as announced on 8 December 2023 identifying between 34.47m and 89.46m, including an extension through the stacked West zone pegmatite which intercepted the main Blakala pegmatite demonstrating continuation of the main pegmatite which remained open at depth. The total mineralised strike grew to over 1,000m of mineralised strike at Blakala.

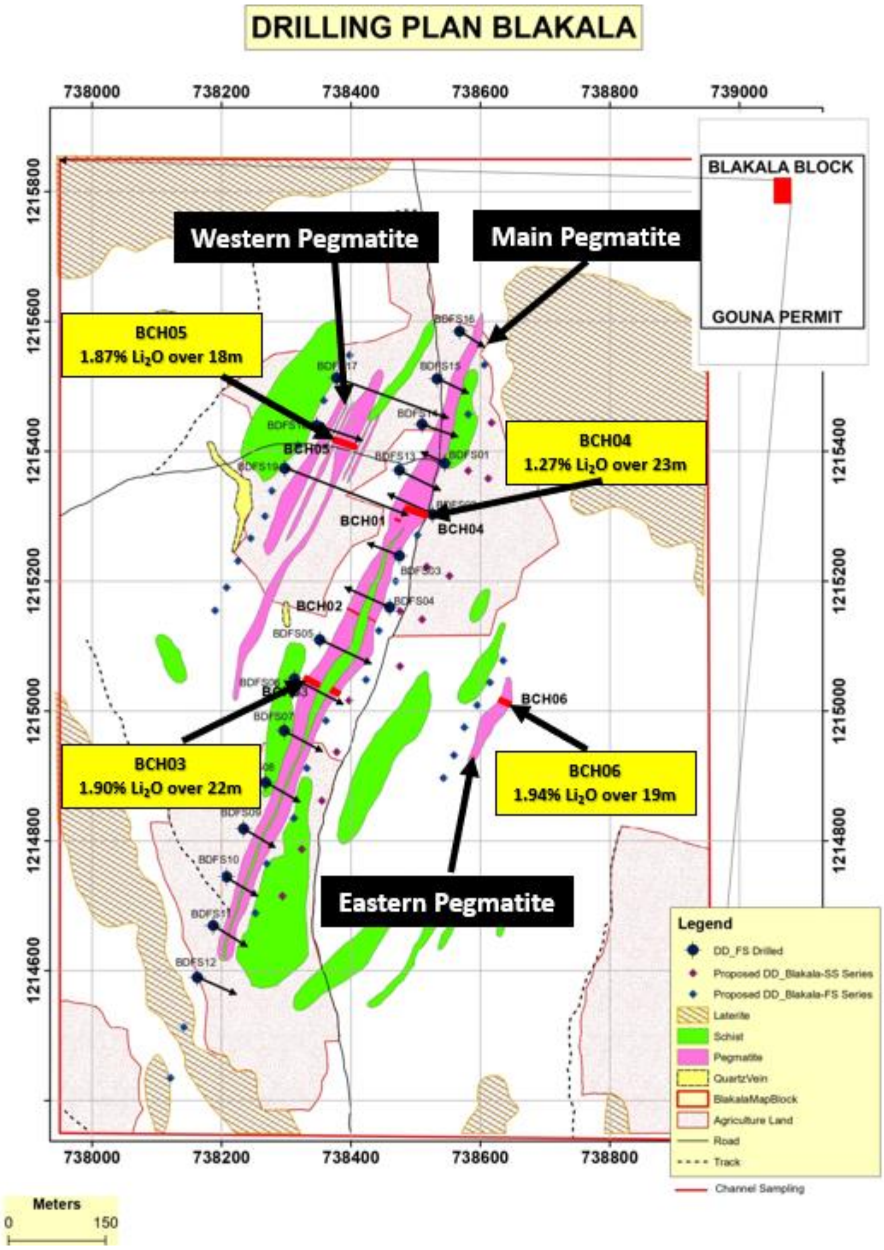


***Figure 2:*** *High Grade outcrop samples in the Western, Eastern and Main pegmatites at Blakala*

**High Grade Outcrop samples identified**

During December 2023, analytical results showed positive outcrop channel results with 12 out of the 35 individual crop channel samples returning >2.00% $Li_2O$ with the highest sample of 2.56% over 1.00m in BCH02 West. Further channel sampling results were announced on the 28 December 2023. Almost 1/3$^{rd}$ of samples assessed returned 2%+ $Li_2O$. The high $Li_2O$ analytical results from outcrop in the Eastern and Western pegmatites identify these as additional high grade spodumene mineralised and mapped targets, with diamond drilling to follow.

**Assay results confirm discovery**

Assay results announced on 20 December 2023 for the first three diamond holes drilled validate the visual estimates of spodumene percentages in the core samples. Results included 111.0m intersection @ 1.56% from 33m in hole BDFS02, and including a 10m intersection @ 3.39% $Li_2O$, as well as a 60.00m intersection @ 1.59% $Li_2O$ from 39m in hole BDFS03 including a 38.0m intersection @ 1.76% $Li_2O$ from 51m. The second diamond drilling rig was relocated from Faraba to Blakala with the aim of rapidly advancing the Blakala discovery to a JORC compliant mineral resource in 2024.

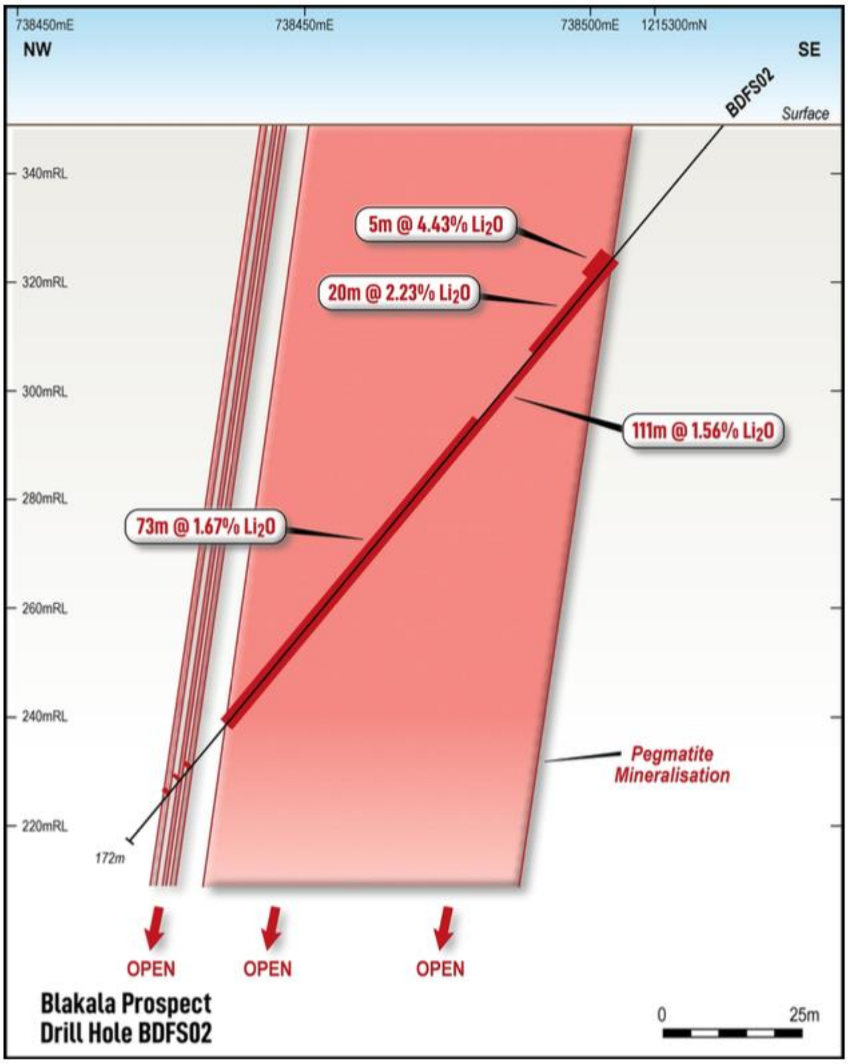


***Figure 3 :** Assay results showing 111m intercept @ 1.56% Li2O in hole BDFS02*

**Permit renewal applications lodged**

Permits for both Faraba and Blakala are due for renewal in 2024. Both renewal applications were lodged within the required timeframes and were acknowledged as received by the Mali Mines Department. Renewals are expected to be granted on or before the due date and our local team in Mali is managing the process with the Mali government.

**Corporate**

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

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

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

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

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

On 13 February 2024, the Company obtained shareholders’ approval for issuing 5,000,000 Options to the directors of the Group under the Employee Share Option Plan.

There were no other matter or circumstance that has arisen since 31 December 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.

### 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 financial report have been rounded to the nearest dollar.

### Auditor’s Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, the Directors have obtained a declaration of independence from Pitcher Partners, the entity’s auditors, as presented on page 8 of this half-year’s condensed consolidated financial report.

This report is signed in accordance with a resolution of Directors, pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors

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Lee Christensen
Non-Executive Chairman

15 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION**
**TO THE DIRECTORS OF FIRST LITHIUM LIMITED AND ITS CONTROLLED ENTITIES**

In relation to the independent auditor's review for the half-year ended 31 December 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 and the entities it controlled during the period.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MICHAEL LIPRINO
Executive Director
Perth, 15 March 2024

| | Note | Half-year 31 December 2023 $ | Half-year 31 December 2022 $ |
|---|---|---|---|
| **Revenue** | | | |
| Interest income | | 16,121 | 560 |
| Other income | | 651 | - |
| **Expenses** | | | |
| Employee expenses | | 111,549 | - |
| Share-based payment expenses | 9 | 322,222 | - |
| Director fees | | 158,804 | - |
| Insurance expense | | 15,151 | - |
| Travel expenses | | 75,157 | - |
| Depreciation | | 278 | - |
| General and administration | 4 | 138,416 | 448 |
| Professional fees | | 282,353 | 207,967 |
| Compliance and regulatory costs | | 23,691 | - |
| Corporate restructuring expense | 2 | 8,306,463 | - |
| **Loss before income tax expense from continuing operations** | | (9,417,312) | (207,855) |
| Income tax benefit | | - | 50,051 |
| Loss after income tax expense from continuing operations | | (9,417,312) | (157,804) |
| **Loss after income tax expense for the year** | | (9,417,312) | (157,804) |
| **Other comprehensive income** | | | |
| *Items that may not be reclassified subsequently to profit or loss* | | | |
| Foreign currency translation | | 43,656 | - |
| Other comprehensive income for the half-year, net of tax | | 43,656 | - |
| **Total comprehensive loss for the half-year** | | (9,373,656) | (157,804) |
| | | **Cents** | **Cents** |
| Basic loss/earnings per share | | (13.44) | (2.58) |
| Diluted loss/earnings per share | | (13.44) | (2.58) |

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

| | Note | 31 December 2023 $ | 30 June 2023 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 3,546,130 | 188,420 |
| Trade and other receivables | | 75,316 | - |
| Other assets | | 34,273 | - |
| Total current assets | | 3,655,719 | 188,420 |
| **Non-current assets** | | | |
| Investment in associate | | 1 | - |
| Other financial asset | | - | 250,000 |
| Exploration and evaluation assets | 5 | 1,591,619 | - |
| Total non-current assets | | 1,591,620 | 250,000 |
| **Total assets** | | 5,247,339 | 438,420 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 6 | 770,644 | 81,598 |
| Total current liabilities | | 770,644 | - |
| **Total liabilities** | | 770,644 | 81,598 |
| **Net assets** | | 4,476,695 | 356,822 |
| **Equity** | | | |
| Issued capital | 7 | 10,950,786 | 591,501 |
| Reserves | 8 | 3,177,900 | - |
| Accumulated losses | | (9,651,991) | (254,679) |
| **Total equity** | | 4,476,695 | 356,822 |

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

| | Issued capital $ | Share based payment reserves $ | Translation reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2022** | 1 | - | - | (26,491) | (26,490) |
| Loss after income tax expense for the year | - | - | - | (157,804) | (157,804) |
| Other comprehensive loss for the year, net of tax | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | (157,804) | (157,804) |
| Shares issued | 630,000 | - | - | - | 630,000 |
| Share issue costs | (38,500) | - | - | - | (38,500) |
| **Balance at 31 December 2022** | 591,501 | - | - | (184,295) | 407,206 |

| | Issued capital $ | Share based payment reserves $ | Translation reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2023** | 591,501 | - | - | (234,679) | 356,822 |
| Loss after income tax expense for the year | - | - | - | (9,417,312) | (9,417,312) |
| Exchange differences on translation of foreign operations | - | - | 43,656 | - | 43,656 |
| Total comprehensive loss for the year | - | - | 43,656 | (9,417,312) | (9,373,656) |
| Shares issued | 10,725,000 | - | - | - | 10,725,000 |
| Share issue costs | (365,715) | | | | (365,715) |
| Share based payment (Note 8) | | 3,134,244 | - | - | 3,134,244 |
| **Balance at 31 December 2023** | 10,950,786 | 3,134,244 | 43,656 | (9,651,991) | 4,476,695 |

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

| | Note | Half-year 31 December 2023 $ | Half-year 31 December 2022 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees | | (482,052) | (47,835) |
| Interest received | | 16,122 | 560 |
| Net cash used in operating activities | | (465,930) | (47,275) |
| **Cash flows from investing activities** | | | |
| Purchase of investments | | - | (250,000) |
| Cash acquired from acquired entity | 2 | 3,546,426 | - |
| Payments for exploration and evaluation expenditure | | (1,591,619) | - |
| Net cash from/ (used) in investing activities | | 1,954,807 | (250,000) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | 2,000,000 | 502,000 |
| Share or options issue transaction costs | | (131,167) | (38,500) |
| Net cash from financing activities | | 1,868,833 | 463,500 |
| Net increase in cash and cash equivalents | | 3,357,710 | 166,225 |
| Cash and cash equivalents at the beginning of the financial year | | 188,420 | 93,157 |
| Cash and cash equivalents at the end of the financial year | | 3,546,130 | 259,382 |

## Note 1. Corporate Information

This condensed consolidated financial report of First Lithium Limited (the "Company" or "FL1") and its subsidiaries (the "Group") for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 15 March 2024.

First Lithium Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

## Note 2. Material accounting policy information

This condensed consolidated half- year financial report does not include the full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this condensed consolidated half-year financial report is read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Group during and since the end of the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

### Basis of preparation

The condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The condensed consolidated half-year financial report has been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of certain financial assets.

The condensed consolidated half- year financial report has been prepared using the same accounting policies and methods of computation as disclosed in the Company's annual financial report for the financial year ended 30 June 2023 except for the policies surrounding the reverse acquisition which are detailed further in this note to the condensed consolidated half-year financial report.

### 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.

### Accounting standards issued but not yet effective

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

### Going Concern

The condensed consolidated half- year financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the period ended 31 December 2023 of $9,417,312 (2022: $157,804) and experienced net cash outflows from operating activities of $465,930 (2022: $47,275). As at 31 December 2023, the Group had net current assets of $2,885,075 (30 June 2023: $106,822).

The Group's cash flow forecast through to 31 March 2025, reflects that the Group has sufficient working capital to enable it to meet its working capital commitments. It is likely that the Group will be required to raise additional working capital within this timeframe to enable it to pursue its ongoing exploration and evaluation objectives and meet exploration and operational expenditure commitments over this period

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

## Note 2. Material accounting policy information (continued)

### Going Concern (continued)

However, if the Group is unable to obtain additional funding, there is a material uncertainty that may cause significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

### Reverse Acquisition

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

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

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

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

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

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

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

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

**Note 2. Material accounting policy information (continued)**

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

| Financial statements /Reporting section | Current period ended or as at 31 December 2023 | Comparative statement |
|---|---|---|
| Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | Comprises of transactions of:<br>• 6 months of FLPL<br>• from 4 September 2023 for FL1<br>• from 4 September 2023 for the Intermin Group | Comprises of 6 months of FLPL ended 31 December 2022 |
| Condensed Consolidated Statement of Financial Position | Represents the combination of FLPL, FL1 and the Intermin Group | Represent the position of FLPL as at 30 June 2023 |
| Condensed Consolidated Statement of Changes in Equity | Comprises of:<br>• FLPL's opening balance at 1 July 2023<br>• FLPL's total comprehensive income for the half-year and transitions with equity holders for the 6 months<br>• FLPL's transactions with equity holders from 4 September 2023<br>• the equity balance of the combined FLPL, FL1 and the Intermin Group as at 31 December 2023 | Comprises of 6 months of FLPL ended 31 December 2022 |
| Condensed Consolidated Statement of Cash Flows | Comprises of:<br>• FLPL at 1 July 2023<br>• transactions for the 6 months of FLPL<br>• transactions from 4 September for FL1<br>• transactions from 4 September for the Intermin Group<br>• Combined cash balance of FLPL, FL1 and the Intermin Group at 31 December 2023 | Comprises of 6 months of FLPL ended 31 December 2022 |

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

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

| | 3 September 2023<br>$ |
|---|---|
| Cash and cash equivalents | 3,546,426 |
| Trade and other receivables | 34,346 |
| Other assets | 96,057 |
| Investment in associate | 1 |
| Property, plant and equipment | 278 |
| Trade and other payables | (248,458) |
| Borrowing | (110,805) |
| Net assets/(liabilities) of acquired (the Company, Intermin and its subsidiary) | 3,317,846 |

**Note 2. Material accounting policy information (continued)**

| | 3 September 2023<br>$ |
|---|---|
| Fair value of consideration Shares | 8,725,000 |
| Fair value of consideration Options | 2,649,309 |
| Cash consideration - previously paid to acquire 10% of Intermin Group | 250,000 |
| Less: total net assets acquired on acquisition | (3,317,846) |
| Amount recognised as corporate restructuring expense upon acquisition | 8,306,463 |

**Note 3. 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 Mali. 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 4. General and administration**

| | **31 December 2023<br>$** | **31 December 2022<br>$** |
|---|---|---|
| Advertising and marketing | 28,262 | - |
| Car rental | 35,224 | - |
| Fines and penalties | 37,858 | - |
| Other general and administration costs | 37,072 | 448 |
| | 138,416 | 448 |

(1) $94,367 general and administration expense was incurred by Intermin SARL which was acquired by the Group on 4 September 2023.

## Note 5. Exploration and evaluation assets

| | 31 December 2023 $ | 31 December 2022 $ |
|---|---|---|
| Balance at beginning of period | | |
| Expenditure incurred | 1,591,619 | - |
| Balance at end of period | 1,591,619 | - |

*Accounting policy for exploration and evaluation assets*

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

## Note 6. Trade and other payables

| | 31 December 2023 $ | 30 June 2023 $ |
|---|---|---|
| *Current liabilities* | | |
| Trade payables | 581,763 | |
| Other payables and accruals | 188,881 | 81,598 |
| | 770,644 | 81,598 |

The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 7. Issued capital

| | 31 December 2023 No. | 31 December 2023 $ | 31 December 2022 No. | 31 December 2022 $ |
|---|---|---|---|---|
| Balance at beginning of period | 16,125,000 | 591,501 | 1 | 1 |
| Shares in FLPL issued to acquire Intermin Group | 27,500,000 | - | 16,125,000 | 630,000 |
| Elimination of FLPL share capital | (43,625,001) | - | - | - |
| Existing issued capital of FL1 | 45,446,667 | - | - | - |
| Shares issued to acquire FLPL and Intermin Group [1] | 43,625,000 | 8,725,000 | - | - |
| Shares issued through public offer[2] | 10,000,000 | 2,000,000 | - | - |
| Share issue costs | - | (365,715) | - | (38,500) |
| **Balance at end of period** | **99,071,467** | **10,950,786** | **16,125,001** | **591,501** |

(1) Consideration Shares issued to shareholders of FLPL on 4 September 2023 at $0.20 per share.
(2) 10,000,000 shares in FL1 issued on 4 September 2023 at $0.20 per share.

## Note 8. Reserves

| | 31 December 2023 $ | 31 December 2022 $ |
|---|---|---|
| Foreign currency reserve | 43,656 | - |
| Share-based payments reserve | 3,134,244 | - |
| | **3,117,900** | **-** |

*Movements in reserves*

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

| | Share based payment reserve $ | Foreign currency translation reserve $ | Total $ |
|---|---|---|---|
| **Balance at 1 July 2023** | **-** | **-** | **-** |
| Options rights issued to acquire FLPL and Intermin Group | 2,649,309 | - | 2,649,309 |
| Broker Options | 162,713 | - | 162,713 |
| Share-based payment expense | 322,222 | - | 322,222 |
| Foreign currency translation difference | - | 43,656 | 43,656 |
| **Balance at 31 December 2023** | **3,134,244** | **43,656** | **3,117,900** |

## Note 9. Share-based payments

**Shares**

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

This share-based payment was recognised as corporate restructuring expense in the condensed consolidated statement of profit and loss.

**Options**

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

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

| **Consideration Options** | |
|---|---|
| Number of Options | 30,500,000 |
| Date of Grant | 4 September 2023 |
| Share Price at Grant Date | $0.200 |
| Volatility | 80% |
| Risk free rate | 3.02% |
| Life of the Options (Years) | 3 |
| Exercise Price | $0.300 |
| Valuation Per Consideration Option | $0.0869 |

A share-based payment expense of $2,649,309 were recognised as corporate restructuring expense in the condensed consolidated statement of profit and loss and other comprehensive income.

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

## Note 9. Share-based payments (continued)

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

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

| **Broker Options** | |
|---|---|
| Number of Options | 1,800,000 |
| Date of Grant | 4 September 2023 |
| Share Price at Grant Date | $0.200 |
| Volatility | 82% |
| Risk free rate | 3.02% |
| Life of the Options (Years) | 4 |
| Exercise Price | $0.400 |
| Valuation Per Broker Option | $0.0904 |

A share-based payment expense of $162,712 were recognised in the statement of profit and loss.

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

### Performance Shares

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

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

| **Performance Shares** | |
|---|---|
| Number of securities | 15,000,000 |
| Date of Grant | 4 September 2023 |
| Share Price at Grant Date | $0.200 |
| Volatility | 80% |
| Risk free rate | 3.02% |
| Life of the securities | 3 |
| Exercise Price | Nil |
| Valuation Per Performance Share | $0.200 |
| Vesting condition | The Company announcing a JORC 2012 compliant mineral resource estimate of Inferred level or greater on the Mali Lithium Project of at least:<br>(i) 10MT at a minimum cut off grade of 1.1% $Li_2O$ within 2 years of completion of the FLPL and FL1 transaction; or<br>(ii) 15MT at a minimum cut off grade of 1.1% $Li_2O$ within 3 years of completion of the FLPL and FL1 transaction. |

As at the date of issue, the Group determined that the achievement of the vesting conditions is uncertain and difficult to determine given information available at that time. As a result, no share-based payment was recorded in relation the Performance Shares given as Purchase Consideration for the Acquisition, representing the Group's best estimate of the Performance Shares that will eventually vest.

A share-based payment expense of $322,222 were subsequently recognised in the statement of profit and loss during the remaining reporting period ended 31 December 2023.

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

## Note 10. Fair value of financial instruments

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

### *Brontech*

In the absence of any other more reliable indicators of the fair value of the Groups investment in Brontech, and the potential range of results possible from applying generally accepted valuation techniques, the Directors concluded to fully impair the value of the investment as at 30 June 2023.

The Directors have considered whether any further reliable information is available as at 31 December 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.

### *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 31 December 2022 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 2022. The Directors have considered whether any further reliable information is available as at 31 December 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.

## Note 11. Related party transactions

*Purchases and Services by Key Management Personnel (KMP)*

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

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

## Note 11. Related party transactions (continued)

| Entity | Nature of transaction | KMP | Total Expense 31-Dec-2023 | Total Expense 31-Dec-2022 | Payable Balance 31-Dec-2023 | Payable Balance 31-Dec-2022 |
|---|---|---|---|---|---|---|
| Pooky Corporation Pty Ltd | Director fee | Lee Christensen | 30,000 | - | - | - |
| | Director fee | Venkatesh Padala | 75,000 | - | - | - |
| J2J Investments Pty Ltd | Director fee | Jason Ferris | 35,000 | - | - | - |
| J2J Investments Pty Ltd | Consulting fee | Jason Ferris | 17,100 | - | - | - |
| Fusion (WA) Pty Ltd | Director fee | Andrew Law | 28,000 | 24,000 | - | 4,400 |
| | Director fee | John Ciganek[1] | 8,000 | 24,000 | - | 4,400 |
| Gotham Corporate Pty Ltd | Director fee | Joseph van den Elsen[1] | 8,000 | 90,000 | - | - |
| Gotham Corporate Pty Ltd | Consulting fee | Joseph van den Elsen[1] | 81,600 | - | - | - |

[1] John and Joseph resigned 4 September 2023

*Subsidiaries*
All inter-company loans and receivables are eliminated on consolidation and are interest free with no set repayment terms.

*Transactions with related parties*
Other than noted above, there were no transactions with related parties during the current and previous half-year.

## Note 12. Contingent liabilities

There are no contingent liabilities at the end of the reporting period (31 December 2022: nil)

## Note 13. Commitments

The Group has an expenditure commitment of $979,630 (30 June 2023: nil) for the next 12-months period to sustain its current tenements at Mali.

## Note 14. Events after the reporting period

On 13 February 2024, the Company obtained shareholders' approval for issuing 5,000,000 Options to the directors of the Group under the Employee Share Option Plan.

There were no other matter or circumstance that has arisen since 31 December 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 opinion of the Directors of First Lithium Limited and its controlled entity ("the Group")

1. The financial statements and notes, as set on pages 9 to 20 are in accordance with the *Corporations Act 2001*, including:

(a) comply with Australian Accounting Standard AASB 134 '*Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001.*

On behalf of the Directors

___________________________
Lee Christensen
Non-Executive Chairman

15 March 2024

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

### Conclusion

We have reviewed the half-year financial report of First Lithium Limited, (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material Uncertaininty Related to Going Concern

We draw attention to Note 2 to the half-year financial report, which indicates that the Group incurred a net loss of $9,417,312 and a net cash outflow used in operating activities of $465,930 for the half-year ended 31 December 2023 and, as at that date, had net current assets of $2,885,075. These conditions,a long with other matters set forth in Note 2 to the half-year financial report, indicate that a material uncertainty exists that may cast significant doubt on the the Group's ability to continue as a going concern. Our conclusion is not modified in this respect.

### Responsibility of the Directors for the Half- Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PITCHER PARTNERS

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

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MICHAEL LIPRINO
Executive Director
Perth, 15 March 2024