



6 November 2024

Mr Ben Dawson
Australian Securities Exchange
40 Central Park
152 – 158, St Georges Terrace
PERTH WA 6000

Via Email:
ListingsCompliancePerth@asx.com.au

Dear Ben

FIRST LITHIUM LIMITED - ASX QUERY

First Lithium Limited (**FL1** or the **Company**) refers to the query letter issued by the Australian Securities Exchange on 1 November 2024 and respond as follows:

1. **Having regard to the disclosure in the Options Prospectus that 'two of the Company's licences have expired and application for renewal have been lodged', does FL1 have any permits other than the Faraba and Gouna permits?**
No.
2. **If the answer to question 1 is 'yes', please provide details.**
N/A.
3. **Having regard to FL1's disclosures in its Annual Report, June Quarterly Report, and September Quarterly Report, what factors lead FL1 to believe the Faraba and Gouna permits will be renewed?**

The Company has submitted the necessary documents for the renewal of the permits and has been in frequent communication with the Mali Mining Department (**Department**) regarding the renewal process.

As has been disclosed by the Company previously, in November 2023, the Department issued a moratorium on processing any tenement applications or renewals, to allow the Department time to implement the new 2023 Mining Code. The Company has been verbally told by the Department that they have recently begun processing the backlog of applications, where they will be beginning by reviewing the renewals relating to gold permits, which will be immediately followed by lithium permits.

Importantly, the Department has approved the budget commitment by the Company's wholly owned subsidiary Intermin Lithium SARL (**Intermin**) for both the Faraba and Gouna permits for next three years.

4. **Is FL1 presently able to physically access either the Faraba or Gouna permit to conduct exploration work?**

Yes, the Company's team is on the ground and are conducting field exploration works on both permits.

5. If the answer to question 4 is 'yes', please provide details.

Since the delay in processing the renewal applications is by the Department and not the Company, the Company's permits are considered active by the Department and the Department has approved the Company working on the permits.

6. If the answer to question 4 is 'no', please explain how FL1 considers it has a sufficient level of operations to warrant continued quotation of its securities and continued listing for the purpose of Listing Rule 12.1?

N/A.

7. What date was the last communication received by FL1 from the relevant Mali authorities in relation to the Faraba and Gouna permit renewals?

The budget approval documents were sent to Intermin by the Department on 16th Oct 2024. Please find attached the budget approval documents.

8. Given it appears that both the Faraba and Gouna permit validity periods had lapsed at the date of FL1's June Quarterly Report, what was the basis for FL1 describing the status of both permits as 'Active' in the June Quarterly Report?

As noted in the response to Question 5, the Department through correspondence with the Company has noted that despite the delays in processing the renewal documentation, the permits are still active, and the Company is entitled to complete exploration works on the permits.

9. Having regard to the New Mining Code in Mali and FL1's Prospectus disclosure, are the pending renewals for the Faraba and/or Gouna considered '2nd' renewals for the purpose of the New Mining Code in Mali?

Yes.

10. If the answer to question 9 is 'yes' for either permit, does FL1 anticipate a 50% reduction in the surface area for the affected permit(s)?

Yes, however this 50% reduction was also contemplated in the old mining code.

11. Does FL1 consider the renewal process (and any subsequent reduction in permit surface area which may occur) to be an indicator of impairment affecting the carrying value of FL1's exploration assets?

No.

12. If the answer to question 11 is 'no', please explain the basis for that view.

As noted in the response to Question 5, the Department through correspondence with the Company has noted that despite the delays in processing the renewal documentation, the permits are still active, and the Company is entitled to complete exploration works on the permits. In addition, when the Company is required to reduce permit surface area, the Company will only relinquish the areas where no lithium mineralisation has been identified, therefore not impacting the carrying value of the assets.

13. Having regard to FL1's disclosure in its Annual Report, June Quarterly Report and September Quarterly Report regarding the ongoing permit renewal process, does FL1 have a date by which it estimates either permit may be renewed by? If, so, please advise the estimated renewal date.

The Department has not given a clear indication on the renewal date, however through conversation with the Department, the Company is anticipating renewals before the end of November 2024, after the Department has completed the renewal of applications for gold focussed permits. In any event, the Department has notified that all pending applications will be processed before 31 December 2024.

14. Please confirm the date(s) that the core samples referred to in the Met Testing Announcement were:

14.1 drilled by FL1; and

December 2023, January 2024 and February 2024.

14.2 sent for metallurgical testing.

25 April 2024.

15. Does FL1 maintain the position disclosed in its Pre-Quotation Disclosure that “the provisions of the New Code will not impact the Company’s proposed exploration activities at the Mali Lithium Project as disclosed in the Prospectus”? If so, please provide the basis for that view.

Yes, the Company still maintains the view that the provisions of the new mining code will not impact the Company’s proposed exploration activities at the Mali Lithium Project. As noted in the response to question 10, the 50% reduction of area during the second renewal was also in the old mining code under which the Faraba and Gouna permits were issued in 2018.

The key change in the new mining code is if a mining licence is granted, in addition to the existing right of the state to a free-carry 10% interest in the mining company, the new code provides that (i) the state has an option to purchase a further 20% interest (previously 10%) and (ii) local investors must be granted 5% of the shares (these shareholdings cannot be diluted and are considered as priority shares), however this does not apply to exploration permits. This information was disclosed in the Company’s pre-quotation disclosure announcement dated 26 September 2023.

16. Please confirm that FL1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

17. Please confirm that FL1’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of FL1 with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to the questions above have been authorised and approved by the board of the Company.

Authorised for market release by the Board of FL1.

Yours sincerely

Mr Alan Armstrong
Company Secretary



1 November 2024

Reference: 101180

Mr Alan Armstrong
Company Secretary
First Lithium Limited

By email: alan@miningcorporate.com.au

Dear Mr Armstrong

First Lithium Limited ('FL1'): ASX Query

ASX refers to the following:

A. FL1's prospectus, released on the ASX Market Announcements Platform ('MAP') on 3 July 2023 ('Prospectus'), which disclosed the following:

- (i) At page 13, that the "*Blakala and Gouna blocks collectively form the Gouna permit*";
- (ii) At page 132, the following table:

Permit Name	Permit Number		Area (km ²)	Commodity Group
	Original Issue 2018	Renewal 2021		
Faraba	PR 17/910 original decree Arrêté N°. 2018-0742/MMP-SG	PR 18/910 1 BIS, original decree Arrêté N°. 2022-0276/MMEE-SG	~75	Group 3 (Li, Co, Cr, Nb, Ni, PGE, REE, Sn, Ta, Ti, V, W, and Zr.)
Gouna	PR 18/930 original decree Arrêté N°. 2018-1584/MMP-SG	PR 18/930 1 BIS original decree Arrêté N°. 2022-0275/MMEE-SG	~98	Group 3 (Li, Co, Cr, Nb, Ni, PGE, REE, Sn, Ta, Ti, V, W, and Zr.)

Notes: Permit validity – Faraba: 16th March 2021 - 16th April 2024; Gouna: 15th May 2021 – 15th May 2024.

B. FL1's pre-quotation disclosure, released on MAP on 26 September 2023 ('Pre-Quotation Disclosure'), which disclosed:

New Mining Code in Mali

The new Mining Code Act was promulgated on 29 August 2023 by his Excellency Colonel Assimi Goita, President of the Transition and President of the Republic of Mali (New Code). The Company, in consultation with its legal advisers, has reviewed the New Code and notes the following with respect to the Mali Lithium Project:

- (a) *The impact of the New Code appears to have minimal direct impact on the standing of the Faraba and Gouna permits. In this regard, Article 218 of the New Code clarifies that existing exploration permits "remain subject to the provisions of the code which presided over their issue", meaning that provisions of the mining code in force at the time of grant and renewal of the Faraba and Gouna permits apply during the current term of these permits. Nevertheless, Article 218 provides that "the provisions of the New Code apply at the time of their renewal or when applying for the mining license". So, while the New Code may not apply to the Faraba and Gouna permits during their current term, it will apply when/if they are renewed a second time,*

or when/if they are converted into a mining licence. Article 40 of the New Code provides that, upon a second renewal of an exploration permit, the surface area will be reduced by 50%.

- (b) The New Code provides that upon renewal of exploration permits or their conversion into a mining licence, “a new mining convention agreement must be negotiated on the basis of the mining code in force”. A template of this new mining convention is yet to be published by regulation and therefore remains uncertain at this time.
- (c) The state still has no ownership rights for the duration of exploration permits. Nevertheless, if a mining licence is granted, and in addition to the existing right of the state to a free-carry 10% interest in the mining company, the New Code provides that
 - (i) the state has an option to purchase a further 20% interest (previously 10%); and
 - (ii) local investors must be granted 5% of the shares (these shareholdings cannot be diluted and are considered as priority shares).

To summarise the information above, the Company confirms that the provisions of the New Code will not impact the Company’s proposed exploration activities at the Mali Lithium Project as disclosed in the Prospectus. This is primarily because the New Code itself provides that existing mining titles will continue to be governed by the law in force at the time of their grant, and so the New Code does not apply to the Faraba and Gouna permits. In addition, changes introduced under the New Code largely relate to mining licences as opposed to exploration permits [emphasis added]

- C. FL1’s Quarterly Activities and Appendix 5B Cash Flow Report for the quarter ending 30 June 2024 (‘June Quarterly’), released on MAP at 12.59pm AEST on 30 July 2024, which disclosed the following:

- (i) On page 4:

PERMIT RENEWAL APPLICATIONS LODGED

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

- (ii) The following table at Figure 1:

TENURE STATUS

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

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

Figure 1: FL1 Tenure status

- D. FL1’s Annual Report for period ending 30 June 2024 released on MAP at 5.26pm AEST on 30 September 2024 (‘Annual Report’), which discloses:

- (i) At page 4, that “the principal activities of the [FL1] Group were to primarily complete the acquisition, and progress exploration, of the two lithium mineral bearing permits, Faraba and Gouna in Mali (the “Mali Lithium Project”)
- (ii) At page 8, the following table:

TENURE STATUS

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

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

Figure 2: FL1 Tenure status

- (iii) At page 38, Note 13 which states:

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

- (iv) At page 55, the Independent Auditor’s Review Report which contains an emphasis of matter paragraph on a material uncertainty related to the carrying value of exploration assets:

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

- E. FL1’s announcement entitled ‘Impressive Blakala initial metallurgical test results’ released on MAP at 09:53 am AEDT on 21 October 2024 (‘Met Testing Announcement’), which disclosed the following:

- (i) Metallurgical test results from selected pieces of core from 12 drill holes.

- F. FL1’s announcement entitled ‘Options Prospectus’ released on MAP at 8:03 pm AEDT on 28 October 2024 which contains the following disclosure in relation to Tenure risk:

“Mining and exploration licences are subject to periodic renewal. Two of the Company’s licences have expired and applications for their renewal have been lodged.”

- G. FL1’s Quarterly Activities and Appendix 5B Cash Flow Report for the quarter ending 30 September 2024 (‘September Quarterly’), released on MAP at 9:36 am AEDT on 31 October 2024, which disclosed the following:

- (i) On page 10:

PERMIT RENEWAL APPLICATIONS LODGED

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

team in Mali is managing the process with the Mali government and believe the renewal process is advancing.

- (ii) The following table at Figure 7:

TENURE STATUS

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

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

Figure 7: FL1 Tenure status

- H. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- I. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:**
- 3.1A.1 One or more of the following applies:**
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and**
- 3.1A.3 A reasonable person would not expect the information to be disclosed."**
- K. Listing Rule 12.1 which states:
- The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.*

- L. Listing Rule 12.5 which states:

An entity's structure and operations must be appropriate for a listed entity.

Request for information

Having regard to the above, ASX asks FL1 to respond separately to each of the following questions and requests for information:

1. Having regard to the disclosure in the Options Prospectus that *'two of the Company's licences have expired and application for renewal have been lodged'*, does FL1 have any permits other than the Faraba and Gouna permits?
2. If the answer to question 1 is 'yes', please provide details.
3. Having regard to FL1's disclosures in its Annual Report, June Quarterly Report, and September Quarterly Report, what factors lead FL1 to believe the Faraba and Gouna permits will be renewed?
4. Is FL1 presently able to physically access either the Faraba or Gouna permit to conduct exploration work?
5. If the answer to question 4 is 'yes', please provide details.
6. If the answer to question 4 is 'no', please explain how FL1 considers it has a sufficient level of operations to warrant continued quotation of its securities and continued listing for the purpose of Listing Rule 12.1?
7. What date was the last communication received by FL1 from the relevant Mali authorities in relation to the Faraba and Gouna permit renewals?
8. Given it appears that both the Faraba and Gouna permit validity periods had lapsed at the date of FL1's June Quarterly Report, what was the basis for FL1 describing the status of both permits as 'Active' in the June Quarterly Report?
9. Having regard to the New Mining Code in Mali and FL1's Prospectus disclosure, are the pending renewals for the Faraba and/or Gouna considered '2nd' renewals for the purpose of the New Mining Code in Mali?
10. If the answer to question 9 is 'yes' for either permit, does FL1 anticipate a 50% reduction in the surface area for the affected permit(s)?
11. Does FL1 consider the renewal process (and any subsequent reduction in permit surface area which may occur) to be an indicator of impairment affecting the carrying value of FL1's exploration assets?
12. If the answer to question 11 is 'no', please explain the basis for that view.
13. Having regard to FL1's disclosure in its Annual Report, June Quarterly Report and September Quarterly Report regarding the ongoing permit renewal process, does FL1 have a date by which it estimates either permit may be renewed by? If so, please advise the estimated renewal date.
14. Please confirm the date(s) that the core samples referred to in the Met Testing Announcement were:
 - 14.1 drilled by FL1; and
 - 14.2 sent for metallurgical testing.
15. Does FL1 maintain the position disclosed in its Pre-Quotation Disclosure that *"the provisions of the New Code will not impact the Company's proposed exploration activities at the Mali Lithium Project as disclosed in the Prospectus"*? If so, please provide the basis for that view.
16. Please confirm that FL1 is complying with the Listing Rules and in particular, Listing Rule 3.1.

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17. Please confirm that FL1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FL1 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10.00 AM AWST Thursday, 7 November 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FL1's obligation is to disclose the information 'immediately'.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in FL1's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to FL1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that FL1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance