FIRST LITHIUM

First Lithium Limited

ABN 67 009 081 770

Condensed Consolidated Financial Report
For the half-year ended 31 December 2025

Directors	Lee Christensen (Non-Executive Chairman) Venkatesh Padala (Managing Director and Chief Executive Officer) Jason Ferris (Non-Executive Director) Andrew Law (Non-Executive Director)
Company secretary	Alan Armstrong
Registered office	Level 8, 216 St Georges Terrace Perth, Western Australia, 6000 Ph: +61 8 9481 0389
Share register	XCEND Pty Ltd Level 2, 477 Pitt Street, Haymarket, NSW 2000
Auditor	Pitcher Partners BA&A Pty Ltd Level 11, 12-14 The Esplanade Perth, WA 6000
Bankers	National Australia Bank Gateway Building Cnr Marmion & Davy Streets Booragoon, WA 6154
Stock exchange listing	First Lithium Limited shares are listed on the Australian Securities Exchange (ASX code: FL1) Level 40, Central Park 152-158 St Georges Terrace Perth, WA 6000

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 2025. 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 2025, 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 2025 and independent review report thereon.

Directors

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

Name	Position
Lee Christensen	Non-Executive Chairman
Venkatesh Padala	Managing Director and Chief Executive Officer
Jason Ferris	Non-Executive Director
Andrew Law	Non-Executive Director

Directors have been in office since the start of the half-year to the date of the report, unless otherwise stated.

Principal activity

First Lithium Limited is a ASX listed Company focused on West African mineral exploration and development. For the half-year ended 31 December 2025, the principal activity of the Group is progressing exploration of the two lithium mineral bearing permits, Faraba and Gouna in Mali (the "Mali Lithium Project").

Review of Operations

i. Financial Review

The net loss after tax for the half-year ended 31 December 2025 attributable to the Group was $1,711,709 (2024: net loss of $1,674,434). As at 31 December 2025 the Group's cash and cash equivalents stood at $35,689 (30 June 2025: $364,169). The Group also had capitalised exploration, evaluation and development expenditure of $5,142,737 (30 June 2025: $4,982,462).

ii. Operations Review

PERMIT RENEWAL APPLICATIONS PENDING

The Government of the Republic of Mali had indicated licence renewals would be processed at the next possible ministry meeting and acknowledged the Company had submitted all required information to obtain the outstanding renewals. The Government had advised they were hopeful of licences being issued in early 2026.

MAIDEN MINERAL RESOURCE ESTIMATE (MRE)

Reporting consultants and the competent person indicate the maiden MRE is expected to be finalised once renewal permits have been issued.

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 2: FL1 Tenure status

MALI OVERVIEW

The partial lifting of the suspension of mining permits by the Government of the Republic of Mali occurred in March 2025[1]. Processing of renewals is underway and the Government is working through the backlog caused by the suspensions that have been in place since September 2022. Indications suggest Mali is set to secure the position of Africa's second-biggest lithium producer in 2025, with output anticipated to represent 14% of the regional total according to Benchmark's lithium forecast[2].

FUNDING FACILITY

The Company finalised an extended funding facility of $800,000 which was received in two tranches. The Company engaged CPS Capital Group Pty Ltd (CPS Capital) to act as lead manager to facilitate the Loan. Under CPS Capital's mandate, CPS Capital received fees of 6% of funds raised under the Loan. CPS Capital also received 1,000,000 unlisted options (exercisable at $0.30 and expiring 30 June 2028) (Lead Manager Options) and 3,000,000 unlisted Options, subject to conversion of tranche 1 of the Loan amount, (Subscriber Options) at an issue price of $0.00001 per Option (Broker Options)[3].

Any Loan Shares and Loan Options issued on conversion of the Loan are issued subject to the Company obtaining any required Shareholder approvals under the Corporations Act and ASX Listing Rules (including ASX Listing Rules 7.1 or 10.11, where applicable). The Company will seek Shareholder approval under ASX Listing Rules 7.1 for the issue of the Broker Options.

1. **ASX :FL1 26 March 2025 – Funding and Licence Renewal Update.**
2. **Stockhead 29 April 2025 - https://stockhead.com.au/resources/jurisdiction-spotlight-has-malis-mining-sector-turned-a-corner/**
3. **ASX :FL1 30 September 2025 – Project & Finance Update in Mali**

Corporate

The Group announced on 11 August 2025 that responsibility for the Company's share registry services has been transferred from Automic Pty Ltd to Xcend Pty Ltd.

On 30 September 2025, the Group announced that it has finalised a loan note of up to a total of $800,000 (before costs) with sophisticated and professional investors. The loan note is structured in two tranches each of $400,000 with a conversion price of $0.10 each, with interest accruing at 10% per annum and payable in shares on the same terms as its existing $1,200,000 loan.

On 10 October 2025, 8,000,000 consultant performance options granted in March 2024 lapsed and were cancelled as the vesting conditions were not satisfied.

Matters subsequent to the end of the half year

On 9 January 2026, 8,000,000 performance options (in two tranches), exercisable at $0.30 and expiring 9 January 2030, were issued to consultants for provision of project and exploration management services ("Consultant Performance Options"). Vesting conditions attached to the Consultant Performance Options are as follows:

i. 6,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 50 million tonnes of lithium ore at a grade of at least 1.1% or equivalent within 6 months of renewal of the licences comprising the Mali Lithium Project.

ii. 2,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 100 million tonnes of lithium ore at a grade of at least 1.1% or equivalent within 12 months of renewal of the licences comprising the Mali Lithium Project.

On 12 February 2026, 3,000,000 (exercisable at $0.30 and expiring 30 June 2028) unlisted lead manager options and 7,000,000 unlisted subscriber options (exercisable at $0.30 and expiring 30 June 2028), were issued at an issue price of $0.00001 per option to the Lead Manager of the Company's convertible loans issued previously in 2025 (collectively, "Broker Options").

Issuance of the Consultant Performance Options and Broker Options have been approved by shareholder at the general meeting of the Company on 13 November 2025.

At the general meeting held 27 July 2026, shareholders of the Company approved conversion of the entire principal and associated interest (accrued up to 31 May 2026) of the existing $1,200,000 convertible loan (before costs, announced 26 March 2025) and the $800,000 convertible loan (before costs, announced 30 September 2025) into 21,539,700 fully paid ordinary shares in the Company at a conversion price of $0.10 each, along with 21,539,700 unlisted options (exercisable at $0.30 and expiring 30 June 2028) to be issued on the basis that one unlisted option for every share to be issued on conversion.

On 29 July 2026, the Company announced finalisation of a loan of up to a total of $1,200,000 (before costs), which will be used primarily to finalise the license renewal process and advance the Maiden Resource Estimate for the Mali Lithium

Project as well as general working capital. The loan note is structured in two tranches each of $600,000 with a conversion price at a 25% discount to funding, and accrues interest of 10% per annum. Interest is calculated and accrued monthly, payable by way of an allotment of shares (in lieu of cash interest payment) within 60 days of the Company's reinstatement to trading on the ASX, and subject to the approval of shareholders on the said allotment of those shares. Subject to loan conversion, 1 free attaching option (exercisable at $0.30 per share and expiring 30 June 2029) will be issued for every 2 shares converted. The process was coordinated and lead by CPS Capital.

There were no other matters or circumstances that have arisen since 31 December 2025 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 BA&A Pty Ltd, the entity's auditors, as presented on page 4 of this half-year 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

24 August 2026

PITCHER PARTNERS

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

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the review of the financial report of First Lithium Limited and its controlled entities for the half-year ended 31 December 2025, there have been:

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MICHAEL LIPRINO
Executive Director
Perth, 24 August 2026

First Lithium Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	31 December 2025 $	31 December 2024 $
Revenue			
Interest income		251	521
Expenses			
Employee expenses		(138,236)	(142,545)
Share-based payment expenses	7	(673,120)	(1,039,272)
Director fees		(165,000)	(165,000)
Insurance expense		(19,453)	(15,205)
Travel expenses		(14,085)	(19,048)
Depreciation		(35,479)	(24,780)
Professional fees		(112,956)	(193,268)
General and administration		(64,070)	(68,870)
Compliance and regulatory costs		(43,519)	(6,967)
Finance expenses		(441,784)	-
Loss before income tax expense from continuing operations		(1,711,709)	(1,674,434)
Income tax expense		-	-
Loss after income tax expense for the period from continuing operations		(1,711,709)	(1,674,434)
Loss after income tax expense for the period attributable to members of First Lithium Ltd		(1,711,709)	(1,674,434)
Other comprehensive income / (loss)			
Items that may not be reclassified subsequently to profit or loss			
Foreign currency translation		(101,615)	17,760
Other comprehensive (loss) / income for the half-year, net of tax		(101,615)	17,760
Total comprehensive loss for the half-year attributable to members of First Lithium Ltd		(1,813,324)	(1,656,674)
		Cents	**Cents**
Basic loss per share		(1.58)	(1.54)
Diluted loss per share		(1.58)	(1.54)

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

	Note	31 December 2025 $	30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents		35,689	364,169
Trade and other receivables		21,504	26,168
Other assets		25,793	26,069
Total current assets		82,986	416,406
Non-current assets			
Property, plant and equipment		114,786	152,551
Exploration and evaluation assets	4	5,142,737	4,982,462
Financial assets – guarantee deposit		429,954	263,158
Total non-current assets		5,687,477	5,398,171
Total assets		5,770,463	5,814,577
Liabilities			
Current liabilities			
Trade and other payables		150,500	234,976
Borrowing	5	1,540,160	543,673
Provisions		-	38,218
Total current liabilities		1,690,660	816,867
Total liabilities		1,690,660	816,867
Net assets		4,079,803	4,997,710
Equity			
Issued capital	6	11,908,062	11,908,062
Other equity		57,226	25,443
Reserves		7,411,323	6,745,823
Accumulated losses		(15,296,808)	(13,681,618)
Total equity		4,079,803	4,997,710

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

	Note	Issued capital	Other equity	Share based payment reserves	Translation reserve	Accumulated losses	Total equity
		$	$	$	$	$	$
Balance at 1 July 2024		11,919,572	-	5,007,413	(47,229)	(11,163,493)	5,716,263
Loss after income tax expense for the period		-	-	-	-	(1,674,434)	(1,674,434)
Exchange differences on translation of foreign operations		-	-	-	17,760	-	17,760
Total comprehensive loss for the period		-	-	-	17,760	(1,674,434)	(1,656,674)
Options issued for cash consideration		-	-	26,518	-	-	26,518
Share issue costs	6	(11,510)	-	-	-	-	(11,510)
Share-based payments		-	-	1,039,272	-	-	1,065,790
Balance at 31 December 2024		11,908,062	-	6,073,203	(29,469)	(12,837,927)	5,113,870

	Note	Issued capital	Other equity	Share based payment reserves	Translation reserve	Accumulated losses	Total equity
		$	$	$	$	$	$
Balance at 1 July 2025		11,908,062	25,443	6,394,223	351,600	(13,681,618)	4,997,710
Loss after income tax expense for the period		-	-	-	-	(1,711,709)	(1,711,709)
Exchange differences on translation of foreign operations		-	-	-	(101,615)	-	(101,615)
Total comprehensive loss for the period		-	-	-	(101,615)	(1,711,709)	(1,813,324)
Equity component of convertible loan	6	-	31,783	190,514	-	-	222,297
Share-based payments	7	-	-	673,120	-	-	673,120
Transferred from reserve	7	-		(96,519)	-	96,519	-
Balance at 31 December 2025		11,908,062	57,226	7,161,338	249,985	(15,296,808)	4,079,803

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

	31 December 2025 $	31 December 2024 $
Cash flows from operating activities		
Payments to suppliers and employees	(688,866)	(735,093)
Interest received	251	521
Net cash used in operating activities	(688,615)	(734,572)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(392,865)	(837,357)
Net cash used in investing activities	(392,865)	(837,357)
Cash flows from financing activities		
Proceeds from borrowings	825,000	-
Payment of borrowing costs	(72,000)	-
Share or options issue transaction costs	-	(14,750)
Net cash from/ (used) financing activities	753,000	(14,750)
Net decrease in cash and cash equivalents	(328,480)	(1,586,679)
Cash and cash equivalents at the beginning of the period	364,169	2,213,779
Cash and cash equivalents at the end of the period	35,689	627,100

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 2025 was authorised for issue in accordance with a resolution of the Directors on 24 August 2026.

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

Note 2. Basis of Preparation

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 2025 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 Group's annual financial report for the financial year ended 30 June 2025.

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 2025 of $1,711,709 (31 December 2024: $1,674,434) and experienced net cash outflows from operating activities of $688,615 (31 December 2024: $734,572). As at 31 December 2025, the Group had net current liabilities of $1,607,674 (30 June 2025: $400,461) and current cash holding was $35,689 (30 June 2025: 364,169).

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

Subsequent to the end of the half-year, the lenders of the "Round 1 Loan" and "Round 2 Loan", as defined in Note 5 below, had agreed that all amounts owing under the respective arrangements would be repaid through the issue of fully paid ordinay shares at an issue price of $0.10 per share, and 1 option for every 1 share issued, excerciseable at $0.30 each on or before 30 June 2028 (collectively, the Loan Conversion Securities). Shareholders' approval for the issue of the Loan Conversion Securities has been obtained at the general meeting held 27 July 2026, pursuant to the *Corporations Act 2001*, and ASX Listing Rules. The issue of the Loan Conversion Securities is currently contingent upon the Company receiving conditional approval from the ASX for the reinstatement to trading on the ASX.

On 29 July 2026, the Company announced that it has finalised a loan note of up to a total of $1,200,000 (before costs) via Loan Agreement with sophisticated and professional investors. The loan note is structured in two tranches each of $600,000 with a conversion price at a 25% discount to funding and accrue interest of 10% per annum (calculated and accrued monthly, payable by allotment of shares within 60 days of the Company's reinstatement to trading on the ASX, and subject to the approval of shareholders on the said allotment of those shares).

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

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

- Shareholder approval being received at the upcoming General Meeting, and reinstatement of the Company's securities for trading on the ASX, for the issue of the Loan Conversion Securities in order to settle all amounts owing under the Round 1 Loan and Round 2 Loan arrangements, received on 26 July 2026;
- Additional funding being received by way of a further loan note, as detailed above;
- The pending renewal of outstanding licences in Mali by the Mali Government, which is expected to happen within the next 3 months; and
- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds.

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

Note 3. Segment information

The nature of operations and principal activities of the Group are mineral exploration and development in West Africa specifically Mali, which is reported as separate operating segment to the Board of Directors for the half-year ended 31 December 2025.

31 December 2025	Mali $	Unallocated $	Consolidated $
Segment interest income	-	251	251
Segment depreciation	(35,183)	(296)	(35,479)
Segment finance expense (interest)	-	(441,784)	(441,784)
Segment net loss after tax	(58,089)	(1,653,620)	(1,711,709)
Segment assets	5,322,245	448,218	5,770,463
Segment exploration and evaluation assets	4,761,537	381,200	5,142,737
Segment liabilities	(96,191)	(1,594,469)	(1,690,660)

31 December 2024	Mali $	Unallocated $	Consolidated $
Segment interest income	-	521	521
Segment depreciation	(24,484)	(296)	(24,780)
Segment finance expense (interest)	-	-	-
Segment net loss after tax	(172,115)	(1,502,319)	(1,674,434)
Segment assets	4,229,313	1,063,424	5,292,737
Segment exploration and evaluation assets	4,142,948	250,957	4,393,905
Segment liabilities	(9,263)	(169,604)	(178,867)

Note 4. Exploration and evaluation assets

	31 December 2025 $	30 June 2025 $
Opening balance	4,982,462	3,971,860
The effects of changes in FX rates	(82,769)	419,343
Expenditure incurred	243,044	591,259
Closing balance	**5,142,737**	**4,982,462**

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 31 December 2025.

Note 5. Borrowings

	31 December 2025 $	30 June 2025 $
Current liabilities		
Borrowings	1,540,160	543,673

On 26 March 2025, the Group announced finalisation of a convertible loan of up to a total of $1,200,000 (before costs) via Loan Agreement with sophisticated and professional investors, including existing substantial shareholder, Intermin Mines Corporations ("Round 1 Loan"). Interest has been accrued at 10% per annum, calculated daily in arrears ("accrued interest"). No principal or interest payments are due until maturity, being 30 December 2025. The lender may elect to convert any amounts owing (including accrued interest) into fully paid ordinary shares in the Company at an issue price of $0.10 per share ("Loan Shares"). On conversion, the lender will be entitled to receive one unlisted option (exercisable at $0.30 and expiring 30 June 2028) for every Loan Share issued on conversion. The $1,200,000 was fully drawn by 30 September 2025.

During the reporting period, on 30 September 2025 the Group also announced a loan up to a total of $800,000 in additional funding (before costs) via Loan Agreement with sophisticated and professional investors, including existing substantial shareholder, on the same terms and conditions as the Round 1 Loan, except the repayment date being 31 July 2026 ("Round 2 Loan"). By 31 December 2025, the Company has drawn $400,000 of the Round 2 Loan.

	31 December 2025 $
Balance at the beginning of the period	543,673
Advances during the period	825,000
Other equity securities – value allocated to conversion rights at initial recognition[1]	(43,617)
	1,325,056
Borrowing costs[2]	(226,680)
Interest expense[3]	441,784
Balance at the end of the period	**1,540,160**

1. The fair value of the equity component is calculated by applying a market interest rate of 15% for a loan without a conversion feature.
2. Including 10,000,000 unlisted Broker Options exercisable at $0.000001 per option as consideration for managing the convertible loan. Refer to Note 7 for further information.
3. Interest expense represents the amortisation for the liability component of the convertible loans after taking into account transaction costs.

The initial fair value of the liability portion of the Convertible Loan was determined using a market interest rate for an equivalent non-convertible loan facility at the issue date, then subtracted by the liability component of transaction costs. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the Convertible Loan. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity and not subsequently remeasured.

Note 6. Equity securities issued

(a) Issued capital

	31 December 2025 No.	31 December 2025 $	30 June 2025 No.	30 June 2025 $
Opening balance	108,673,604	11,908,062	108,673,604	11,919,572
Capital raising costs	-	-	-	(11,510)
Closing balance	**108,673,604**	**11,908,062**	**108,673,604**	**11,908,062**

(b) Other equity – equity component in convertible loan

	31 December 2025 $
Balance at the beginning of the period	25,443
Add: Equity component on initial recognition of funds drawn during the reporting period[1]	43,617
Less: Equity component in transaction costs	(11,834)
Balance at the end of the period	**57,226**

1. Refer to Note 5 Borrowings.

Note 7. Share-based payments

Reconciliation of share-based payment to reserve:

	31 December 2025 $	31 December 2024 $
Performance shares expense	499,998	499,998
Director performance options expense	168,342	168,342
Consultant performance option expense[1]	4,780	370,932
Reported as share-based payment expenses in profit and loss	**673,120**	**1,039,272**
Reversal of the FY2025 valuation on Lead Manager Options relating to convertible loan[2]	(150,450)	-
Valuation of the issued Lead Manager Options relating to convertible loan[2]	340,964	-
Reported under liability / equity in balance sheet	**190,514**	**-**
Reversal of expenses relating to performance rights unlikely to vest	(96,519)	-
Reported as share-based payment expenses in profit and loss	**(96,519)**	**-**
	767,115	**1,039,272**

1. At the general meeting held on 13 November 2025, shareholders of the Group approved the issuance of 8,000,000 performance options (in two tranches), exercisable at $0.30 and expiring 4 years after grant, to consultants for provision of continuing project and exploration management services ("Consultant Performance Options"). Vesting conditions attached to the Consultant Performance Options are as follows:

iii. 6,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 50 million tonnes of lithium ore at a grade of at least 1.1% or equivalent within 6 months of renewal of the licences comprising the Mali Lithium Project.

iv. 2,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 100 million tonnes of lithium ore at a grade of at least 1.1% or equivalent within 12 months of renewal of the licences comprising the Mali Lithium Project.

The Consultant Performance Options were issued on 9 January 2026, subsequent to the end of the reporting period. The fair value of the Consultant Performance Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Tranche	Volume	Grant date	Underlying share price	Volatility	Risk free rate	Expiry date	Exercise price	Fair value per option at grant	Total fair value
1	6,000,000	13-Nov-25	$0.105	80%	3.87%	9-Jan-30	$0.30	$0.042	$252,036
2	2,000,000	13-Nov-25	$0.105	80%	3.87%	9-Jan-30	$0.30	$0.042	$84,012

Volatility was determined by calculating the historical volatility of the Group's share price from the recent comparative historical periods.

The total fair value of Consultant Performance Options will be periodically recognised as share-based payment expenses over the vesting period based on the best estimate of the performance hurdles being met. For the half-year reporting period, a share-based payment expense of $4,780 has been recognised in the statement of profit and loss

2. At the general meeting held on 13 November 2025, shareholders of the Group also approved the issuance of 3,000,000 (exercisable at $0.30 and expiring on/before 30 June 2028) unlisted lead manager options and 7,000,000 unlisted subscriber options (exercisable at $0.30 and expiring on/before 30 June 2028), at an issue price of $0.00001 per option to the Lead Manager of the Company's convertible loans (collectively, "Broker Options").

The Broker Options were issued on 12 February 2026, subsequent to the end of the reporting period, and vested immediately. The fair value of the Broker Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Volume	Grant date	Share price at grant date	Volatility	Risk free rate	Expiry date	Exercise price	Fair value per option at grant	Total fair value
10,000,000	13-Nov-25	$0.105	90%	3.73%	30-Jun-28	$0.30	$0.037	$340,964

Volatility was determined by calculating the historical volatility of the Group's share price from the recent comparative historical periods.

The total value of the Broker Options was proportionately allocated between debt and equity, consistent with the classification of borrowings as per Note 5 above.

For the half-year period, a borrowing cost of $181,112 ($324,633 of the above noted $340,964, net of $143,521 recognised in the prior reporting period) has been recognised against the carrying amount of Borrowings in the statement of financial position. The remaining $9,402 ($16,331 of the above noted $340,964, net of $6,929 recognised in the prior reporting period) has been recognised as a cost against other equity in the statement of financial position.

Note 8. 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 2025 to indicate that the value as at that date should be adjusted. On the basis that no additional reliable information is available to determine an appropriate estimate of fair value, the Directors consider it prudent to continue to value the investment at $Nil.

NCX

On the basis that no reliable information was available to determine an appropriate estimate of 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 2025 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 9. 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.

Entity	Nature of transaction	KMP	Total Expense 31-Dec-2025	Total Expense 31-Dec-2024	Payable Balance 31-Dec-2025	Payable Balance 30-Jun-2025
Pooky Corporation Pty Ltd	Director fee	Lee Christensen	45,000	45,000	-	-
	Director fee	Venkatesh Padala	60,000	60,000	-	-
J2J Investments Pty Ltd	Director fee	Jason Ferris	30,000	30,000	-	-
J2J Investments Pty Ltd	Consulting fee	Jason Ferris	27,900	45,120	-	-
Fusion (WA) Pty Ltd	Director fee	Andrew Law	30,000	30,000	-	-

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 10. Contingent liabilities

There are no contingent liabilities at the end of the reporting period (31 December 2024: nil)

Note 11. Commitments

The Group has an expenditure commitment of $ 821,007 (30 June 2025: $838,931) for the next 12-months period to sustain its current tenements at Mali.

Note 12. Events after the reporting period

On 9 January 2026, 8,000,000 performance options (in two tranches), exercisable at $0.30 and expiring 9 January 2030, were issued to consultants for provision of project and exploration management services ("Consultant Performance Options"). Vesting conditions attached to the Consultant Performance Options are as follows:

v. 6,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 50 million tonnes of lithium ore at a grade of at least 1.1% or equivalent within 6 months of renewal of the licences comprising the Mali Lithium Project.

vi. 2,000,000 options will vest subject to the achievement of an official JORC 2012 compliant Resource of the Inferred classification or higher for a minimum of 100 million tonnes of lithium ore at a grade of at least 1.1% or equivalent within 12 months of renewal of the licences comprising the Mali Lithium Project.

On 12 February 2026, 3,000,000 (exercisable at $0.30 and expiring 30 June 2028) unlisted lead manager options and 7,000,000 unlisted subscriber options (exercisable at $0.30 and expiring 30 June 2028), were issued at an issue price of $0.00001 per option to the Lead Manager of the Company's convertible loans (collectively, "Broker Options").

Issuance of the Consultant Performance Options and Broker Options have been approved by shareholder at the general meeting of the Company on 13 November 2025.

At the general meeting held 21 July 2026, shareholders of the Company approved conversion of the entire principal and associated interest (accrued up to 31 May 2026) of the existing $1,200,000 convertible loan (before costs, announced 26 March 2025) and the $800,000 convertible loan (before costs, announced 30 September 2025) into 21,539,700 fully paid ordinary shares in the Company at a conversion price of $0.10 each, along with 21,539,700 unlisted options (exercisable at $0.30 and expiring 30 June 2028) to be issued on the basis that one unlisted option for every share to be issued on conversion.

On 29 July 2026, the Company announced finalisation of a loan of up to a total of $1,200,000 (before costs), which will be used primarily to finalise the license renewal process and advance the Maiden Resource Estimate for the Mali Lithium Project as well as general working capital. The loan note is structured in two tranches each of $600,000 with a conversion price at a 25% discount to funding and accrue interest of 10% per annum (calculated and accrued monthly, payable by allotment of shares within 60 days of the Company's reinstatement to trading on the ASX, and subject to the approval of shareholders on the said allotment of those shares). Subject to loan conversion, 1 free attaching option (exercisable at $0.30 per share and expiring 30 June 2029) will be issued for every 2 shares converted. The process was coordinated and lead managed by CPS Capital.

There were no other matters or circumstances that have arisen since 31 December 2025 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.

The Directors declare that in the their opinion:

1. the accompanying condensed consolidated financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

(a) complying 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 2025 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

24 August 2026

FIRST LITHIUM LIMITED
ABN 67 009 081 770

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

Report on the Half-Year Financial Report

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 2025, 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, and notes comprising 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 First Lithium Limited 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 2025 and of its performance for the half-year ending 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* ("ASRE 2410"). 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by Accounting Professional and Ethical Standards Board (the "Code") that are relevant to audits of the annual financial report of public interest entities 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 Company, would be in the same terms if given to the directors as at the time of this auditor's review report

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 $1,711,709 (2024: $1,674,434) and experienced net cash outflows from operating activities of $688,615 (2024: $734,572). As at 31 December 2025, the Group had net current liabilities of $1,607,674 (30 June 2025: $400,461) and cash and cash equivalents of $35,689 (30 June 2025: $364,169).

These conditions, along 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.

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

We draw attention to Note 4 to the half-year financial 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 $5,142,737 at 31 December 2025. Our conclusion is not modified in respect of this matter.

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 2025 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*.

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, 24 August 2026