

For personal use only



**FIRST
LITHIUM**

QUARTERLY REPORT

For the period ending
31 March 2024



MARCH QUARTER HIGHLIGHTS

- FL1 completed the phase 1 drilling program at Blakala prospect, Mali.
- Mineralisation confirmed extending over >1km of strike¹ and remaining open in both directions and at depth
- Assay results² at Blakala returned exceptional results including:
 - ✓ 111.0m intersection @ 1.57% Li₂O (from 33m) in hole BDFS02
 - Including 10.0m intersection @ 3.39% Li₂O (from 33 m) in hole BDFS02
 - ✓ 60.00m intersection @ 1.59% Li₂O (from 39m) in hole BDFS03
 - Including 38.0m intersection @ 1.76% Li₂O (from 51m)
- Additional assay results from Main, Eastern and Western Pegmatites show very high analytical grades including:
 - ✓ BCH02_West with 1.91% Li₂O over 18.70m;
 - ✓ BCH02_East with 1.54% Li₂O over 11.00m;
 - ✓ BCH01 with 1.27% Li₂O over 5.00m, a short outcrop channel sample line;
 - ✓ BCH06 from Eastern Pegmatite with 1.94% Li₂O over 19.0m;
 - ✓ BCH05 from Western Pegmatite with 1.87% Li₂O over 18.0m; and
 - ✓ BCH03 from Main Pegmatite with 1.88% Li₂O over 27.0m
- Drilling program concluded at the second tier Faraba Permit identifying pegmatite veins with cumulative intercept thickness of 8.31m and 10.42m in the holes respectively
- Renewal of exploration permits lodged with Mali Ministry of Mines
- Maiden Mineral Resource Estimate (MRE) expected in June 2024
- As at 31 March 2024, Cash Balance of \$1.3m

¹This announcement contains references to visual results and visual estimates of mineralisation. FL1 advises there is uncertainty in reporting visual results. Visual estimates of mineral findings should not be considered a substitute for laboratory analysis where concentrations or grades are provided with scientific accuracy. Visual estimates also potentially provide no information regarding impurities or other factors relevant to mineral result valuations. The presence of pegmatite rock does not necessarily indicate the presence of Lithium mineralisation. Laboratory chemical assays are required to determine the grade of mineralisation.

²ASX:FL1 Announcement – Significant discovery confirmed at Blakala including 111m @ 1.57% Li₂O

First Lithium Limited (“FL1”, or “the Company”) is pleased to provide an update on its activities for the March 2024 quarter.

First Lithium Managing Director, Venkatesh Padala said:

“Completion of the initial 12,206m exploration program within 6 months of listing is a fantastic achievement for FL1. The high-grade assay results received to date are very encouraging and the exceptional intercept at BDFS02 of 111m @ 1.57% leads to significant potential for the company’s maiden JORC resource.

Looking ahead, the maiden MRE is anticipated in Q2 with further exploration to commence in Q3 once the scope of the resource has been identified and understood”.

Phase One Exploration Program Completed

On October 26 2023³, First Lithium announced it had commenced its maiden exploration program post listing, which included 6,000m of planned diamond drilling to delineate the already identified spodumene bearing pegmatites highlighting substantive surface expressions. The program expanded as positive visual results and pegmatites were identified and in total, 8,368m of Diamond and 3,838m of RC has been drilled in the combined phase one program.

On 20 November 2023⁴, First Lithium announced the expansion of the drilling program to include an additional 2,000m of drilling at the Company’s 2nd prospect Faraba. The program followed previous trenching and further examined and define the lithium-spodumene bearing pegmatites which were identified in the previous confirmatory drilling program⁴.

³ ASX:FL1 Announcement – Drilling commenced at Blakala Lithium prospect

⁴ ASX:FL1 Announcement – Expansion of drilling program – 2nd diamond rig commences

⁵ ASX:FL1 Announcement – Blakala assays identify further high grade Li₂O.

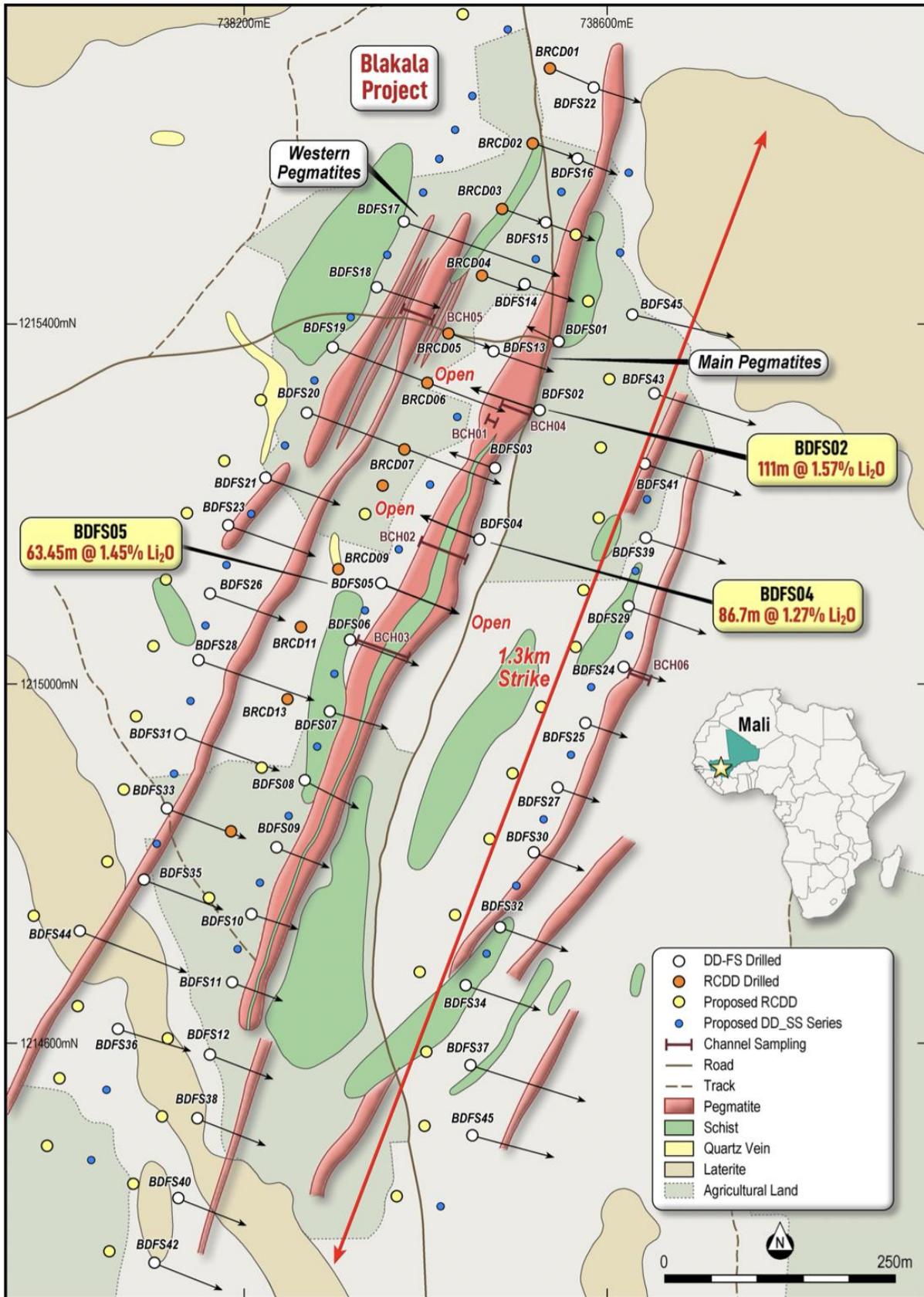


Figure 1: Highlighted results at Blakala prospect, incorporating completed phase one drilling program .

For personal use only

Assay results confirm discovery

Assay results announced on 20 December 2023² for the first three diamond holes drilled validated 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% Li₂O, as well as a 60.00m intersection @ 1.59% Li₂O from 39m in hole BDFS03 including a 38.0m intersection @ 1.76% Li₂O from 51m.

Further assay results announced on 22 January 2024⁶ for drill holes BDFS04 to BDFS15 drilled at the Main Pegmatite, Blakala prospect identified: 63.5 m intersection @ 1.45% (from 32.55 m) in hole BDFS05 Including 27.5 m intersection @ 2.07% Li₂O (from 32.55m) 39.6 m intersection @ 1.86% Li₂O (from 24.1 m) in hole BDFS08 Including 12.0 m intersection @ 2.08% Li₂O (from 29.0 m); and Including 13.0 m intersection @ 2.08% Li₂O (from 50.0 m) 29.0 m intersection @ 2.02% (from 27.0 m) in hole BDFS06 26.0 m intersection @ 1.60% (from 16.0 m) in hole BDFS13 Including 9.00 m intersection @ 1.76% Li₂O (from 31.0 m) 27.8 m intersection @ 1.55% (from 23.0 m) in hole BDFS15 Including 9.0 m intersection @ 1.80% Li₂O (from 41.0 m).

Announced on 15 February 2024⁷, further high grade results were received for diamond drill holes BDFS16 to BDFS19 on the Main and Western Pegmatite bodies at FL1's Blakala prospect with assays showing mineralised pegmatite intersections totalling 146.50m @ 1.50% Li₂O, including, BDFS16 Main Pegmatite 16.2m intersection @ 1.66% Li₂O (from 29.0m) BDFS17 Western Pegmatite 33.72m intersection @ 1.59% Li₂O (from 49.0m) Including 25.0m intersection at 1.87% Li₂O (from 57.0m) BDFS17 Main Pegmatite 10.0m intersection @ 1.33% Li₂O (from 177.0m) BDFS18 Western Pegmatite 10.59m intersection @ 1.52% Li₂O (from 23.28m) BDFS18 Western Pegmatite 17.0m intersection @ 1.81% Li₂O (from 60.5m) Including 14.0m intersection at 1.93% Li₂O (from 63.0m) BDFS19 Western Pegmatite 12.0m intersection @ 1.71% Li₂O (from 95m) Assay results validate Western Pegmatite body as a significant discovery with high grade spodumene mineralisation remaining open at depth and along strike.

Announced 20 February 2024⁸, further High grade analytical results were received for diamond drill holes BDFS20 to BDFS24 drilled on the Main, Eastern and Western Pegmatite bodies, Blakala prospect. BDFS22 Main Pegmatite 19.0m intersection @ 1.85% Li₂O (from 41.0m) Including 15.0m intersection at 2.04% Li₂O (from 44.0m), BDFS20 Western Pegmatite 17.80m intersection @ 1.39% Li₂O (from 20.0m) Including 6.0m intersection at 1.77% Li₂O (from 29.0m); and BDFS20 additional Pegmatite between Western and Main Pegmatites 9.79m intersection @ 1.70% Li₂O (from 125.75m); and BDFS20 Main Pegmatite at 10.70m intersection @ 1.60% Li₂O (from 229.0m). BDFS24 first drilling analytical results from Eastern Pegmatite 13.03m intersection @ 1.24% Li₂O (from 20.95m) Including 6.0m intersection at 1.62% Li₂O (from 27.0m). BDFS22 most northern hole on Main Pegmatite showed very high Li₂O grade with potential for strike extension to the North First assay results from Eastern Pegmatite body validates it as a significant discovery.

⁶ ASX:FL1 Announcement – Exceptional assay results from Blakala holes 4 to 15

⁷ ASX:FL1 Announcement – Blakala expands with 1st assay result from Western Pegmatite

⁸ ASX:FL1 Announcement – Blakala expands further with high grade Li₂O results

On 8 April 2024⁹, high grade analytical results were received for diamond drill holes BDFS25 to BDFS39 drilled on the Main, Eastern and Western Pegmatite bodies, Blakala prospect, BDFS27 Eastern Pegmatite 27.3m intersection @ 1.67% Li₂O (from 20.7m), Including 21.0m intersection at 1.96% Li₂O (from 22.0m), BDFS28 Western Pegmatite 19.0m intersection @ 1.51% Li₂O (from 46.0m), Including 15.0m intersection at 1.73% Li₂O (from 50.0m); and BDFS31 Western Pegmatite 21.0m intersection @ 1.66% Li₂O (from 32.0m), Including 15.0m intersection at 1.76% Li₂O (from 32.0m).

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.

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 2: FL1 Tenure status

⁹ ASX:FL1 Announcement – Blakala assays identify further high grade Li₂O

For personal use only

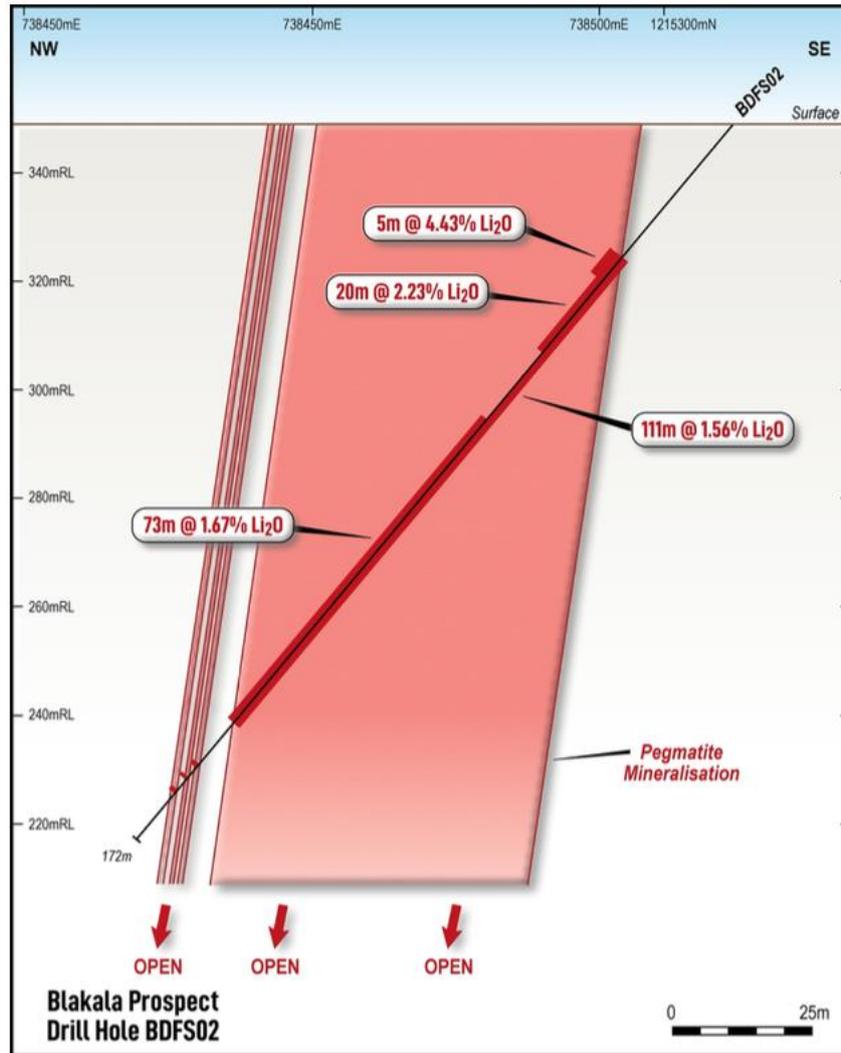


Figure 3: Assay results showing 111m intercept @ 1.56% Li₂O in hole BDFS02

For personal use only



Figure 4: Phase one diamond drilling completed at Blakala

Corporate

First Lithium had a cash balance of \$1.31m at 31 March 2024 and no debt. Exploration and evaluation expenditure incurred for the year to date was \$3.15m.

Related Party Transactions

Payments to related parties of the entities and their associates (refer section 6 of Appendix 5B):

- Included at section 6.1 – Comprises: Remuneration of Directors - \$89k
- Included at section 6.2 – Comprises: Remuneration of directors - Nil

Listing Rule 5.3.1 and 5.3.2

In accordance with ASX Listing Rule 5.3.1, the Company confirms that there have been no material developments or changes to its exploration activities, and provide the following information:

- Approximately \$1.93m was incurred by the Company in respect of exploration activity for the quarter ended 30 March 2024, primarily on:
 - Diamond drilling program at Blakala and Faraba prospects, Mali; and
 - Detailed geological mapping and reconnaissance field work
- A summary of the specific exploration activities undertaken in the two permits held is included in this activity report.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

Listing Rule 5.3.4

The Company provides the following disclosures required by ASX regarding a comparison of actual expenditure to date since re-listing on 28 September 2023 against use of funds statement in the Prospectus dated 30 June 2023.

Expenditure	Funds Allocated under Prospectus	Actual to 31 March 2024	Variance	Note
	\$	\$	\$	
Exploration – Mali Lithium Project	4,732,782	3,277,015	(1,455,767)	1
Expenses of the Offers	560,000	248,862	(311,138)	2
Corporate and administration costs	650,000	679,733	29,733	3
Working capital	552,396	-	(552,396)	4
Total	6,495,178	4,205,610	(2,289,568)	

The Use of Funds table is a statement of current intentions, investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions.

1. Exploration at the Mali Lithium Project is currently under the use of funds budget by \$1.46m. The variance is due to timing (use of funds being over a 24-month period).
2. Expenses of the offer is currently under the use of funds budget by \$311k. The variance was due to costs of the offer being over estimated and some budgeted costs being paid from existing cash reserves.
3. Corporate and administration costs include business running costs, director's fees and related party payments, ASX compliance costs and corporate expenses..
4. Working capital is currently under the use of funds budget by \$552k. This is set aside as a reserve of funding for effective capital management.

Ends-

The Board of Directors of First Lithium Ltd authorised this announcement to be given to the ASX.

Further information contact:

Venkatesh Padala
Managing Director

T: +61 8 9481 0389

E: info@firstlithium.com.au

FIRST LITHIUM LIMITED
ACN 009 081 770

Level 8, London House
216 St. Georges Terrace
Perth Western Australia 6000
Tel: +61 (08) 9481 0389
Facsimile: +61 (08) 9463 6103
<http://firstlithium.com.au>

CONTACT:

Venkatesh Padala
Managing Director
Tel: +61 8 9481 0389
info@firstlithium.com.au

DIRECTORS

Lee Christensen
Venkatesh Padala
Jason Ferris
Andrew Law

CODE: ASX: FL1

ABOUT FIRST LITHIUM

First Lithium (ASX code: FL1) is at the forefront of lithium exploration and sustainable development, focusing on pioneering projects like Blakala and Faraba in Mali. Our management team has significant in-country experience and specialist advisors with extensive lithium exploration and government relations expertise.

Our commitment goes beyond the pursuit of lithium riches; it's about powering tomorrow responsibly. We recognise the global demand for lithium and are dedicated to positively impacting local communities while ensuring environmentally sensitive practices.

Directors

Venkatesh Padala	Managing Director
Lee Christensen	Chairman
Andrew Law	Non-Executive Director
Jason Ferris	Non-Executive Director

Capital Structure

Shares on issue :	99,071,667
Options on issue:	<ul style="list-style-type: none"> a) 7,500,000 options with an exercise price of \$0.30 per option and an expiry of 8 July 2024. b) 30,500,000 vendor options with an exercise price of \$0.30 per option and an expiry of 28 September 2026 c) 1,800,000 lead manager options with an exercise price of \$0.40 per option and an expiry of 28 September 2027

Performance Rights:	15,000,000 performance rights, subject to certain milestones.
----------------------------	---

Competent Persons Statement

Except where indicated, exploration results above have been reviewed and compiled by Mr Kobus Badenhorst, a Competent Person who is a Member of SACNASP and the South African Geological Society (GSSA), with over 26 years of experience in metallic and energy mineral exploration and development, and as such has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Badenhorst is the Managing Director of GeoActiv Dynamic Geological Services and consents to the inclusion of this technical information in the format and context in which it appears.

Cautionary Statement – Visual Estimates

This announcement contains references to visual results and visual estimates of mineralisation. FL1 advises there is uncertainty in reporting visual results. Visual estimates of mineral findings should not be considered a substitute for laboratory analysis where concentrations or grades are provided with scientific accuracy. Visual estimates also potentially provide no information regarding impurities or other factors relevant to mineral result valuations. The presence of pegmatite rock does not necessarily indicate the presence of Lithium mineralisation. Laboratory chemical assays are required to determine the grade of mineralisation.

Forward-Looking Statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur, and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

FIRST LITHIUM LIMITED

ABN

67 009 081 770

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	(1,225)
	(b) development	-	-
	(c) production	-	-
	(d) board remuneration	(59)	(367)
	(e) administration and corporate costs	(272)	(715)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	27
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Transaction costs)	-	(409)
1.9	Net cash from / (used in) operating activities	(325)	(2,689)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(1,928)	(1,928)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Net cash balance of acquired entities)	-	17
2.6	Net cash from / (used in) investing activities	(1,928)	(1,911)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(9)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liabilities)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Proceeds from unissued unsecured convertible note)	-	-
3.10	Net cash from / (used in) financing activities	-	1,991

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,545	3,977
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(325)	(2,689)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,928)	(1,911)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,991

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	16	(60)
4.6	Cash and cash equivalents at end of period	1,308	1,308

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,293	3,530
5.2	Call deposits	15	15
5.3	Bank overdrafts	-	-
5.4	Other (held by share registry)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,308	3,545

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	89
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(325)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,928)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,253)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,308
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,308
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.6

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Following the completion of Phase 1 drilling, the focus for the next quarter is on delivering the maiden JORC resource at Blakala. As such, the net outflows will be greatly reduced until such time as drilling recommences later this year.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As announced today, the Company is undertaking a Rights Issue in order to raise up to \$3.2m, of which it has received pre-commitments from major shareholders amounting to \$1.75m.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, in accordance with its responses to 8.8.1 & 8.8.2.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: By the Board of First Lithium Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.