Fulcrum Lithium Ltd

and its controlled entities
ABN: 23 665 528 307

Interim Financial Statements

For the Half Year Ended 31 December 2023

Fulcrum Lithium Ltd
and its controlled entities
ABN: 23 665 528 307

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For the Half Year Ended 31 December 2023

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FULCRUM LITHIUM LTD
and its controlled entities
Directors' Report

The Directors present their report together with the consolidated interim financial statements of the Group, comprising Fulcrum Lithium Ltd ('Fulcrum' or 'the Company') and its controlled entities, for the half year ended 31 December 2023.

Directors

The names of each person who has been a Director of the Company during the half year and to the date of this report are:

- Norman Alfred Seckold Appointed 6 February 2023
- Peter James Nightingale Appointed 6 February 2023
- Anthony Sgro Appointed 6 February 2023
- Foster Vance Wilson Appointed 6 February 2023

Principal activities

The principal activities of Fulcrum since its incorporation have been the acquisition of a number of lode claims focused on exploration for lithium in the state of Nevada, USA.

No significant changes in the nature of the Group's activity occurred during the financial half year.

Operating results

The loss of the Group for the half year ended 31 December 2023 amounted to $924,375, after providing for income tax.

Review of operations

On 20 July 2023, the Company incorporated Flasher LLC ('Flasher'), and on 31 July 2023, Flasher entered into a Novation Agreement with Foster Wilson (Director and related party) in relation to the Fairway lithium exploration project for consideration totaling US$75,000 and, upon evidence that the Fairway project lode claims are registered under the name of Flasher, the issue of 7,100,000 ordinary Fulcrum shares.

In accordance with the agreement, on 31 July 2023 the Company paid $112,629 (US$75,000) in cash and on the 6 November 2023 issued 7,100,000 ordinary shares at an issue price of $0.10 per share for $710,000. The total consideration in cash and shares was $822,629.

On 12 December 2023, the Company issued 1,500,000 ordinary shares at an issue price of $0.10 to raise $150,000 before costs.

Alkali Flats Project
The Alkali Flats project comprises 2,276 lode claims, an area of 190 km^2, located in the Clayton Valley, Nevada, USA.

The USA Bureau of Land Management ('BLM') has permitted the Company's proposed 14 hole, Phase 1 drilling program, at the Alkali Flats lithium exploration project.

The Company collected 52 rock chips samples from the Alkali Flats project:

- Assays averaged 307 ppm lithium ('Li')
- 23 samples returned assays greater than 300 ppm Li
- Sample 26520 - 797 ppm Li
- Sample 26521 - 721 ppm Li

Summit Project
The Summit project comprises 160 lode claims, an area of 13 km^2, located in the Lida Valley, Nevada, USA.

The Company undertook rock chip sampling at its Summit lithium exploration project returning anomalous LI up to 175 ppm Li.

Fairway Project
The Fairway project comprises of 327 lode claims, an area of 27 km^2 located in the Fish Lake Valley, Nevada, USA. Historical results reported by American Lithium Corp. are:

- RECON -312 - 500 ppm Li
- RECON -313 - 930 ppm Li
- RECON -314 - 580 ppm Li
- RECON -315 - 304 ppm Li

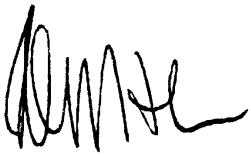
FULCRUM LITHIUM LTD
and its controlled entities
Directors' Report

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

Signed at Sydney this 19th day of January 2024



Norman A. Seckold



Peter J. Nightingale

FULCRUM LITHIUM LTD
and its controlled entities

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FULCRUM LITHIUM LTD
and its controlled entities

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated 31 December 2023
		$
Continuing operations		
Administration costs		**(916,792)**
Other expenses from ordinary activities		**(21,900)**
Operating loss before financing income		**(938,692)**
Interest income		**14,317**
Interest expense		**-**
Net financing income		**14,317**
Loss		**(924,375)**
Income tax expense		**-**
Loss for the period		**(924,375)**
Other comprehensive income		
Exchange differences on translation of foreign operations		**(86,025)**
Total comprehensive loss for the period		**(1,010,400)**
Basic and diluted loss per share (cents)		**(1.21)**

The above Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
and its controlled entities
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	Consolidated 31 December 2023	Consolidated 30 June 2023
		$	$
Current assets			
Cash and cash equivalents		162,253	1,539,214
Other assets	3	119,653	277,751
Total current assets		281,906	1,816,965
Non-current assets			
Other financial assets	3	18,455	-
Exploration and evaluation expenditure	4	2,584,890	1,227,295
Total non-current assets		2,603,345	1,227,295
Total assets		2,885,251	3,044,260
Current liabilities			
Trade and other payables	5	20,127	28,736
Total current liabilities		20,127	28,736
Total liabilities		20,127	28,736
Net assets		2,865,124	3,015,524
Equity			
Issued capital	6	3,872,103	3,012,103
Reserves	7	(65,295)	20,730
Accumulated losses		(941,684)	(17,309)
Total equity		2,865,124	3,015,524

The above Condensed Consolidated Interim Statement of Financial Position
should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
and its controlled entities
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2023		**3,012,103**	**20,730**	**(17,309)**	**3,015,524**
Total comprehensive income for the period					
Loss for the period		**-**	**-**	**(924,375)**	**(924,375)**
Other comprehensive loss		**-**	**(86,025)**	**-**	**(86,025)**
Total comprehensive loss for the period		**-**	**(86,025)**	**(924,375)**	**(1,010,400)**
Transactions with owners, recorded directly in equity					
Contribution by and distribution to owners					
Ordinary shares issued		**860,000**	**-**	**-**	**860,000**
Balance at 31 December 2023	6,7	**3,872,103**	**(65,295)**	**(941,684)**	**2,865,124**

The above Condensed Consolidated Interim Statement of Changes in Equity
should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
and its controlled entities
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated 31 December 2023 $
		$
Cash flows from operating activities		
Cash payments in the course of operations		**(412,541)**
Interest received		**14,317**
Net cash used in operating activities		**(398,224)**
Cash flows from investing activities		
Payments for exploration and development expenditure		**(1,128,737)**
Net cash used in investing activities		**(1,128,737)**
Cash flows from financing activities		
Proceeds from share issues		**150,000**
Net cash from financing activities		**150,000**
Net decrease in cash held		**(1,376,961)**
Cash and cash equivalents at beginning of the half year		**1,539,214**
Cash and cash equivalents at end of the half year		**162,253**

The above Condensed Consolidated Interim Statement of Cash Flows
should be read in conjunction with the accompanying notes.

1 Reporting Entity

Fulcrum Lithium Ltd (the 'Company') is a for-profit company limited by shares, incorporated and domiciled in Australia. The condensed consolidated interim financial statements, of the Company as at and for the half year ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the 'Group').

Fulcrum Lithium Ltd was incorporated on 6 February 2023 and accordingly, this is the first interim financial statement presented.

This condensed consolidated interim financial report was approved by the Board of Directors on 19 January 2024.

2 Basis of Preparation

(a) Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last consolidated financial statements as at and for the period ended 30 June 2023. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 30 June 2023.

(b) Going concern

The consolidated interim financial statements have been prepared on a going concern basis which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

For the interim period ended 31 December 2023 the Group has incurred a loss of $924,375 and has accumulated losses of $941,684 as at 31 December 2023. The Group used $398,224 of cash in operations, in addition to $1,128,737 of cash for exploration and evaluation expenditure for the period ended 31 December 2023.

The Directors have prepared cash flow projections for the period from 1 January 2024 to 31 January 2025 that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group continues substantial exploration activities in the areas of interest, which will require additional funding from shareholders or other parties that is yet to be secured at the date of this report.

The Group has successfully raised funding since incorporation in February 2023 through to 31 December 2023, however future projected cash inflows from funding are inherently uncertain until secured.

The Group's trade and other payables at 31 December 2023 of $20,127 include accruals and creditors. The Group has sufficient funds available to enable repayment of the outstanding amounts without adversely impacting the Group's ability to continue as a going concern. Further, the Group has the ability to significantly reduce all discretionary expenditure until such time that there are sufficient funds to continue with the exploration and evaluation activities as planned in the cash flow projections.

The ongoing operations of the Group are dependent upon the Group raising additional funding from shareholders or other parties and continuing to significantly reduce discretionary expenditure until additional funding has been secured. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

In the event that the Group does not obtain additional funding, the achievement of which is inherently uncertain, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets, including capitalised exploration and evaluation expenditure of $2,584,890, and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated interim financial report.

(c) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 30 June 2023:

- Exploration and evaluation assets - Note 4.
- Going Concern – Note 2(b).

(d) Changes in accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the 30 June 2023 financial report.

(e) New accounting standards and interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Accounting Standards.

	31 December 2023 $	30 June 2023 $
3 Other Assets		
Current		
Withholding tax on deposits recoverable	**10,873**	**4,423**
GST receivable	**4,004**	**62**
Prepayments	**104,776**	**273,266**
	119,653	**277,751**
Non-current		
Bond deposit	**18,455**	**-**
4 Exploration and Evaluation Expenditure		
Alkali Flats project	**2,152,292**	**1,227,295**
Summit project	**141,989**	**-**
Fairway project	**290,609**	**-**
	2,584,890	**1,227,295**
Alkali Flats		
Balance at beginning of the period	**1,227,295**	**-**
Additions	**950,950**	**1,227,295**
Foreign currency translation movement	**(25,953)**	**-**
Net book value	**2,152,292**	**1,227,295**
Summit		
Balance at beginning of the period	**-**	**-**
Additions	**141,989**	**-**
Foreign currency translation movement	**-**	**-**
Net book value	**141,989**	**-**
Fairway		
Balance at beginning of the period	**-**	**-**
Additions	**290,609**	**-**
Foreign currency translation movement	**-**	**-**
Net book value	**290,609**	**-**

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	31 December 2023 $	30 June 2023 $
5 Trade and Other Payables		
Trade creditors	**128**	**8,736**
Accruals	**20,000**	**20,000**
Balance at end of period	**20,128**	**28,736**

6 Issued Capital

	31 December 2023		30 June 2023	
	Number	$	Number	$
Ordinary fully paid shares at beginning of the period	**74,000,005**	**3,012,103**	**-**	**-**
Movement in ordinary shares				
Issued ordinary shares 6 February 2023			**5**	**-**
Issued ordinary shares 17 March 2023	**-**	**-**	**48,000,000**	**412,103**
Issued ordinary shares 14 April 2023 for $0.10	**-**	**-**	**26,000,000**	**2,600,000**
Issued ordinary shares 6 November 2023 for $0.10	**7,100,000**	**710,000**	**-**	**-**
Issued ordinary shares 12 December 2023 for $0.10	**1,500,000**	**150,000**	**-**	**-**
	82,600,005	**3,872,103**	**74,000,005**	**3,012,103**

The movement in issued capital during the half year period to 31 December 2023 included the following:

On 6 November 2023, the Company issued 7,100,000 ordinary shares at an issue price of $0.10 per share for $710,000 in consideration for the novation of the Fairway project to Flasher LLC, a Company incorporated in the state of Nevada, USA. Refer to note 9 for further details.

Terms and conditions – Shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

7 Reserves

	31 December 2023 $	30 June 2023 $
Foreign currency translation reserve	**(65,295)**	**20,730**
Balance at the beginning of the period	**20,730**	**-**
Currency translation differences	**(86,025)**	**20,730**
Balance at end of period	**(65,295)**	**20,730**

8 Segment Reporting

The Group's chief operating decision maker has considered the requirements of AASB 8, Operating Segments, and has concluded that, during the half year ended 31 December 2023, the Group operated as a mineral exploration entity within the geographical segment of USA.

9 Related parties

The Group's main related parties are as follows:

Key management personnel who comprise the Board of Directors.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

On 20 July 2023, the Company incorporated Flasher LLC ('Flasher'), and on 31 July 2023, Flasher entered into a Novation Agreement with Foster Wilson (Director and related party) in relation to the Fairway lithium exploration project for consideration totalling $112,629 (US$75,000) and, upon evidence that the Fairway project lode claims are registered under the name of Flasher, the issue of 7,100,000 ordinary Fulcrum shares.

In accordance with the agreement, on 31 July 2023, the Company paid US$75,000 in cash and on 6 November 2023 issued 7,100,000 ordinary shares at an issue price of $0.10 per share for $710,000. The total consideration in cash and shares was $822,629.

10 Subsequent events after the reporting date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

FULCRUM LITHIUM LTD
and its controlled entities

DIRECTORS' DECLARATION

31 DECEMBER 2023

In the opinion of the Directors of Fulcrum Lithium Ltd:

(a) the financial statements and notes set out on pages 3 to 12:

(i) presents fairly the financial position of the Group as at 31 December 2023 and of its performance for the half year ended on that date; and

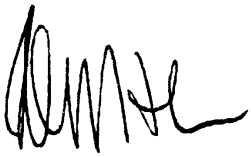
(ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*; and

b) 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 at Sydney this 19th day of January 2024
in accordance with a resolution of the Board of Directors:



Norman A. Seckold



Peter J. Nightingale

Independent Auditor's Review Report

To the Directors of Fulcrum Lithium Ltd

Conclusion

We have reviewed the accompanying ***Condensed Consolidated Interim Financial Statements*** of Fulcrum Lithium Ltd (the ***Group***).

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements of Fulcrum Lithium Ltd do not present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and of its financial performance and its cash flows for the six months ended on that date, in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

The ***Condensed Consolidated Interim Financial Statements*** comprises:

- Condensed consolidated interim statement of financial position as at 31 December 2023
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and Condensed consolidated statement of cash flows for the six months ended on that date
- Notes 1 to 10 comprising a summary of material accounting policies and other explanatory information.

The ***Group*** comprises Fulcrum Lithium Ltd (the Company) and the entities it controlled at the period end or from time to time during the period from 1 July 2023 to 31 December 2023.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 2, under the heading "(b) Going Concern" in the Condensed Consolidated Interim Financial Statements. The events or conditions disclosed in Note 2 indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Condensed Consolidated Interim Financial Statements. Our conclusion is not modified in respect of this matter.

Restriction on use and distribution

The Condensed Consolidated Interim Financial Statements have been prepared to assist the Directors of Fulcrum Lithium Ltd for the purpose of providing historical financial information on the Group.

As a result, the Condensed Consolidated Interim Financial Statements and this Auditor's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of Fulcrum Lithium Ltd and should not be used by or distributed to parties other than the Directors of Fulcrum Lithium Ltd. We disclaim any assumption of responsibility for any reliance on this report, or on the Condensed Consolidated Interim Financial Statements to which it relates, to any person other than the Directors of Fulcrum Lithium Ltd or for any other purposes than that for which they were prepared.

Responsibilities of Management for the Condensed Consolidated Interim Financial Statements

Management of the Group are responsible for:

- the preparation and fair presentation of the Condensed Consolidated Interim Financial Statements in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and have determined that the financial reporting framework is appropriate to meet the needs of Directors for the purpose of providing historical financial information on the Group
- such internal control as Management determine necessary to enable the preparation and fair presentation of the Condensed Consolidated Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Consolidated Interim Financial Statements

Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Statements based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Condensed Consolidated Interim Financial Statements do not present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and of its financial performance and its cash flows for the six months ended on that date, in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

A review of a Condensed Consolidated Interim Financial Statements 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.

KPMG

Brisbane

19 January 2024