Fulcrum Lithium Ltd

and its controlled entities
ABN: 23 665 528 307

Financial Statements

For the Financial Year Ended 30 June 2024

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

Contents
For the Financial Year Ended 30 June 2024

	Page
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Consolidated Entity Disclosure Statement	24
Directors' Declaration	25
Independent Auditor’s Report	26

FULCRUM LITHIUM LTD
and its controlled entities
Directors' Report

The Directors present their report together with the consolidated financial statements of the Group, comprising Fulcrum Lithium Ltd ('Fulcrum' or 'the Company') and its controlled entities, for the year ended 30 June 2024.

Directors

The names and details of the Directors in office during or since the end of the previous financial year are as follows. Directors were in office for the entire year unless otherwise stated.

- Norman Alfred Seckold — Since 6 February 2023
- Peter James Nightingale — Since 6 February 2023
- Anthony Sgro — Since 6 February 2023
- Foster Vance Wilson — Since 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.

Operating results

The consolidated loss after income tax attributable to members of the Company for the year was $1,025,351 (for the period 6 February 2023 to 30 June 2023 - $17,309 loss).

Review of operations

During the financial year ended 30 June 2024, the Company identified and acquired additional lithium exploration claims in Nevada, USA, in the heart of Nevada's "lithium belt" which hosts Albemarle Corporation's (NYSE: ALB) Silver Peak lithium mine, the only lithium producing mine in the USA.

In July 2023, the Company incorporated a wholly owned subsidiary, 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 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 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.

In August 2023, the Company's wholly owned subsidiary, Last Basin LLC ('Last basin') claim staked 160 lode claims, the Summit project.

The Company now holds the following lithium projects in Nevada, USA:

- the Alkali Flats lithium project comprising 2,276 lode claims (approximately 190 km^2);
- the Fairway lithium project comprising 327 lode claims (approximately 27 km^2); and
- the Summit lithium project comprising 160 lode claims (approximately 13 km^2).

The Company's Projects represent the largest known portfolio of lode claims in Nevada focused on the exploration for claystone hosted lithium deposits. Exploration results to date, particularly at the Company's flagship project, Alkali Flats, have shown that claystone hosted lithium is present on the Company's claims. The claystone present on the Company's claims exhibits geologic and topographic characteristics considered to be instrumental in the significant accumulations of lithium in claystone reported at several nearby projects.

The Company plans to systematically explore all three Projects through geophysical tests, drilling and metallurgical test work with the aim of defining an economic mineral resource.

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.

The Company is in the process of undertaking an Initial Public Offer ('IPO') and ASX Listing of 40,000,000 shares at an issue price of $0.25 per share to raise $10.0 million (before costs) to facilitate the exploration of its Projects with the objective of defining, developing and exploiting lithium opportunities that are critical to the transition to clean energy.

A prospectus was lodged with ASIC on 21 August 2024 and the IPO 'went live' on 28 August 2024.

Alkali Flats Project

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

Fairway Project

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

These results are historical estimates and not reported in accordance with the JORC Code.

Material changes in state of affairs

Other than as described in the Review of operations above, there have been no material changes in the state of affairs of the Group during the period.

Dividends paid or recommended

No dividends were paid or declared during the period.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The operations and proposed activities of the Group are subject to State and Federal laws and regulations in the USA concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

Subsequent events after the reporting date

As noted above, a prospectus for the IPO of 40,000,000 shares to raise $10.0 million (before costs) was lodged with ASIC on 21 August 2024 and the IPO 'went live' on 28 August 2024.

The Company has entered into a loan facility agreement with Norman A. Seckold (Company Director) whereby Norman A. Seckold (or his nominee) has agreed to make a loan facility in the amount of $1.0 million available to the Company. On 23 August 2024, the Company has fully drawn down the amount of $1.0 million. Funds drawn from the Loan Facility are interest free and unsecured and shall be repaid within 5 days of the issue of Shares pursuant to the IPO. If the IPO is not completed by 30 June 2025, the Company will repay outstanding monies owed under the Loan Facility by the issue of Shares in the Company at a deemed issue price of $0.10 per Share within 5 days of the lender providing a written notice of demand of repayment.

No other matters or circumstances have arisen since the end of the reporting period which materially affected or may materially 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' Report

Directors

Norman A. Seckold (Executive Chairman)

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney and has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas.

Mr. Seckold has been the Chairman of a number of publicly listed companies including Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA, Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA, Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA, Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria, Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria, Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden, Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico and Bolnisi Gold N.L, which discovered and developed the Palmarejo and Guadalupe gold and silver mines in Mexico.

Mr. Seckold is currently Chairman of ASX-listed companies Alpha HPA Limited, Nickel Industries Limited, and Sky Metals Limited.

Interest in Shares 29,828,005 ordinary fully paid shares.

Peter J. Nightingale (Executive Director, CFO and Company Secretary)

Peter Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of Chartered Accountants Australia & New Zealand. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr. Nightingale has, for more than 35 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia and the including Bolnisi Gold N.L. and Nickel Industries Limited. Mr. Nightingale is currently a director of ASX listed Alpha HPA Limited and Prospech Limited.

Interest in Shares 3,000,000 ordinary fully paid shares.

Anthony Sgro (Independent, Non-Executive Director)

Mr. Sgro is a Chemical Engineer, graduating from the University of Sydney. His studies included a thesis on Minerals Chlorination, which focused on the application of chlorination techniques to the extractive metallurgy of various minerals including titanium, nickel, chromium and tungsten ores. He also completed a Graduate Diploma in Marketing from Macquarie University School of Business.

In a career spanning 45 years, Mr. Sgro was involved in the technical and commercial aspects of supply of specialised equipment to the major process industries including oil and gas, petrochemical, chemical and mining industries, including equipment specification, material selection, commercial and technical aspects of large tenders, contract negotiation and contract management.

Mr Sgro is currently a director of ASX listed Alpha HPA Limited.

Interest in Shares 1,000,000 ordinary fully paid shares

Foster V. Wilson (Non-Executive Director)

Mr Wilson has over 40 years of experience, with a focus on lithium claystone and brine exploration projects, in roles ranging from reserve drilling and estimation, feasibility studies, mine permitting and development. He has worked in various capacities for Placer Dome Inc., Echo Bay Mines Ltd., American Bonanza Gold Corp. and various junior exploration companies.

Mr. Wilson currently serves as a director of TSX-V listed Alpha Lithium Corporation and Atomic Minerals Corp. and is President of Mesa Exploration Corporation.

Interest in Shares 21,212,000 ordinary fully paid shares

Meetings of directors

During the financial year, 3 meetings of Directors were held. Attendances by each Director during the period were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Norman Seckold	3	3
Peter Nightingale	3	3
Anthony Sgro	3	3
Foster Wilson	3	3

Performance Rights

The Company will, to the extent that it has accepted a duly completed application, grant the following Performance Rights, which once vested, will entitle the holder to the issue of one fully paid ordinary share in the Company:

Number of rights	Basis	Vesting
3,000,000	Performance-based	Subject to the following: (a) the Company receiving conditional approval to be admitted to Official Quotation on the ASX; and (b) the Company completing at least 10 drill holes of which a minimum of 450 metres is drilled in total across the 10 holes and with at least one intersection returning a minimum grade of 750 ppm lithium.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during the reporting period or since the end of the financial year, for any person who is or has been an officer or auditor of Fulcrum Lithium Ltd.

Proceedings on behalf of the company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Competent Person's Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Bill R. Fleshman of Global Geological Services, LLC, a geologist who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and (FAusIMM CP Geology #107342). Mr Fleshman is an independent consultant and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify 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 Fleshman consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

Auditor's independence declaration

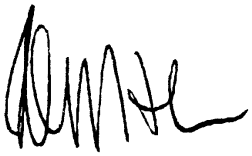
The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the period ended 30 June 2024 has been received and can be found on page 5 of the financial report.

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

Signed at Sydney this 16th day of September 2024



Norman A. Seckold



Peter J. Nightingale

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Fulcrum Lithium Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Fulcrum Lithium Ltd for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Adam Twemlow

Partner

Brisbane

16 September 2024

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

FULCRUM LITHIUM LTD
and its controlled entities
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024	Period from 6 February 2023 to 30 June 2023
		$	$
Continuing operations			
Filing and incorporation costs		**-**	(6,062)
Administration costs		**(27,548)**	-
Consultants fees	19	**(822,629)**	-
Other expenses from ordinary activities		**(192,061)**	(20,661)
Operating loss before financing income		**(1,042,238)**	(26,723)
Interest income		**16,887**	9,414
Interest expense		**-**	-
Net financing income		**16,887**	9,414
Loss		**(1,025,351)**	(17,309)
Income tax expense	4	**-**	-
Loss for the year/period		**(1,025,351)**	(17,309)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(29,851)**	20,730
Total comprehensive (loss)/profit for the year/period		**(1,055,202)**	3,421
Basic and diluted loss per share (cents)	5	**(1.29) cents**	(0.04) cents

The above Consolidated 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
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024	2023
		$	$
Current assets			
Cash and cash equivalents	6	**55,785**	1,539,214
Other assets	7	**211,088**	277,751
Total current assets		**266,873**	1,816,965
Non-current assets			
Other financial assets	8	**18,851**	-
Exploration and evaluation expenditure	9	**2,642,274**	1,227,295
Total non-current assets		**2,661,125**	1,227,295
Total assets		**2,927,998**	3,044,260
Current liabilities			
Trade and other payables	10	**107,676**	28,736
Total current liabilities		**107,676**	28,736
Total liabilities		**107,676**	28,736
Net assets		**2,820,322**	3,015,524
Equity			
Issued capital	11	**3,872,103**	3,012,103
Reserves	12	**(9,121)**	20,730
Accumulated loss		**(1,042,660)**	(17,309)
Total equity		**2,820,322**	3,015,524

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

FULCRUM LITHIUM LTD
and its controlled entities
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

Attributable to equity holders of the Company	Notes	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 6 February 2023		-	-	-	-
Total comprehensive income for the period					
Loss for the year		-	(17,309)	-	(17,309)
Other comprehensive income		-		20,730	20,730
Total comprehensive income/(loss) for the period		-	(17,309)	20,730	3,421
Transactions with owners, recorded directly in equity					
Contribution by and distribution to owners					
Ordinary shares issued		3,012,103	-	-	3,012,103
Balance at 30 June 2023	11,12	3,012,103	(17,309)	20,730	3,015,524

Attributable to equity holders of the Company	Notes	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2023		**3,012,103**	**(17,309)**	**20,730**	**3,015,524**
Total comprehensive loss for the period					
Loss for the year		**-**	**(1,025,351)**	**-**	**(1,025,351)**
Other comprehensive loss		**-**		**(29,851)**	**(29,851)**
Total comprehensive loss for the year		**-**	**(1,025,351)**	**(29,851)**	**(1,055,202)**
Transactions with owners, recorded directly in equity					
Contribution by and distribution to owners					
Ordinary shares issued		**860,000**	**-**	**-**	**860,000**
Balance at 30 June 2024	11,12	**3,872,103**	**(1,042,660)**	**(9,121)**	**2,820,322**

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

FULCRUM LITHIUM LTD
and its controlled entities
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024	2023
		$	$
Cash flows from operating activities			
Cash payments in the course of operations		**(459,901)**	(258,137)
Interest received		**16,887**	9,414
Net cash used in operating activities	14	**(443,014)**	(248,723)
Cash flows from investing activities			
Payments for exploration and development expenditure		**(1,171,564)**	(812,063)
Advancement for financial assets		**(18,851)**	-
Net cash used in investing activities		**(1,190,415)**	(812,063)
Cash flows from financing activities			
Proceeds from share issues		**150,000**	2,600,000
Net cash from financing activities		**150,000**	2,600,000
Net (decrease)/increase in cash held		**(1,483,429)**	1,539,214
Cash at the beginning of the reporting period		**1,539,214**	-
Cash and cash equivalents at 30 June	6	**55,785**	1,539,214

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

FULCRUM LITHIUM LTD
and its controlled entities
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Fulcrum Lithium Ltd (the 'Company') is a for-profit company limited by shares, incorporated and domiciled in Australia. The consolidated financial statements as at and for the year ended 30 June 2024 comprise the Company and its controlled entities (together referred to as the 'Group').

The financial report was authorised for issue by the Directors on 16 September 2024.

1 Basis of Preparation

(a) Statement of compliance
The consolidated financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

+e ,#Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets which are measured at fair value.

(c) Functional and presentation currency
These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Going concern
The consolidated 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 year ended 30 June 2024 the Group has incurred a loss of $1,025,351 (for the period ended 30 June 2023, a loss $17,309) and has accumulated losses of $1,042,660 as at 30 June 2024. The Group used $443,014 of cash in operations, in addition to $1,171,564 of cash for exploration and evaluation expenditure for the year ended 30 June 2024. The Group had in cash at bank of $55,785 at year end.

The ongoing operations of the Group are dependent upon the Group raising additional funding from shareholders or other parties and continuing to materially reduce expenditure until additional funding has been secured.

The Directors have prepared cash flow projections for the period from 1 July 2024 to 30 September 2025 that support the ability of the Group to continue as a going concern. These cash flow projections assume that the Group will have a successful IPO event and will continue its substantial exploration activities in the areas of interest and that adequate funding for its activities will be available.

In order to fund its activities, subsequent to the end of the year the Group has:

- entered into a loan facility agreement with Norman A. Seckhold (a Company Director) for $1.0 million. This loan is interest free, unsecured, and repayable at the earlier of a successful Initial Public Offering (see below) or 30 June 2025; and
- commenced a process to raise funds through an Initial Public Offer ('IPO') and ASX Listing. The IPO is to issue 40,000,000 shares at an issue price of $0.25 per share to raise $10.0 million (before costs) to fund its activities. A prospectus was lodged with ASIC on 21 August 2024 and the IPO 'went live' on 28 August 2024.

In the event that the IPO does not raise sufficient funds in the timeframe required by the Group, alternative funding will need to be obtained. In this event, the Group expects to raise funding from Directors and other parties.

There is significant uncertainty in relation to the ability of the group to raise adequate funding and to reduce expenditure until funding has been received. These conditions give rise to a material uncertainty that may cast material doubt upon the Group's ability to continue as a going concern.

In the event that the Group does not continue as a going concern, it may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial report.

2 Summary of Material Accounting Policies

(a) Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation
Intra-group balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

(b) Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the foreign currency translation reserve ('FCTR'), a separate component of equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

Any references to functional currency, unless otherwise stated, are to the functional currency of the Company, Australian dollars.

When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented within equity in the FCTR.

(c) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and material operations in, or in relation to, the area on interest are continuing. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the normal operating cycle; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(f) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(g) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Income tax

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(k) Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(l) Financial instruments

Non-derivative financial assets

Recognition and initial measurement

The Group initially recognises trade receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income – equity investment; or
- fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value through OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or materially reduces an accounting mismatch that would otherwise arise.

Non-derivative financial liabilities

Financial liabilities are measured at amortised cost.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise trade and other payables.

(m) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets that have suffered an impairment loss.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount of an exploration and evaluation asset exceed its recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating units shall not be larger than the area of interest.

(n) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are able to be early adopted for annual periods beginning after 1 July 2023 and have not been applied in preparing these financial statements. The Group is currently assessing the impact of these new standards and interpretations.

The Group also adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

3 Critical Accounting Estimates and Judgments

Group management makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however, as additional information is known then the actual results may differ from the estimates.

The material estimates and judgements made have been described below.

(a) Key judgment – capitalisation of exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $2,642,274.

(b) Key estimate – recognition of deferred tax assets

Availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised. Refer to Note 4.

(c) Key judgment – going concern

Whether there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Refer to Note 1 (d).

4 Income Tax Expense

	30 June 2024	Period from 6 February 2023 to 30 June 2023 $
Current tax expense		
Current year	**(41,299)**	1,568
Tax losses not recognised	**41,299**	(1,568)
	-	-
Deferred tax expense		
Current year	**(750)**	(5,000)
De-recognition of temporary differences	**750**	5,000
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before tax	**(1,025,351)**	(17,309)
Prima facie income tax benefit at the Australian tax rate of 25%	**(256,338)**	(4,327)
Increase in income tax expense due to:		
Non-deductible expenses	**214,289**	895
Effect of deferred tax assets for tax losses not brought to account	**41,299**	(1,568)
Effect of deferred tax assets not brought to account	**750**	5,000
	-	-
Deferred tax assets have not been recognised in respect of the following items		
Deductible temporary differences (net)	**750**	5,000
Tax losses	**41,299**	(1,568)
	42,049	3,432

The tax losses do not expire under current tax legislation provided certain criteria is met to enable them to be carried forward into future financial years. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

5 Loss per Share

Basic and diluted loss per share has been calculated using:

Net loss for the year/period attributable to equity holders of the parent	**1,025,351**	17,309

	2024 Number	2023 Number
Weighted average number of ordinary shares (basic and diluted)		
Issued ordinary shares at the beginning	**74,000,005**	-
Effect of shares issued (Note 11)	**5,436,164**	48,902,783
Weighted average number of ordinary shares at 30 June	**79,436,169**	48,902,783

6 Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank	**55,785**	1,539,214

7 Other Assets

	2024	2023
	$	$
Withholding tax on deposits recoverable	**6,450**	4,423
Prepayments	**204,272**	273,266
GST receivable	**366**	62
	211,088	277,751

8 Other Financial Assets

Bond deposit Alkali Flat Phase one drilling	**18,851**	-

9 Exploration and Evaluation Assets

Alkali Flats	**2,199,580**	1,227,295
Fairway	**297,659**	-
Summit	**145,035**	-
	2,642,274	1,227,295

Alkali Flats

Carrying amount at the beginning of the year	**1,227,295**	-
Additions	**1,007,769**	1,227,295
Foreign currency translation movement	**(35,484)**	-
Balance carried forward	**2,199,580**	1,227,295

Fairway

Carrying amount at the beginning of the year	**-**	-
Additions	**298,172**	-
Foreign currency translation movement	**(513)**	-
Balance carried forward	**297,659**	-

Summit

Carrying amount at the beginning of the period	**-**	-
Additions	**139,617**	-
Foreign currency translation movement	**5,418**	-
Balance carried forward	**145,035**	-

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.

10 Trade and Other Payables

Trade creditors	**40,922**	8,736
Accruals	**66,754**	20,000
	107,676	28,736

11 Issued Capital

	2024		2023	
	Nº	**$**	Nº	$
Fully paid ordinary shares				
Balance at the beginning of the financial year/period	**74,000,005**	**3,012,103**	-	-
Issued ordinary shares 6 February 2023 for $0.01	**-**	**-**	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 (1)	**7,100,000**	**710,000**	-	-
Issued ordinary shares 12 December 2023 $0.10	**1,500,000**	**150,000**		
	82,600,005	**3,872,103**	74,000,005	3,012,103

(1) 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 19 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.

12 Reserves

	2024	2023
	$	$
Foreign Currency Translation Reserve	**(9,121)**	20,730
Movements during the period		
Foreign Currency Translation Reserve		
Balance at the beginning of the year	**20,730**	-
Currency translation differences	**(29,851)**	20,730
Balance at end of the year	**(9,121)**	20,730

13 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group‘s overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most material financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk
- Currency risk

Financial instruments used

The principal financial instruments used by the Group are summarised as follows:

	2024	2023
	$	$
Financial Assets		
Held at amortised cost		
Withholding tax on deposits recoverable	**6,450**	4,423
GST receivable	**366**	62
Other financial assets	**18,851**	-
Cash and cash equivalents	**55,785**	1,539,214
	81,452	1,543,699
Financial Liabilities		
Financial liabilities at amortised cost	**107,676**	8,736

Objectives, policies and processes

The Board of Directors has the overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Group's activities.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Group's financial liabilities include trade and other payables and are due in less than one year.

Ultimate responsibility for liquidity management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate funding where possible and monitoring future rolling cash flow forecasts of its operations, which reflect management's expectations of the expected settlement of financial assets and liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits held.

The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks and governmental bodies with high quality external credit ratings.

Market risk

Market risk is the risk that changes in market prices (e.g. foreign exchange rates) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the AUD and USD.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of the Group companies are primarily the Australian dollar (AUD) and United States dollar (USD). The Group holds some cash in USD.

The Group's gross exposure to foreign currency risk at 30 June 2024 is as follows:

- USD 9,038 ($13,555) cash at bank.

The Group's gross exposure to foreign currency risk at 30 June 2023 is as follows:

- USD nil ($nil) cash at bank.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
AUD	**2024**	**2023**	**2024**	**2023**
USD	0.6556	0.6709	0.6667	0.6666

The Group seeks to minimise currency risk through the alignment of the proportion of cash balances held in various currencies with forecast expenditures and the underlying currency denomination of those forecast expenditures.

14 Statement of Cash Flows

	2024	2023
	$	$
Reconciliation of cash flows from operating activities		
Loss for the year/period	**(1,025,351)**	(17,309)
Adjustments for:		
Share based payment	**710,000**	-
Changes in assets and liabilities		
Increase in other assets	**(206,602)**	(277,751)
Increase in trade and other payables	**78,939**	28,735
Net cash used in operating activities	**(443,014)**	(248,723)

15 Auditors' Remuneration

Remuneration of the auditor, KPMG for auditing the Financial statements	**45,300**	20,000
Remuneration of the auditor, KPMG for the review of Financial statements	**21,900**	-
	67,200	20,000

16 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2024 and 30 June 2023.

17 Controlled Entities

Fulcrum Lithium Ltd is an Australian incorporated public company.

As at 30 June 2024 the Company wholly owned the following entities incorporated in the USA:

- Fulcrum Nevada LLC
- Last Basin LLC
- Flasher LLC

18 Key Management Personnel Remuneration

Other than the consultants fee paid to Foster Wilson (Note 19), no other remuneration was paid to key management personnel during the period.

19 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 materially 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 were registered under the name of Flasher, the Company issued of 7,100,000 ordinary Fulcrum shares. These costs are not directly related to the exploration and evaluation activities.

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.

The fair value of the consideration issued as ordinary shares was measured with reference to the fair value of the equity instruments granted, being the Company's share price of $0.10 at 6 November 2023.

Performance Rights

During the year, it was resolved to grant performance rights to (Directors and related parties) Peter Nightingale (2,000,000) and Anthony Sgro (1,000,000), as part of their engagement with the Company on the following terms:

- The performance rights will be issued for nil consideration upon completion of the IPO offer.
- The performance rights will convert, subject to the satisfaction of the performance milestones set out below, into the Company's shares on a 1 for 1 basis for no consideration.
- The performance rights will have an expiry date of 18 months from the date of issue.
- The performance rights' milestones are:
  a) the Company receiving conditional approval to be admitted to Official Quotation on the ASX; and
  b) the Company completing at least 10 drill holes of which a minimum of 450 metres is drilled in total across the 10 holes, with at least one intersection of whatever width across the 10 holes returning a minimum grade of 750 parts per million lithium as verified by a competent person in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).
- Standard other terms and conditions associated with performance rights.

20 Subsequent Events after the Reporting Date

As noted above, a prospectus for the IPO of 40,000,000 shares to raise $10.0 million (before costs) was lodged with ASIC on 21 August 2024 and the IPO 'went live' on 28 August 2024.

The Company has entered into a loan facility agreement with Norman A. Seckold (Company Director) whereby Norman A. Seckold (or his nominee) has agreed to make a loan facility in the amount of $1.0 million available to the Company. On 23 August 2024, the Company has fully drawn down the amount of $1.0 million. Funds drawn from the Loan Facility are interest free and unsecured and shall be repaid within 5 days of the issue of Shares pursuant to the IPO. If the IPO is not completed by 30 June 2025, the Company will repay outstanding monies owed under the Loan Facility by the issue of Shares in the Company at a deemed issue price of $0.10 per Share within 5 days of the lender providing a written notice of demand of repayment.

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

21 Parent Entity

Throughout the financial year ended 30 June 2024 the parent entity of the Group was Fulcrum Lithium Ltd.

	Company	
	2024	2023
	$	$
Result of the parent entity		
Net loss	(1,002,416)	(13,727)
Other comprehensive income	-	-
Total comprehensive loss	(1,002,416)	(13,727)
Financial position of the parent entity at year end		
Current assets	253,318	1,816,965
Non-current assets	2,710,318	1,210,147
Total assets	2,963,636	3,027,112
Current liabilities	107,676	28,736
Non-current liabilities	-	-
Total liabilities	107,676	28,736
Net assets	2,855,960	2,998,376
Equity		
Share capital	3,872,103	3,012,103
Accumulated losses	(1,016,143)	(13,727)
Total equity	2,855,960	2,998,376

22 Segment Reporting

The Group's chief operating decision maker has considered the requirements of AASB 8, *Operating Segments*, and has concluded that, during the period ended 30 June 2024, the Group operated as a mineral exploration entity within the geographical segment of USA.

23 Statutory Information

The registered office of the Company is:

Level 2, 66 Hunter Street
Sydney NSW 2000

FULCRUM LITHIUM LTD
and its controlled entities
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2024

Details of entities in the consolidated financial statements, are as follows:

Entity Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Fulcrum Lithium Ltd	Body Corporate	Australia	N/A	Australian	N/A
Fulcrum Nevada LLC	Body Corporate	USA	100%	Foreign	USA
Last Basin LLC	Body Corporate	USA	100%	Foreign	USA
Flasher LLC	Body Corporate	USA	100%	Foreign	USA

Consolidated entity disclosure statement key assumptions and judgements

Determination of Tax Residency
Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

- Foreign tax residency

  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

FULCRUM LITHIUM LTD
and its controlled entities

DIRECTORS' DECLARATION

In the opinion of the Directors of Fulcrum Lithium Ltd:

a) the consolidated financial statements and notes for the period ended 30 June 2024 set out on pages 6 to 23 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b) the Consolidated entity disclosure statement as at 30 June 2024 set out on page 24 is true and correct;

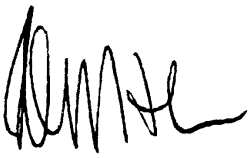
c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

d) the Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This report has been signed in accordance with a resolution of the Directors and is dated 16 September 2024:



Norman A. Seckold



Peter J. Nightingale

Independent Auditor's Report

To the shareholders of Fulcrum Lithium Ltd

Opinion

We have audited the ***Financial Report*** of Fulcrum Lithium Ltd (the Company) and its controlled entities (the Group).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Material uncertainty related to going concern

We draw attention to Note 1(d) Going Concern in the Financial Report. The conditions disclosed in Note 1(d) indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Financial Report. Our opinion is not modified in relation to this matter.

Other Information

Other Information is financial and non-financial information in Fulcrum Lithium Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf .This description forms part of our Auditor's Report.

KPMG

KPMG

Adam Twemlow

Partner

Brisbane

16 September 2024