27 June 2024

Bradda Head Lithium Ltd

("Bradda Head", "Bradda", or the "Company")

Audited Final Results for the financial year ending 29 February 2024

Bradda Head Lithium Ltd (AIM: BHL, TSXV:BHLI), the North America-focused lithium development group, is pleased to announce its audited financial results for the year ending 29 February 2024.

Financial and operational highlights

- Successful completion of the Basin drill programme in August 2023, which preceded an upgraded Mineral Resource Estimate ("MRE") for a total Inferred Lithium Carbonate Equivalent ("LCE") content of 1.0Mt.
- Receipt of US$2.5 million royalty payment following MRE update.
- Conclusion of the Phase 3 drill programme at San Domingo highlighting encouraging assay results, and expansion of project area with an additional 8km^2 of new lode claims staked.
- Recorded net loss of US$ 1,503,858 (28 February 2023: US$3,887,588)
- Cash and cash deposit balances at year end stand at US$ 1,664,662 (28 February 2023: US$ 7,746,519).

Ian Stalker, Chairman of Bradda Head, commented:

"It is with great pleasure that I share this report following the close of a challenging but exciting year for the Company. As the following report demonstrates, Bradda Head has maintained its clear focus to expand and develop our resources, and has successfully delivered what we set out to do. The drilling programme at Basin, completed in August 2023, significantly upgraded our resource to 1.0Mt, triggering a royalty payment of US$2.5 million from the LRC. We were also highly encouraged by the promising results from our San Domingo drilling programme completed in December 2023, the second large-scale drilling programme completed at this project in a year. Both of these achievements speak to our determined and ongoing efforts to progress our portfolio.

"In the coming year we intend to further replicate these successes. We are currently evaluating the final results from our Basin drilling programme completed in FY2023 and firmly believe these will deliver a further upgrade of our existing MRE, unlocking a further royalty payment of US$3 million from the LRC, facilitating further investment into our portfolio. Since year end, we were pleased to have successfully reached a settlement agreement over the fraudulent payment (notified 29 March 2022), recovering a portion of the funds, in line with our expectations.

"At Bradda Head, we remain confident in our long-term vision to provide US lithium for the US market. Despite a challenging year for the lithium market, there is growing optimism that this is changing, driven by the demand for electric vehicles combined with the precariousness of current supply chains. Our assets are optimally located to capitalise on these developments, as the US seeks to define a domestic source of lithium supply. We look forward to continuing to meaningfully progress our portfolio, and seize the opportunity presented to us by the strategic location of our assets."

Copies of the 2024 Audited Report and Financial Statements are being posted to shareholders and will shortly be available from the Company's website www.braddaheadltd.com.

The Company will post its Notice of Annual General Meeting ("AGM") to Shareholders shortly. The AGM will be held at the Sanderson Suite, Claremont Hotel, Loch Promenade, Douglas, Isle of Man IM1 2LX, with the date to be confirmed.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU No. 596/2014) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

For further information please visit the Company's website: www.braddaheadltd.com.

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About Bradda Head Lithium Ltd.

Bradda Head Lithium Ltd. is a North America-focused lithium development group. The Company currently has interests in a variety of projects, the most advanced of which are in Central and Western Arizona: The Basin Project (Basin East Project, and the Basin West Project) and the Wikieup Project.

The Basin East Project has an Indicated Mineral Resource of 17 Mt at an average grade of 940 ppm Li and 3.4% K for a total of 85 kt LCE and an Inferred Mineral Resource of 210 Mt at an average grade of 900 ppm Li and 2.8% K (potassium) for a total of 1.09 Mt LCE. In the rest of the Basin Project SRK has determined an Exploration Target of 250 to 830 Mt of material grading between 750 to 900 ppm Li, which is equivalent to a range of between 1 to 4 Mt contained LCE. The Group intends to continue to develop its three phase one projects in Arizona, whilst endeavouring to unlock value at its other prospective pegmatite and brine assets in Arizona, Nevada, and Pennsylvania. All of Bradda Head's licences are held on a 100% equity basis and are in close proximity to the required infrastructure. Bradda Head is quoted on the AIM of the London Stock Exchange with the ticker of BHL and on the TSX Venture Exchange with a ticker of BHLI.

The Mineral Resource statement for the Basin Project was authored by Martin Pittuck, CEng, MIMMM, FGS who works for SRK Consulting (UK) Ltd, an independent mining consultancy. Mr. Pittuck has over 25 years' experience undertaking and reviewing Mineral Resource estimates and has worked on lithium clay estimates for over 5 years. Mr. Pittuck consents to the inclusion of the technical information in this press release and context in which they appear. Reference is made to the report entitled "Independent technical report on the Basin and Wikieup Lithium clay projects, Arizona, USA" dated October 18, 2022 with an effective date of June 10, 2022 was prepared by Martin Pittuck, CEng, MIMMM, FGS, and Kirsty Reynolds MSci, PhD, FGS and reviewed by Nick Fox MSc, ACA, MIMMM. The Report is available for review on SEDARplus (www.sedarplus.ca/landingpage) and the Company's website www.braddaheadltd.com.

Bradda Head is quoted on the AIM of the London Stock Exchange with the ticker of BHL, and on the TSX Ventures exchange with a ticker of BHLI.

Forward-Looking Statements
Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "intends to", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties, and other factors involved with forward-looking information could cause actual events, results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, following: The Company's objectives, goals, or future plans. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to: failure to identify mineral resources; failure to convert estimated mineral resources to reserves; delays in obtaining or failures to obtain required regulatory, governmental, environmental or other project approvals; political risks; future operating and capital costs, timelines, permit timelines, the market and future price of and demand for lithium, and the ongoing ability to work cooperatively with stakeholders, including the local levels of government; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices; delays in the development of projects, capital and operating costs varying significantly from estimates; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on labour and international travel and supply chains; and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDARplus. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Beaumont Cornish Limited ("Beaumont Cornish") is the Company's Nominated Adviser and is authorised and regulated by the FCA. Beaumont Cornish's responsibilities as the Company's Nominated Adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Beaumont Cornish is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Beaumont Cornish nor for advising them in relation to the proposed arrangements described in this announcement or any matter referred to in it.

Annual report and consolidated financial statements
For the year ended 29 February 2024

Chairman's Statement and Operational Review

It is my pleasure to present the Annual Report and the Audited Financial Statements for Bradda Head Lithium Limited (the "Company" or "Bradda Head") for the year ended 29 February 2024. The 2023/2024 year has been both exciting and challenging in a tough Lithium Market space. However, as always it has been an extremely busy period for the Company, focussing on our key lithium in clay, pegmatite and oil brines projects.

As 2024 has unfolded, there is a growing optimism in the lithium pricing environment that should positively impact on market related values. Bradda Head is well positioned to take advantage of this rising tide within the lithium exploration and development space with the work undertaken in the last twelve months by our 'American' based team.

Operational Review

Arizona Sedimentary Hosted Lithium Projects
Basin Project

Our 2023 Basin drill programme finished during August 2023, with the drill results being fed into an updated Mineral Resource Estimate, released on 28 September 2023.

Based on 2,355.20m of sonic drilling completed as part of the 2023 Basin drill programme, Bradda Head added 729 kt of Lithium Carbonate Equivalent ("LCE") to the Inferred Mineral Resource, for an updated total Inferred LCE content of 1.0 Mt. The total new Mineral Resource now comprises 17.0 million tonnes in the Indicated category at 940 ppm carrying 85kt LCE, and 210 million tonnes in the Inferred category at 900 ppm, carrying 1,000 kt LCE. This was a significant milestone for the Basin Project, with the first 1Mt LCE being achieved.

As per the Gross Overriding Royalty Agreement with the Lithium Royalty Company ("LRC"), this new contained LCE Tonnage, which exceeded the contracted threshold of 1 million tonnes LCE, enabled the Company to trigger the payment of US$ 2.5 million from LRC, which was received by the Company on 5 October 2023.

Mineral Resource Statement for Basin East, Basin East Extension and Basin North effective 1 September 2023

Classification	**Domain**	**Tonnes**	**Mean Grade**		**Contained Metal**	
		Mt	**Li (ppm)**	**K (%)**	**LCE (kt)**	**K (kt)**
Indicated	**Upper Clay**	**11**	**720**	**3.5**	**42**	**380**
	Upper Clay HG	**6**	**1350**	**3.2**	**43**	**190**
	Lower Clay	**-**	**-**	**-**	**-**	**-**
	Sub Total	**17**	**940**	**3.4**	**85**	**570**
Inferred	**Upper Clay**	**143**	**790**	**2.7**	**600**	**3,800**
	Upper Clay HG	**48**	**1290**	**3.1**	**330**	**1,500**
	Lower Clay	**19**	**690**	**2.8**	**70**	**530**
	Sub Total	**210**	**900**	**2.8**	**1,000**	**5,800**

- *Mineral Resource statement has an effective date of 1 September 2023.*
- *The Mineral Resource is reported using a cut-off grade of 550 ppm Li and is constrained to an optimised open pit shell, which was generated using the following assumptions: lithium carbonate metal prices of 22,000 USD/tLCE; State of Arizona royalty (selling cost) of 6%; operating costs of 40 USD/ tore; Li recovery of 72%; mining dilution and recovery of 0% and 100%; and pit slope angle of 45°.*
- *Tonnages are reported in metric units.*
- *Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content which are not considered material.*
- *Conversion factor of Li metal to LCE = 5.323*
- *The figures above are reported on a gross basis given Bradda Head's 100% interest in the property*

The average in situ grade of the Inferred Basin East Mineral Resource has increased from 694 to 900 ppm Li, a 30% increase.

The Mineral Resource Update analysis used a stringent approach to both the in-situ density measurement and the cut-off grade utilised. A lower in-situ density and higher cut-off grade than previously reported resulted in a more robust estimate. Both of these measures are currently under review for application into the next drilling campaign and resource expansion.

The recent drill results on Basin East Extension and Basin North solidify Bradda Head's belief in a widespread and continuous lithium-rich stratigraphic sequence, with potential further into Basin North and across to Basin West that the Company believes will lead to significant resource growth and opportunity to become a Tier 1 lithium deposit.

Post year-end, the Company commenced drilling at its Basin North project during March 2024. A six-hole program has been designed to significantly expand the Company's lithium in clay MRE, with the objective being to add a minimum of 1.5Mt LCE, surpassing the benchmark of 2.5Mt LCE which will trigger the final US$ 3 million royalty payment from LRC to Bradda Head. The drilling programme finished during May 2024, with assay results being fed into the updated MRE.

In late 2023, the Company completed a gravity survey, with post-processing revealing a significant gravity low over the Basin North area, interpreted as a deep, depositional centre for sedimentary rocks and a deep basement rock geological

setting. The results of the gravity survey were very positive and field reconnaissance prompted the staking of 2.8km^2 of new lode and placer claims to the north on open BLM land, expanding the clay potential significantly.

Wikieup Project

On February 28, 2024, the Company announced the completion of the land exchange over the unpatented lode claims at the Wikieup clay project in Western Arizona. Bradda Head retained 66 new claims equating to 1,302 acres (5.27 km^2), which the Company staked in early 2019, and held in its subsidiary Zenolith (USA) LLC. In turn, Bradda Head transferred 55 unpatented lode claims to Arizona Lithium's subsidiary, Big Sandy Inc., to the amount of roughly 1,136 acres (4.60 km^2), per the terms of this settlement.

Arizona Pegmatite Hosted Lithium Project
San Domingo Project

On 10 August 2023, the Company mobilised a drill rig for its Phase 3 drill programme at the San Domingo pegmatite district in Arizona, with drilling commencing later in the month. This represents the second large-scale drill programme conducted in less than one year at San Domingo, which underscores the Company's commitment to exploring and unlocking the potential of the 33km^2 land package held within this highly prospective pegmatite district.

Drilling completed during December 2023, with final assay results being received during January 2024 which highlighted the encouraging results from the drill programme.

San Domingo, Morning Star and South Morning Star Drill Hole Highlights

Hole number	From (m)	To (m)	Int (m)	Li2O (%)	Sn (ppm)	Ta2O5 (ppm)	BeO (%)	Target
SD-DH23-088	28.80	31.09	2.28	0.41		620	0.06	**Morning Star**
	28.80	45.63	16.82	0.19		164		
	39.26	42.15	2.90	0.46		872	0.23	
	46.51	49.62	3.11			223		
	48.77	49.62	0.85	0.49		259		
	75.74	102.02	21.45	0.03				
	75.74	81.08	5.34			477		
SD-DH23-089	21.95	39.78	17.82	0.04				
	29.32	32.31	2.98		80			
	44.96	51.21	6.23		76	147		
	48.01	50.9	2.89			298		

Hole number	From (m)	To (m)	Int (m)	Li2O (%)	Sn (ppm)	Ta2O5 (ppm)	BeO (%)	Target
SD-DH23-090	6.10	22.52	17.43	0.17	75	42		
	6.10	10.82	4.73		116			
	16.25	19.05	2.80	0.65	109	48		
SD-DH23-091	43.28	55.17	7.45	0.06		91		
	61.57	63.58	2.01	1.84		404		**Morning Star**
SD-DH23-093	5.64	11.67	6.04			151		
	16.76	17.83	1.07	0.31				
	31.39	40.39	8.99	1.20				
with	31.39	36.79	5.40	1.70				
	44.20	58.83	14.63	0.54	71			
with	51.66	55.93	4.18	1.63	100	52		
	78.64	83.39	4.75	0.04		82		
SD-DH23-094	17.22	23.16	5.93	0.07				
	52.12	53.80	1.68	0.89	80	80		
	66.75	72.09	5.33	0.05				
SD-DH23-095	68.64	72.24	3.6	0.04		62		**Morning Star**
SD-DH23-096	48.37	56.39	7.05	0.03				
SD-DH23-097	75.29	76.23	0.94	0.12				
	97.99	101.59	3.60	0.04				
SD-DH23-098	78.46	90.22	11.75	0.05				

SD-DH23-099	**8.53**	**15.24**	**6.69**	**0.58**	**89**	23		
	26.27	27.37	1.10	0.10	160	**266**		
	31.03	**36.58**	**5.55**	**1.03**	**99**			
SD-DH23-100	7.10	9.36	2.26			**367**		
	10.91	39.68	28.77	0.36	91			
with	**10.91**	**13.11**	**2.20**	**0.64**	81			
plus	**16.15**	**19.20**	**3.05**	**0.68**	**123**			**South Morning Star**
and	**32.92**	**39.68**	**6.76**	**0.82**	**145**			
SD-DH23-100	5.03	6.71	1.68	0.49	55	48		
SD-DH23-101	13.56	15.85	2.29	0.30	80	58		
	18.80	20.85	1.37	0.12	58			
SD-DH23-102	39.08	42.37	3.29	0.04				
SD-DH23-103	7.32	14.02	6.70	0.07	77	41		

SD-DH23-104	8.84	10.52	1.68	0.65				
	54.56	**58.70**	**4.14**	**2.07**		67		
	66.75	**71.32**	**4.57**	**1.12**	76	32		**Morning Star**
	71.32	77.69	6.36	0.10		**149**		
	90.83	91.78	1.23	0.14				

*All drill depths are from surface

Total drilled metres at San Domingo, from both drill programmes completed to date, is only 13,076 meters, covering less than 1% of the total property held.

Following positive results of soil sampling completed in February 2023 that identified further spodumene in outcrops at San Domingo, and in order to strengthen our land holding position, Bradda Head staked just under 8km^2 of new lode claims at its San Domingo asset. This is the 4th round of claim expansion at San Domingo, and the land holding has grown from c.13km^2 to now c.33km^2 since July 2021.

Nevada Brine Hosted Lithium Projects
Eureka and Wilson Salt Flat

No significant work has been undertaken on this project during the current year.

Environment, Social and Governance ("ESG")

The Company aims to achieve outstanding performance in ESG related matters. For example, at each step of the process, both prior to and during drilling, the Company is in regular discussions with all related stakeholders in our claims, including local councils, tribal representatives, and government officials. With water scarcity being a key consideration in Arizona, the Company used sonic drilling at our Basin East drill programme, which minimised water consumption. A number of community-based programmes have been rolled out during 2023 and into 2024, including sponsorship of local rodeo events, water conservation studies, and other engagement events within our local communities.

The Company identified a water well in close proximity to the Basin project, greatly reducing the distance the water truck must travel to obtain water for drilling. This reduces our water truck carbon footprint by minimizing the distance of water source to the project, now only 4 miles as opposed to 50 miles distance and limits fugitive dust production. When necessary, the water truck will lay water on the dirt roads to reduce dust. The Company also looks to secure contracts with drillers whose equipment is new and modern, very compact, has efficient fuel consumption, in order to lower emissions and size of drill site construction.

When core drilling at any of our projects, sumps are made and lined with plastic to capture all fluids that in turn, are recycled in the drill hole, thus reducing water consumption.

Financial Review

For the year ended 29 February 2024, the Company recorded a net loss of US$ 1,503,858 (28 February 2022: US$ 3,887,588). The net loss is after receipt of the second tranche of royalty monies from the Lithium Royalty Company, the net amount being US$ 2,370,127 (2023: Nil).

As at year end, cash and cash deposit balances stood at US$ 1,666,662 (28 February 2023: US$ 7,746,519), capitalised deferred mining, exploration, licence, and permit costs stood at US$ 13,807,158 (28 February 2023: US$ 9,574,266), and total assets were US$ 15,848,063 (28 February 2023: US$ 18,198,559). The Company is in a net asset position of US$ 15,661,704 (28 February 2023: US$ 16,984,940).

In light of the challenging market conditions, the Company has streamlined its corporate overheads. The net effect of this effort means that we continue with our 'steady as she goes' approach with no superfluous costs and intend to move forward with the resource growth plan at our Basin Project.

Post yearend on 20 May 2024, the Company announced that it entered into a settlement agreement regarding the fraudulent payment made to an unidentified party, as disclosed in the prior year accounts. Pursuant to the settlement agreement, the Company has been partially reimbursed for the fraudulent funds transfer. The partial settlement is consistent with Company's expectations at the time of initiating enforcement proceedings with gross recovery of approximately 40% of total misappropriated funds. Bradda Head confirms that the Agreement provides for no admission of liability by either party involved and the full commercial terms of the settlement are subject to strict confidentiality obligations on both parties so it will not be making any further comment on this matter.

Approach to Risk and Corporate Governance

"The Company's general risk appetite is a moderate, balanced one that allows it to maintain appropriate growth, profitability and scalability, whilst ensuring full corporate compliance."

The Group's primary risk drivers include: -

Strategic, Reputational, Credit, Operational, Market, Liquidity, Foreign Exchange, Capital and Funding, Compliance and Conduct.

Our risk appetite is classified as High under an "impact" matrix defined as Zero, Low, Medium, and High. Appropriate steps have been taken and adequate controls implemented to monitor the risks of the Company, and the appropriate committees and reporting structures have been established to monitor risks facing the Company.

Our Corporate Governance Report outlining our adherence to the Quoted Companies Alliance Code is detailed on page 12.

Financing

With effect from January 1, 2024, the Company delisted its shares from trading on the US OTCQB Market, due to share trading liquidity expectations not having been met and cost saving in this current market environment.

The Company's shares continue to trade on the London AIM Market and on the Canadian TSX Venture Exchange.

Strategy and Outlook

It is estimated that the United States has some of the world's largest lithium deposits, but less than 1% of global lithium is currently mined there. Demand for lithium in the USA is growing exponentially, while access to secure supplies of lithium is becoming more challenging, and more importantly local sources of lithium are scarce. China dominates the global lithium-ion battery industry, with Chinese companies supplying 80% of the world's battery cells and accounting for nearly 60% of the EV battery market.

Global demand for lithium-ion batteries is expected to increase from about 700 gigawatt hours (GWh) in 2022 to 4,700 GWh by 2030, mainly due to clean-energy policies that promote the adoption of electric vehicles, with the USA and Europe expected to experience the highest growth rates. Under the Joe Biden administration, lithium is vital to decarbonising the USA economy and meeting its goal of 50% electric vehicle adoption by 2030.

Regardless of the upcoming presidential election, IRA continuance is considered solid and expected to generate widespread investment into green energy throughout the USA. While the economy has slowed post-COVID and the US is teetering on recession, the long-term demand on EV's is very positive over the next decade and will drive the resurgence of lithium prices.

It is hoped that the construction at Thacker Pass, leveraged by General Motors commitment and US Department of Energy loan, may help pave the path for development of large-scale lithium mines in the US.

Advances in DLE technology are proceeding well throughout the industry and will drive exploration and improve permitting timelines, something Bradda Head is poised to take advantage of with our brine projects. The entry by Exxon proves lithium extraction through DLE methods will form a unique niche in the overall lithium global market.

The Company, with its portfolio of assets covering all three main lithium deposit types, is strategically placed to leverage this demand growth in the USA. The projects held are in advantageous locations with respect to end-users, power, rail, and road transport, renewable electricity, and gas infrastructure.

With its current portfolio of assets, a highly experienced and motivated team, the Board believes it is in a strong position to unlock value from its projects and create value for shareholders.

Ian John Stalker
Executive Chair
26 June 2024

Directors' Report

The Directors present their annual report and the consolidated financial statements for Bradda Head Lithium Limited (the "Company") for the year ended 29 February 2024.

Principal activity

Bradda Head Lithium Limited is a lithium exploration Group focused on developing its high-quality projects in the USA.

Results and transfers to reserves

The results and transfers to reserves for the year are set out on pages 29 to 33 of the consolidated financial statements.

The Company made a total comprehensive loss attributable to equity shareholders for the year after taxation of US$ 1,503,858 (28 February 2023: US$ 3,887,588).

Dividend

The Directors do not propose the payment of a dividend for the year (2023: US$ Nil).

Policy and practice on payment of creditors

It is the policy of the Company to agree appropriate terms and conditions for its transactions with suppliers by means of standard written terms to individually negotiated contracts. The Company seeks to ensure that payments are always made in accordance with these terms and conditions.

Financial risks

Details relating to the financial risk management are set out in note 16 to the financial statements.

Directors

The Directors who served during the period and to date are:

Denham Eke
James Mellon
Ian Stalker
Euan Jenkins
Alex Borrelli
Charles FitzRoy (resigned on 29 August 2023)

Directors' interests

As at 29 February 2024, the interests of the Directors and their families (as such term is defined in the AIM Rules for Companies) in the share capital of the Company are as follows:

	29 February 2024		28 February 2023	
	Number	**% of issued share capital**	Number	% of issued share capital
James Mellon [1]	73,097,004	18.72%	65,097,004	16.67%
Denham Eke	124,307	0.03%	124,307	0.03%
Ian Stalker [2]	3,870,140	0.99%	3,870,140	0.99%
Euan Jenkins	2,198,934	0.56%	2,198,934	0.56%
Alex Borrelli	343,329	0.09%	343,329	0.09%
	79,633,714	**20.39%**	71,633,714	18.34%

[1] *James Mellon's interest comprises of 71,879,831 (2023: 63,879,831) shares directly held by Galloway Limited, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Galloway Limited. Burnbrae Limited holds 200,000 (2023: 200,000) shares, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Burnbrae Limited. A total of 1,017,173 (2023: 1,017,173) shares are held directly by James Mellon.*

[2] *Ian Stalker's interest comprises of 3,786,717 (2023: 3,786,717) shares directly held by Promaco Limited, which is wholly owned by Ian Stalker. The balance of 83,423 shares are held directly in his name.*

Significant shareholdings

Except for the interests disclosed in this note, the Directors are not aware of any holding of ordinary shares as at 29 February 2024 representing 3% or more of the issued share capital of the Company:

	Number of ordinary shares	**Percentage of total issued capital**
James Mellon [1]	73,097,004	18.72%
Zenith Minerals Limited	43,959,305	11.26%
Hargreaves Lansdown private clients	31,100,709	7.97%
Electrification and Decarbonization AIE	21,758,783	5.57%
Nigel Wray	20,375,000	5.22%
LI Equities Investments	14,980,786	3.84%
Anthony Baillieu	14,400,000	3.69%
Jason Macdonald [2]	14,095,706	3.61%
Barclays Smart Investor private clients	11,960,883	3.06%

[1] *James Mellon's interest comprises of 71,879,831 (2023: 63,879,831) shares directly held by Galloway Limited, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Galloway Limited. Burnbrae Limited holds 200,000 (2023: 200,000) shares, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Burnbrae Limited. A total of 1,017,173 (2023: 1,017,173) shares are held directly by James Mellon.*

[2] Jason Macdonald*'s interest comprises of 12,307,004 (2023: 12,307,004) shares directly held by the J&E Macdonald Trust, in which Jason Macdonald has a vested interest. The balance of 1,788,702 (2023: 1,788,702) shares is held directly in his name.*

Auditors

PKF Littlejohn LLP, being eligible, have expressed their willingness to continue in office.

By order of the Board

Denham Eke
Director
26 June 2024

Corporate Governance Statement

The Board of Bradda Head Lithium Limited (the "Board") is committed to best practice in corporate governance throughout the Company (the "Company"). The Directors have agreed to comply with the provisions of the Quoted Companies Alliance ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) to the extent which is appropriate to its nature and scale of operations. This report illustrates how the Company complies with those principles.

QCA Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The strategy and business operations of the Company are set out in the Chair's Statement and Operational Review on pages 4 to 9.

The Company's strategy and business model and amendments thereto are developed by the Chairman and his senior management team and approved by the Board. The management team is responsible for implementing the strategy and managing the business at an operational level.

The Company operates in an inherently high-risk sector and this is reflected in the principal risks and uncertainties.

In executing the Company's strategy and operational plans, management will typically confront a range of day-to-day challenges associated with these key risks and uncertainties and will seek to deploy the identified mitigation steps to manage these risks as they manifest themselves.

QCA Principle 2: Seek to understand and meet shareholder needs and expectations

The Company via the Chairman seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Company's strategy and progress and to understand the needs and expectations of shareholders.

Beyond the Annual General Meeting, the Chairman and, where appropriate, other members of the senior management team or Board will meet with investors and analysts to provide them with updates on the Company's business and to obtain feedback regarding the market's expectations of the Company.

The Company's investor relations activities encompass dialogue with both institutional and private investors. From time to time, the Company attends private investor events, providing an opportunity for those investors to meet with representatives from the Company in a more informal setting.

QCA Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholders. These include the Company's advisors, suppliers and investee companies. The Company's operations and working methodologies take account of the need to balance the needs of all of these stakeholders while maintaining focus on the Board's primary responsibility to promote the success of the Company for the benefit of its members as a whole. The Company endeavours to take account of feedback received from stakeholders, and where appropriate, ensures any amendments are consistent with the Company's longer-term strategy.

The Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible.

QCA Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. Internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Company Audit, Risk and Compliance Committee, the effectiveness of these internal controls is reviewed annually.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Company's results, compared with the budget, are reported to the Board on a monthly basis.

The Company maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Company. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meets at least quarterly to consider new risks and opportunities presented to the Company, making recommendations to the Board and/or Company Audit, Risk and Compliance Committee as appropriate.

QCA Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Company's Board currently comprises three Non-Executive Directors and two Executive Directors.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election at least once every three years.

The Board is responsible to the shareholders for the proper management of the Company and intends to meet at least four times a year to set the overall direction and strategy of the Company, to review operational and financial performance and to advise on management appointments. All key operational decisions are subject to Board approval.

Alex Borrelli and Euan Jenkins, both Non-Executive Directors, are considered to be independent. The QCA Code suggests that a board should have at least two independent Non-Executive Directors. The Board considers that the current composition and structure of the Board of Directors is appropriate to maintain effective oversight of the Company's activities for the time being.

Directors receive their fees in the form of a basic cash emolument. The current remuneration structure for the Board's Executive and Non-Executive Directors is deemed to be proportionate.

QCA Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board considers that the Executive Directors and Non-Executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring considerable experience in the operational and financial development of the Company.

The Directors' biographies are detailed on the Company's website www.braddaheadltd.com.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Company.

The Executive Chairman, in conjunction with the Finance Director, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Company, its operational environment and to the Directors' responsibilities as members of the Board.

Directors' service contracts or appointment letters make provision for a Director to seek professional advice in furtherance of his or her duties and responsibilities, normally via the Company Secretary.

QCA Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine their effectiveness and performance as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the Directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets is also assessed where relevant.

QCA Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees and contractors in the Group. An open culture is encouraged within the Group, with regular communications to staff regarding progress and staff feedback regularly sought. The Executive Management regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. The Group's health and safety policies and procedures are enshrined in the Group's documented quality systems, which encompass all aspects of the Group's day-to-day operations.

QCA Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision- making by the board

The Role of the Board

The Board is collectively responsible for the long-term success of the organisation. Its principal function is to determine the strategy and policies of the Company within an effective control framework which enables risk to be assessed and managed.

The Board ensures that the necessary financial and human resources are in place for the Company to meet its objectives and that business and management performance is reviewed. Furthermore, the Board ensures that the Company operates within its constitution, relevant legislation and regulation and that proper accounting records and effective systems of business control are established, maintained, documented and audited.

There are at least four formal Board meetings each year. All Board members have the benefit, at the Company's expense, of liability insurance in respect of their responsibilities as Directors and have access to independent legal or other professional advice if required. The Board has a formal schedule of matters which are reserved for its consideration and it has established three committees to consider specific issues in greater detail, being the Company Audit, Risk and Compliance, Remuneration and Nomination Committees. The Terms of Reference for each of these Committees are published on the Company's website.

The Executive Chairman

The Executive Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role, promoting a culture of openness of debate and communicating with the Company's members on behalf of the Board. The Chairman sets the direction of the Board and promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors. The Chairman also ensures that Directors receive accurate, timely and clear information. In doing so, this fosters a positive corporate governance culture throughout the Company.

Non-Executive Directors

The Non-Executive Directors are responsible for bringing independent judgement to the discussions held by the Board, using their breadth of experience and understanding of the business. Their key responsibilities are to constructively challenge and contribute to strategic proposals, and to monitor performance, resources, and standards of conduct, compliance and control, whilst providing support to executive management in developing the Company.

Board Committees

The Board has established a Company Audit, Risk and Compliance Committee ("ARCC"), and a Remuneration Committee with formally delegated duties and responsibilities.

Company Audit, Risk and Compliance Committee

The Company Audit, Risk and Compliance Committee (the "ARCC") meets at least two times each year and is chaired by Alex Borrelli. The external auditors attend by invitation. Its role is to be responsible for reviewing the integrity of the financial statements and the balance of information disclosed in the accompanying Directors' Report, to review the effectiveness of internal controls and risk management systems and recommend to the Board (for approval by the members) the appointment or re-appointment of the external auditor. The ARCC reviews and monitors the external auditor's objectivity, competence, effectiveness and independence, ensuring that if it or its associates are invited to undertake non-audit work it will not compromise auditor objectivity and independence.

Further information can be found within the Company Audit, Risk and Compliance Report contained within this Annual Report.

Remuneration Committee

The Remuneration Committee intends to meet at least once a year and comprises of two Non-Executive Directors. It is chaired by Euan Jenkins and is responsible for determining the remuneration of the Executive Directors, and other members of the management. Committee members do not take part in discussions concerning their own remuneration.

Further information can be found within the Remuneration Report contained within this Annual Report.

Re-election
The Company's Rules require that all Directors are submitted for election at the AGM following their first appointment to the Board. Thereafter all Directors will submit themselves for re-election at least once every three years, irrespective of performance.

Board and committee attendance
The number of formal scheduled Board and committee meetings held and attended by Directors during the year was as follows: -

Name	*Board*	*ARCC*	*Remuneration*
James Mellon	13/13	-	-
Denham Eke	13/13	-	-
Ian Stalker	13/13	5/5	-
Charles FitzRoy (to 29 August 2023)	8/8	-	-
Euan Jenkins	13/13	5/5	4/4
Alex Borrelli	13/13	5/5	4/4

QCA Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company places a high priority on regular communications with its various stakeholders and aims to ensure that all communications concerning the Company's activities are clear, fair and accurate. The Company's website is regularly updated, and users can register to be alerted when announcements or details of presentations and events are posted onto the website.

Notices of General Meetings of the Company can be found here: https://www.braddaheadltd.com/investor-centre/regulatory-news/

The results of voting on all resolutions in general meetings are posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

Approval

This report was approved by the Board of Directors and signed on its behalf by:

Denham Eke
Finance Director
26 June 2024

Audit, Risk and Compliance Committee Report

The Directors ensure the Company complies with the provisions of the Quoted Companies Alliance ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) to the extent which is appropriate to its nature and scale of operations.

This report illustrates how the Company complies with those principles in relation to its Audit, Risk and Compliance Committee (the "ARCC").

Membership

The members of the ARCC are Ian Stalker, Alex Borrelli ("AB") and Euan Jenkins ("EJ"), with AB and EJ being the independent Non-Executive directors, with Alex Borrelli being the Chairman. The composition of the Committee has been reviewed during the year and the Board is satisfied that the Committee members have the relevant financial experience and the expertise to resource and fulfil its responsibilities effectively, including those relating to risk and controls.

Meetings

The Committee meets at least two times a year, including the review of the interim and full year results. Other Directors and representatives from the external auditors attend by invitation.

Duties

The Committee carries out the duties below for the Company, as appropriate:

- Monitors the integrity of the financial statements of the Company, including annual and half-yearly reports, interim management statements, and any other formal announcement relating to financial performance, reviewing significant financial reporting issues and judgements which they contain.

- Reviews and challenges the consistency of the information presented within the financial statements, compliance with stock exchange or other legal requirements, accounting policies and the methods used to account for significant or unusual transactions.

- Keeps under review the effectiveness of the Company's internal controls and risk management systems.

- Oversee the relationship with the external auditors, PKF Littlejohn LLP, including meetings when considered appropriate to discuss their remit and review the findings and any issues with the annual audit. It will also review their terms of appointment, and plans to meet them once a year independent of management and will consider and make recommendations to the Board, to be put to the Company for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor. There are no contractual restrictions in place in respect of the auditor choice.

- The Committee is governed by a Terms of Reference and a copy of this is available on the Company's website.

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During the year, ARCC confirms that it has received sufficient, reliable and timely information from management and the external auditors to enable it to fulfil its responsibilities.

The Committee has satisfied itself that there are no relationships between the auditor and the Company which could adversely affect the auditor's independence and objectivity.

All internal control and risk issues that have been brought to the attention of ARCC by the external auditors have been considered and the Committee confirms that it is satisfied that management has addressed the issues or has plans to do so.

The Company has a number of policies and procedures in place as part of its internal controls and these are subject to continuous review and as a minimum are reviewed by ARCC on an annual basis.

- ARCC has reviewed and discussed together with management and the external auditor the Company's financial statements for the year ended 29 February 2024 and reports from the external auditor on the planning for and outcome of their reviews and audit. The key accounting issues and judgements considered relating to the Company's financial statements and disclosures were as follows:

    - Carrying amount of capitalised deferred mining and exploration costs, and capitalised licences and permits – US$ 13,807,158; and
    - Going concern – ARCC reviewed the going concern position of the Company, taking into account the 12-month cash flow forecasts. ARCC is satisfied that preparing the financial statements on a going concern basis is appropriate. Disclosures are included in note 2.

Alex Borrelli
Chairman of Audit, Risk and Compliance Committee
26 June 2024

Report of the Remuneration Committee

As a BVI registered company there is no requirement to produce a Directors' Remuneration Report. However, the Board follows best practice and therefore has prepared such a report.

The Directors have agreed to comply with the provisions of the Quoted Companies Alliance ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) to the extent which is appropriate to its nature and scale of operations.

This report illustrates how the Company complies with those principles in relation to Directors' remuneration.

The level and components of employee remuneration

The Remuneration Policy reflects the Company's business strategy and objectives as well as sustained and long-term value creation for shareholders. In addition, the policy aims to be fair and provide equality of opportunity, ensuring that:

- the Company is able to attract, develop and retain high-performing and motivated employees in the competitive local and wider markets;
- employees are offered a competitive remuneration package to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contribution to the success of the Company;
- it reflects the Company's culture and values; and
- there is full transparency of the Remuneration Policy.

In line with the Board's approach, which reflects that adopted within other comparable organisations, the Remuneration Policy provides for the reward of the employees through salary and other benefits.

Executive Director's Emoluments

The remuneration for the Executive Directors reflects their responsibilities. It comprises basic salary, eligibility to participate in an annual bonus scheme when this is considered appropriate, and share option incentives.

Annual bonus scheme payments are not pensionable and are not contracted.

As with staff generally, whose salaries are subject to annual reviews, the basic salary payable to the Executive Directors are reviewed each year with reference to jobs carrying similar responsibilities in comparable organisations, market conditions generally and local employment competition in view of the Group's geographical position.

The Committee believes that share ownership by executives strengthens the link between their personal interests and those of shareholders. Options are granted to executives periodically at the discretion of the Remuneration Committee. The grant of share options is not subject to fixed performance criteria. This is deemed to be appropriate as it allows the Committee to consider the performance of the Group and the contribution of the individual executives and, as with annual bonus payments, illustrates the relative importance placed on performance-related remuneration.

The Group does not intend to contribute to the personal pension plans of Directors in the forthcoming year.

Executive Directors' Contractual Terms

The service contract of the Executive Directors provides for a notice period of six months.

Non-Executive Directors' Remuneration

Non-Executive Directors do not receive any benefits other than their fees and travelling expenses for which they are reimbursed. The level of fees payable to Non-Executive Directors is assessed using benchmarks from a group of comparable organisations.

The Procedure for Determining Remuneration

The Remuneration Committee, comprising two Non-Executive Directors, is responsible for setting the remuneration of the Executive Directors. Committee members do not take part in discussions concerning their own remuneration. The basic Non-Executive Director fee is set by the Chairman. The Chairman of the Committee reports at the Board meeting following a Committee meeting.

It is the view of the Committee that Directors' remuneration awarded across the Company for the year has been in accordance with the Company's stated Remuneration Policy and, on behalf of the Committee I recommend that you endorse this report. An analysis of Directors' emoluments is as follows:

Directors' Emoluments

	Fees US$	**Share based payment remuneration US$**	**2024 Total US$**	2023 Total **US$**
Executive - salary				
Denham Eke	**64,427**	**-**	**64,427**	57,345
Charles FitzRoy (to 29 August 2023)	**93,728**	**37,630**	**131,358**	745,348
Non-Executive - fees				
Jim Mellon	**51,520**	**-**	**51,520**	47,333
Ian Stalker	**150,340**	**48,587**	**198,927**	574,182
Alex Borrelli	**51,520**	**-**	**51,520**	76,905
Euan Jenkins	**51,520**	**-**	**51,520**	76,905
Aggregate emoluments	**463,055**	**86,217 ***	**549,272**	1,578,018

* represents the share-based payment charge for share options granted during the year.

Approval
The report was approved by the Board of directors and signed on behalf of the Board.

Euan Jenkins
Chairman of Remuneration Committee
26 June 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law.

The Directors are required to prepare financial statements for each financial year. They have elected to prepare the financial statements in accordance with International Financial Reporting Standards, and applicable law.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing each of the consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADDA HEAD LITHIUM LIMITED

Opinion

We have audited the group financial statements of Bradda Head Lithium Limited (the 'group') for the year ended 29 February 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 29 February 2024 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cash flow forecasts prepared by management for the period up to 31 December 2025 for reasonableness and agreeing these to corroborating evidence; and, by providing challenge on key assumptions and inputs, including an assessment of the likelihood of raising additional funds and performing sensitivity analysis;
- Assessing and evaluating the liquidity of existing assets as of the year end;
- Reviewing and assessing the cash flows forecasts for plausible scenarios;
- Reviewing post-year end Regulatory News Service (RNS) announcements impacting going concern; and
- Assessing the adequacy of going concern disclosures within the Annual Report and Consolidated Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality in both planning and performing the audit and evaluating the effect of misstatements. For the purposes of determining whether the group financial statements are free from material misstatements, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the group financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriate level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the group financial statements as a whole. When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the group financial statements as a whole.

The materiality applied to the Group consolidated financial statements was $159,000, based on a 1% of gross assets, as we consider gross assets to be the most relevant performance indicator for the exploration Group having no trade and limited volume of transactions during the year.

A benchmark of 65% for performance materiality during our audit of the Group was applied, being $103,000, as we believe that this would provide sufficient coverage of significant and residual risks.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of $8,000. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the consolidated financial statements. In particular, we looked at areas involving significant accounting estimates and judgements by management, such as the recoverability of exploration and evaluation assets.

We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalisation and assessment of impairment of deferred mining and exploration costs and exploration permits and licenses (refer note 2 'critical accounting estimates and judgements', note 7 'Deferred mining and exploration costs' and note 8 'Exploration permits and licenses'.	How our scope addressed this matter
The group has reported deferred mining and exploration costs and exploration permits and licenses of $11.01m and $2.78m respectively. There is a risk that the carrying values of these non-current assets are not fully recoverable and should be impaired in line with IFRS 6. This risk also relates to the appropriate capitalisation of exploration costs in accordance with IFRS 6. The group capitalises all expenditure incurred directly relating to exploratory activities as deferred mining or exploration costs once a licence or permit has been obtained for exploratory activities. The estimated recoverable amount of these assets requires judgement in determining whether future economic benefits will arise either from future exploitation or sale. The costs are capitalized to the extent that they do not exceed the estimated economically recoverable amount from mineral interests.	Our audit work in this area included: • Substantive testing of a sample of additions to assess their eligibility for capitalisation under IFRS 6 by corroborating to the original source documentation; • Confirming the group has good title to the permits and claims; • Ensuring, where applicable, that any specific requirements contained within the permits and claims have been met, to include minimum expenditure clauses; • Making enquiries of management regarding future plans for each project including obtaining cashflow projections; • Considering whether there are indications of impairment on a project-by-project basis in accordance with IFRS 6 criteria;

The costs relate to projects which are at an early stage of exploration and there is no certainty as to whether commercially viable quantities of mineral resources will be discovered, whether the group will continue its exploration activities in each of its licence areas or whether the group will have sufficient funding to undertake the required exploration activities.	• **Reviewing management's impairment paper in respect of the carrying value of assets and providing challenge, corroborating any key assumptions used; and** • **Evaluating the independence and competence of the experts engaged by management to calculate the mineral resource estimates.**

Other information

The other information comprises the information included in the annual report, other than the group financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the consolidated financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, as well as the application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from AIM rules, CSE rules, the QCA Corporate Governance Code, the operating terms set out in the mining licenses, as well as local laws and regulations.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management;
  - review of minutes of board meetings;
  - review of stock exchange announcements; and
  - review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations.
- We also identified the risks of material misstatement of the group financial statements due to fraud at the group level. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of non-current exploration and evaluation assets. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 29 February 2024. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Registered Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

26 June 2024

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BRADDA HEAD LITHIUM LIMITED IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107 (ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS) FOR THE YEAR ENDED 29 February 2024

Opinion

We have audited the group financial statements of Bradda Head Lithium Limited (the "group") for the year ended 29 February 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IAASB").

In our opinion, the group financial statements:

- present fairly, in all material respects, the financial position of the group as at 29 February 2024 and 28 February 2023 and its financial performance and its cash flows for the years then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as issued by the IAASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the group financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included a review of budgets and cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements, including challenge of management on the basis of preparation, together with ascertaining the most recent cash position of the group, and identifying subsequent events impacting the going concern position.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Capitalisation and assessment of impairment of deferred mining and exploration costs and exploration permits and licenses (refer note 2 'critical accounting estimates and judgements', note 7 'Deferred mining and exploration costs', and note 8 'Exploration permits and licenses'. The group has reported deferred mining and exploration costs and exploration permits and licenses of $11.01m and $2.78m respectively. There is a risk that the carrying values of these non-current assets are not fully recoverable and should be impaired in line with IFRS 6. This risk also relates to the appropriate capitalisation of exploration costs in accordance with IFRS 6. The group capitalises all expenditure incurred directly relating to exploratory activities as deferred mining or exploration costs once a licence or permit has been obtained for exploratory activities. The estimated recoverable amount of these assets requires judgement in determining whether future economic benefits will arise either from future exploitation or sale. The costs are capitalized to the extent that they do not exceed the estimated economically recoverable amount from mineral interests. The costs relate to projects which are at an early stage of exploration and there is no certainty as to whether commercially viable quantities of mineral resources will be discovered, whether the group will continue its exploration activities in each of its licence areas or whether the group will have sufficient funding to undertake the required exploration activities.	Our audit work in this area included: • Substantive testing of a sample of additions to assess their eligibility for capitalisation under IFRS 6 by corroborating to the original source documentation; • Confirming the group has good title to the permits and claims; • Ensuring, where applicable, that any specific requirements contained within the permits and claims have been met, to include minimum expenditure clauses; • Making enquiries of management regarding future plans for each project including obtaining cashflow projections; • Considering whether there are indications of impairment on a project-by-project basis in accordance with IFRS 6 criteria; • Reviewing management's impairment paper in respect of the carrying value of assets and providing challenge, corroborating any key assumptions used; and • Evaluating the independence and competence of the experts engaged by management to calculate the mineral resource estimates.

Other information

The other information comprises the information included in the annual report and the management discussion and analysis, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditors' report is David Thompson.

David Thompson (Engagement Partner)
for and on behalf of PKF Littlejohn LLP
Registered Auditor

26 June 2024

Consolidated Statement of Comprehensive Income

for the year ended 29 February 2024

	Notes	**Year ended 29 February 2024 US$**	Year ended 28 February 2023 US$
Expenses			
General and administrative	*4*	**(4,205,897)**	(5,880,205)
Foreign exchange gains/(losses)		**171,416**	(1,408,001)
Share based payments	*15*	**(180,622)**	(1,148,456)
Impairment	*8*	**-**	(19,470)
Operating loss		**(4,215,103)**	(8,456,132)
Other income			
Gain on sale	*5*	**2,370,127**	-
Unrealised (loss)/gain on investment	*13*	**(24,570)**	37,804
Warrant fair value re-measurement	*15, 16*	**230,201**	4,518,470
Loss before finance costs		**(1,639,345)**	(3,899,858)
Finance income		**135,487**	12,270
Finance costs		**-**	-
Loss before income tax		**(1,503,858)**	(3,887,588)
Income tax expense	*6*	**-**	-
Total loss and total comprehensive loss for the year		**(1,503,858)**	(3,887,588)
Basic and diluted loss per share (cents)	*19*	**(0.385)**	(1.018)

The notes on pages 34 to 57 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 29 February 2024

	Notes	**29 February 2024**	28 February 2023
		US$	US$
Non-Current assets			
Deferred mining and exploration costs	7	**11,025,423**	7,461,851
Exploration permits and licences	8	**2,781,735**	2,112,415
Plant and equipment	12	**78,972**	79,602
Advances and deposits	10	**106,812**	104,192
Investment at fair value through profit or loss	*13*	**67,191**	91,761
Total non-current assets		**14,060,133**	9,849,821
Current assets			
Cash and cash equivalents		**1,664,662**	7,746,519
Advances and deposits	*10*	**-**	385,624
Trade and other receivables	*10*	**123,268**	216,595
Total current assets		**1,787,930**	8,348,738
Total assets		**15,848,063**	18,198,559
Equity			
Share premium	*14*	**30,616,373**	30,616,373
Retained deficit		**(14,954,669)**	(13,631,433)
Total equity		**15,661,704**	16,984,940
Current liabilities			
Trade and other payables	*11*	**186,359**	983,418
Warrant liability	*16*	**-**	230,201
Total current liabilities		**186,359**	1,213,619
Total equity and liabilities		**15,848,063**	18,198,559

The notes on pages 34 to 57 form an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors and were signed on their behalf by:

Denham Eke
Director
26 June 2024

Consolidated Statement of Changes in Equity

for the year ended 29 February 2024

	Share premium US$	Retained deficit US$	Total equity US$
Balance at 1 March 2023	**30,616,373**	**(13,631,433)**	**16,984,940**
Total comprehensive loss for the year			
Loss for the year	**-**	**(1,503,858)**	**(1,503,858)**
Total comprehensive income for the year	**-**	**(1,503,858)**	**(1,503,858)**
Transactions with owners of the Company			
Equity settled share-based payments (note 15)	**-**	**180,622**	**180,622**
Total transactions with owners of the Company	**-**	**180,622**	**180,622**
Balance at 29 February 2024	**30,616,373**	**(14,954,669)**	**15,661,704**

The notes on pages 34 to 57 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity (continued)

for the year ended 29 February 2024

	Share premium US$	Retained deficit US$	Total equity US$
Balance at 1 March 2022	23,434,385	(11,177,220)	12,257,165
Total comprehensive loss for the year			
Loss for the year	-	(3,887,588)	(3,887,588)
Total comprehensive income for the year	-	(3,887,588)	(3,887,588)
Transactions with owners of the Company			
Issue of ordinary shares (note 14)	7,729,904	-	7,729,904
Capitalised share issue costs	(547,916)	-	(547,916)
Equity settled share-based payments (note 15)	-	1,433,375	1,433,375
Total transactions with owners of the Company	7,181,988	1,433,375	8,615,363
Balance at 28 February 2023	30,616,373	(13,631,433)	16,984,940

The notes on pages 34 to 57 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 29 February 2024

	Notes	**Year ended 29 February 2024 US$**	Year ended 28 February 2023 US$
Cash flows from operating activities			
Loss before income tax		**(1,503,858)**	(3,887,588)
Adjusted for non-cash and non-operating items:			
Depreciation	*12*	**50,630**	33,240
Unrealised loss/(profit) on investment	*13*	**24,570**	(37,804)
Finance income		**(135,487)**	(12,270)
Equity settled share based payments expense	*15*	**180,622**	1,148,456
Impairment of deferred mining and exploration costs and licences and permits	*7, 8*	**-**	19,470
Warrant fair value re-measurement		**(230,201)**	(4,518,470)
		(1,613,724)	(7,254,966)
Change in trade and other receivables		**93,327**	(519,824)
Change in trade and other payables		**(797,059)**	(114,253)
Net cash flows from operating activities		**(2,317,456)**	(7,889,043)
Cash flows from investing activities			
Amounts paid for deferred mining and exploration costs		**(3,563,571)**	(3,278,107)
Amounts paid for licences and permits		**(669,320)**	(582,809)
Interest received		**135,487**	12,270
Plant and equipment purchased		**(50,000)**	(58,672)
Return of project bonds		**383,003**	-
Net cash flows from investing activities		**(3,764,401)**	(3,907,318)
Cash flows from financing activities			
Cash received from share issues		**-**	12,782,135
Share issue commissions paid		**-**	(566,558)
Net cash flows from financing activities		**-**	12,215,577
Decrease/(increase) in cash and cash equivalents		**(6,081,857)**	419,216
Cash and cash equivalents at beginning of year		**7,746,519**	7,327,303
Cash balances at end of year		**1,664,662**	7,746,519

The notes on pages 34 to 57 form an integral part of these consolidated financial statements.

1 Reporting Entity

Bradda Head Lithium Limited (the "Company") is a company domiciled in the British Virgin Islands. The address of the Company's registered office is Craigmuir Chambers, Road Town, Tortola, British Virgin Islands. The Company and its subsidiaries together are referred to as the "Group".

Bradda Head Lithium Limited is a lithium exploration Group focused on developing its projects in the USA.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of measurement

Functional and Presentation Currency
The consolidated financial statements of the Group are presented in US Dollars (US$), which is also the functional currency of all entities in the Group. All financial information presented in US Dollars has been rounded to the nearest dollar.

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant estimates and assumptions include those related to recoverability of mineral properties and determination as to whether costs are expensed or deferred.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable mineral reserves. Including whether a commercially feasible means of extraction from clay deposits is established. The recoverability of carrying amounts for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the financing necessary to complete exploration and development, and the success of future development of the properties. It is also dependent on all claims being properly legally established.

Judgement is required in applying the Company's accounting policy for exploration and evaluation assets in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review when assessing impairment. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalised is written off to profit and loss in the period when the new information becomes available. In situations where indicators of impairment are present for the Company's exploration and evaluation assets, estimates of recoverable amount must be determined as the higher of the estimated value in use or the estimated fair value less costs to sell. Refer to notes 3, 7 and 8.

Impact of Ukraine conflict on the financial statements
The Directors have considered the ongoing conflict in Ukraine, and its impact on the Group's operations and information included in these financial statements. The Group's operations are largely based in the USA, which currently has seen no direct impact due to the conflict. The Directors are aware of increases in global oil and gas prices, which could have an impact on fuel and electricity prices in the USA, and knock-on price impacts on the Group's USA based suppliers and contractors. Management is in regular communication with suppliers and contractors, and no significant impact has been seen relating to this.

The Group is in a net asset position of US$ 15,661,704 as at 29 February 2024 (28 February 2023: US$ 16,984,940). Given the early exploration stage of the Group's projects, the Group is not yet generating any revenue and is incurring expenditure in progressing its exploration work. Accordingly, the Group incurred a loss attributable to equity shareholders of US$ 1,503,858 for the year ended 29 February 2024 (28 February 2023: loss of US$ 3,887,588). As at 29 February 2024, the Group had cash and deposit balances of US$ 1,664,662 (2023: US$ 7,746,519).

Further expenditure will be necessary in order for the Group to progress the projects to a stage where their feasibility can be assessed and where they may potentially be able to ultimately generate revenue, if economically viable. Continued operations of the Group and further progressing its exploration and evaluation activities is dependent on the Company's ability to obtain additional financing and generate profitable operations in the future.

The Group expects to have sufficient cash resources to be able to complete its existing and ongoing exploration programmes, and meet any committed operational expenditures as they fall due, for a period of at least 12 months from the date of signing the financial statements. If necessary, adjustments can be made to defer the Group's discretionary exploration expenditure, based on results of its exploration activities and cash resource levels whilst maintaining good title to its licenses and permits, with the level of exploration activities and related expenditure being full controllable by the Company.

Based on forecasts prepared by Directors, they believe it remains appropriate to prepare the financial statements on a going concern basis, taking into consideration the level of cash held by the Group. The Directors are confident that further funds can be raised and have a reasonable expectation that the Group will have adequate resources for its continuing existence and projected activities for the foreseeable future, and for these reasons, continue to adopt the going concern basis in preparing the financial statements for the year ended 29 February 2024.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities for the period ended 29 February 2024.

Basis of consolidation

The consolidated financial statements for the year ended 29 February 2024 incorporate the financial information of the Company and entities controlled by the Company (its "subsidiaries"). The results of subsidiaries are included in the consolidated statement of comprehensive income from the date on which control is obtained, and up to the date control is lost.

Business combination

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus any costs directly attributable to the business combination.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Non-controlling interest
Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets which are generally at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is adjusted for the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency transactions
Transactions in foreign currencies are translated into functional currency based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated into functional currency at the exchange rate prevailing at the reporting date. Gains or losses arising from foreign currency transactions are recognised in the consolidated statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined or if measured at historical cost are translated using the exchange rate at the date of transaction.

Consolidation of foreign operations
The assets and liabilities of foreign operations are translated to US Dollars at exchange rates at the reporting date while income and expenses are translated at exchange rates at date of transactions although if not practically available, the average rate for the period is used.

Deferred mine exploration costs

The Group deems that all expenditure incurred in the country of the project, directly relating to exploratory activities, in addition to the acquisition costs of an existing, granted exploration permit or license, is capitalisable as deferred mine costs once a license or permit has been obtained for exploratory activities. Pre-license costs are expensed in the period in which they are incurred. License costs paid in connection with a right to explore in an existing exploration area are capitalised.

Exploration expenditures relate to the initial search for mineral deposits with economic potential as well as expenditures incurred for the purposes of obtaining more information about existing mineral deposits. Exploration expenditures typically comprise costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies;
- exploratory drilling and sampling for the purposes of obtaining core samples and the related metallurgical assay of these cores; and
- drilling to determine the volume and grade of deposits in an area known to contain mineral resources or for the purposes of converting mineral resources into proven and probable reserves.

The assessment of probability is based on the following factors: results from previous drill programmes; results from a geological study; results from a mine scoping study confirming economic viability of the resource; and preliminary estimates of the volume and grade of the deposit, and the net cash flows expected to be generated from its development. The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits will arise either from future exploitation, or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Deferred mine exploration cost are capitalised to the extent that they do not exceed the estimated economically recoverable amount from mineral interests. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established.

Estimates and assumptions made may change if new information becomes available. If after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. Management reviews the carrying values of its deferred mine exploration costs at least annually and whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognised when the carrying value of those assets is not recoverable and exceeds their fair value.

These costs are carried forward provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has not expired during the period or will expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is either budgeted or planned;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

Upon reaching commercial production, these capitalised costs will be transferred from development properties to producing properties on the Consolidated Statement of Financial Position and will be amortised using the unit-of-production method over the estimated period of economically recoverable reserves.

Exploration permits
Exploration permits acquired by way of an asset acquisition or business combination are recognised if the asset is separable or arises from contractual or legal rights. On acquisition of a mineral property in the exploration stage, an estimate is prepared of the fair value attributable to the exploration potential, including mineral resources, if any, of that property. The fair value of the exploration permits is recorded as an intangible asset (acquired exploration permits) as at the date of acquisition. When an exploration stage property moves into development, any acquired exploration intangible asset balance attributable to that property is transferred to non-depreciable mining interests within property, plant and equipment. Impairment testing and the reversal of impairments are conducted in accordance with the accounting policy adopted for deferred mine exploration costs.

Mineral property expenses
Mineral property expenses are costs incurred that do not qualify for capitalisation and are therefore expensed to the profit or loss as incurred. These include payments for costs incurred prior to obtaining licenses.

Impairment of tangible and intangible assets excluding goodwill
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments
Measurement
Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables
Trade and other receivables are stated at amortised costs using the effective interest method less impairment losses.

Cash and cash equivalents
Cash and cash equivalents are measured at amortised costs and are due on demand.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised costs using the effective interest method.

Fair value of financial instruments
The Company determines fair values using other valuation techniques in compliance with IFRS9: Financial Instruments, IFRS13: Fair Value Measurement, and based on the International Private Equity and Venture Capital Valuation Guidelines ("IPEV").

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; or
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Various valuation techniques may be applied in determining the fair value of investments held as Level 3 in the fair value hierarchy. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Share premium
Ordinary shares are classified as equity. The ordinary shares of the Company have a nil par value. As such all proceeds received for the issue of shares has been credited to share premium. Proceeds from the exercise of stock options or conversion of share purchase warrants are recorded in share premium at the amount received on exercise or conversion. Commissions paid to underwriters or agents and other related share issue costs, such as legal, accounting and printing, are charged to share premium.

Share based payments
Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is calculated using the Black-Scholes option pricing model (where no fair value of the service or assets provided is evident). The fair value determined at the grant date of the equity settled share-based payment is expensed based on the vesting period and based on the Company's estimate of the number of shares that will eventually vest.

On determining fair values, terms and conditions attaching to the instruments are taken into account. Management is also required to make certain assumptions and estimates regarding such items as the life of instruments, volatility and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

Segmental reporting
The Directors are of the opinion that the Company is engaged in a single segment of business, being exploration for lithium in the USA. Information presented to the Board of Directors for the purpose of decision making is based on this single segment.

Property and equipment
Property and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of fixed assets commences when the asset is available for use. The Company assesses at each reporting date whether tangible fixed assets are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Owned vehicles – 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Gain on sale of mining interest
The Group may monetise its future revenue streams by entering into royalty agreements with investment companies for a given percentage royalty. This transaction represents a disposal of a portion of the relevant mineral interest which is subject to the royalty, which is represented by deferred mine exploration costs and exploration permits and licences in the financial statements.

Where the consideration in exchange for the sale of the interest is variable, the IFRS 15 variable consideration guidance is applied and the consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal of revenue will not occur ('the constraint').

A gain/loss on the sale is recognised in profit or loss.

Royalty payments due, under the royalty agreements, are recognised as a reduction of revenue as amounts become due and payable.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the current period ended, and have not been applied in preparing these consolidated historical financial statements:

New/revised International Accounting Standards / International Financial Reporting Standards ("IAS/IFRS")	*Effective date (accounting periods commencing on or after)*
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Pillar Two Model Rules (Amendments to IAS12)	1 January 2024

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the Company's financial statements in the period of initial application.

4 General and administrative and exceptional cost

The Group's general and administrative expenses include the following:

	Year ended 29 February 2024	Year ended 28 February 2023
	US$	US$
Auditors' fees	**55,640**	113,173
Directors and management fees and salaries	**569,599**	599,824
Legal and accounting	**335,677**	492,041
Contractor costs	**1,566,803**	2,933,852
Professional and marketing costs	**690,897**	1,012,171
Other administrative costs	**987,281**	729,144
Total	**4,205,897**	5,880,205

5 Gain on sale

On 21 December 2021, the Company completed a royalty agreement with the Lithium Royalty Corporation ("LRC"). Key terms of the royalty agreement are:

- LRC has been granted a 2% gross overriding royalty (GOR) over Bradda Head's sedimentary lithium claims in Arizona (Wikieup project and Basin project) leaving the Company's pegmatite and brine projects unencumbered;
- LRC has paid to the Company upon closing the sum of US$2.5 million for granting of the Royalty;
- LRC has paid to the Company an additional US$2.5 million upon the Company publicly reporting a 1 million tonne lithium carbonate equivalent (LCE) Mineral Resource with a minimum lithium grade of 800 parts per million (ppm);
- LRC will pay to the Company an additional US$3 million upon the Company publicly reporting a 2.5 million tonne LCE Mineral Resource with a minimum lithium grade of 800ppm.

In addition, LRC has also subscribed for US$2 million of new ordinary shares (along with US$0.5 million via a further subscription from a LRC director) alongside the royalty closing. See note 14 for details.

During the year, the Company hit the next milestone of a 1 million tonne lithium carbonate equivalent (LCE) Mineral Resource with a minimum lithium grade of 800 parts per million (ppm), thereby triggering the next royalty payment from LRC. This has been recognised as a gain on sale in the consolidated statement of comprehensive income.

Reconciliation of gain on sale

	Year ended 29 February 2024
	US$
Initial proceeds received from royalty receipt	**2,500,000**
Less: Deferred mine exploration costs disposal (note 7)	**(105,273)**
Less: Exploration permits and licences disposal (note 8)	**(24,600)**
	2,370,127

6 Taxation

Income tax

The British Virgin Islands under the International Business Companies Act 2004 imposes no corporate taxes or capital gains taxes.

Zenolith USA LLC, Gray Wash LLC and Verde Grande LLC are Delaware (USA) limited liability companies that have elected to be taxed as standard corporations. To date, these companies have been loss making and therefore no corporation tax is applicable.

The maximum deferred tax asset that could be recognised at year end is approximately US$ 683,943 (2022: US$ 478,138. The Group has not recognised any asset as it is not reasonably known whether the Group will recover such deferred tax assets.

7 Deferred mine exploration costs

The schedule below details the current projects of the Group and the related exploration costs capitalised:

	Total US$
Cost and net book value	
At 29 February 2022	4,183,744
Capitalised during the year	3,278,107
At 28 February 2023	7,461,851
Capitalised during the year	**3,668,845**
Disposal under royalty agreement *	**(105,273)**
At 29 February 2024	**11,025,423**
Cost and net book value	
At 29 February 2024	**11,025,423**
At 28 February 2023	7,461,851

* In terms of the LRC royalty agreement, the Company has sold a 2% royalty on future sales from its lithium clay assets. The Company has effectively sold 2% of its capitalised deferred mine exploration costs to date, with this adjustment being recorded to reflect this. See note 5 and 14.

All the deferred mining and exploration expenditure has been incurred by Zenolith USA LLC and San Domingo LLC, both subsidiaries of the Group. See notes 8 and 9.

Deferred mine exploration costs ("DMEC") represent intangible assets. Refer to note 8 for details on exploration permits and licences held.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest, as well as maintaining the assets in good standing. The Group assessed the DMEC relating to areas for which licenses and permits are held for impairment as at 29 February 2024.

The Board reviewed the projects held and concluded that no facts and circumstances have been identified which suggest the recoverable amount of these assets would not exceed the carrying amount and, as such, no impairment was recognised.

8 Exploration permits and licences

The schedule below details the current projects of the Group and the related exploration permit and licence costs capitalised:

	Total US$
Cost and net book value	
At 28 February 2022	1,549,076
Capitalised during the year	582,809
Impairment	(19,470)
At 28 February 2023	2,112,415
Capitalised during the year	**693,920**
Disposal under royalty agreement *	**(24,600)**
At 29 February 2024	**2,781,735**
Cost and net book value	
At 29 February 2024	**2,781,735**
At 28 February 2023	2,112,415

* In terms of the LRC royalty agreement, the Company has sold a 2% royalty on future sales from its lithium clay assets. The Company has effectively sold 2% of its capitalised deferred mine exploration costs to date, with this adjustment being recorded to reflect this. See note 5 and 14.

The licences and permits are held through indirect subsidiaries of the Company. See note 9.

The Group assessed the carrying amount of the licences and permits held for impairment as at 29 February 2024. The Board reviewed the projects held and concluded that no facts and circumstances have been identified which suggest the recoverable amount of these assets would not exceed the carrying amount and, as such, no impairment was recognised (28 February 2023: impairment of US$ 19,470).

USA

The USA exploration permits and licences are held by Zenolith (USA) LLC ("Zenolith"), San Domingo LLC ("San Domingo"), Gray Wash LLC and Verde Grande LLC, subsidiaries of Bradda Head (see note 9). Zenolith holds licences and permits over land in the states of Nevada and Arizona, USA, which provide Zenolith with exclusive rights to explore for lithium. Gray Wash and Verde Grande hold licences over land in the state of Arizona.

9 Investment in subsidiary undertakings

As at 29 February 2024 and 28 February 2022, the Group had the following subsidiaries:

Name of company	Place of incorporation	Ownership interest	Principal activity
Bradda Head Limited*	BVI	100%	Holding company of entities below
Zenolith (USA) LLC	USA	100%	Holds USA lithium licences and permits
Verde Grande LLC	USA	100%	Holds USA lithium licences and permits
Gray Wash LLC	USA	100%	Holds USA lithium licences and permits
San Domingo LLC **	USA	100%	Holds USA lithium licences and permits
Minera Salmuera, S.A. de C.V.	Mexico	100%	In process of being liquidated

* Held directly by the Company. All other holdings are indirectly held through Bradda Head Limited

** Held directly by Zenolith USA LLC

The consolidated financial statements include the results of the subsidiaries from the date that control is obtained to 29 February 2024, and up to the date that control ceases.

10 Prepayments and advances and deposits

Non-current

	29 February 2024	28 February 2023
	US$	US$
Advances and deposits	**106,812**	104,192

Current

	29 February 2024	28 February 2023
	US$	US$
Prepayments	**123,268**	216,595
Advances and deposits	**-**	385,624

11 Trade and other payables

	29 February 2024	28 February 2023
	US$	US$
Accounts payable	**161,648**	904,944
Accrued expenses and other payables	**24,711**	78,474
	186,359	983,418

12 Plant and equipment

	Motor vehicle	**Other equipment**	**Total**
Cost	**US$**	**US$**	**US$**
As at 1 March 2023	**114,390**	**-**	**114,390**
Additions during the year	**-**	**50,000**	**50,000**
As at 29 February 2024	**114,390**	**50,000**	**164,390**

Accumulated depreciation	**Motor vehicle US$**	**Other equipment US$**	**Total US$**
As at 1 March 2023	**(34,788)**	**-**	**(34,788)**
Depreciation charge for the year	**(38,130)**	**(12,500)**	**(50,630)**
As at 29 February 2024	**(72,918)**	**(12,500)**	**(85,418)**
Carrying amount			
As at 29 February 2024	**41,472**	**37,500**	**78,972**
As at 28 February 2023	79,602	-	79,602

13 Investment at fair value through profit or loss

On 1 July 2011, the Company acquired, by way of private placement, a strategic investment in Crazy Horse Resources Inc. (which changed its name to Rockwealth Resources Inc ("RWR"), a copper and gold company traded on the TSX Venture Exchange, which owns the Taysan Project, an advanced copper gold porphyry deposit located 100 km south of Manila in the Philippines. On 6 December 2021, RWR changed its name to Strathmore Plus Energy Corp. On 22 September 2022, Strathmore Plus Energy Corp changed its name to Strathmore Plus Uranium Corp and its TSX-V ticker to SUU.

As at 29 February 2024, the Company holds 249,688 shares in SUU (2023: 249,688 shares).

This investment is classified as a financial asset at fair value through profit or loss. For valuation purposes, it was valued using the closing bid price as at the reporting period.

	29 February 2024	28 February 2023
Total number of shares held	**249,688**	249,688
	US$	US$
Market value of investment at closing bid price	**67,191**	91,761
Total cost	**(5,861,409)**	(5,861,409)
Unrealised loss on investment	**(5,794,218)**	(5,769,648)

In line with IFRS13: Fair Value Measurement, and based on the International Private Equity and Venture Capital Valuation Guidelines ("IPEV"), the investment held is considered to be level 2 in the fair value hierarchy, due to there being a lack of an active market for the traded shares.

The unrealised loss on the investment in SUU charged to the Consolidated Statement of Comprehensive Income and movement in investment fair value is as follows:

	US$
Balance at 28 February 2023	**91,761**
Change in fair value	**(24,570)**
Balance at 29 February 2024	**67,191**

14 Share premium

Authorised

The Company is authorised to issue an unlimited number of nil par value shares of a single class.

Issued ordinary shares of US$0.00 each	Shares	Share capital US$	Share premium US$
At 28 February 2022	317,413,879	-	23,434,385
Shares issued for cash (note 16)	**73,195,560**	-	**7,729,904**
Share issue costs capitalised	**-**	-	**(547,916)**
At 28 February 2023 and 29 February 2024	**390,609,439**	-	**30,616,373**

On 13 April 2022, the Company completed a fundraise, issuing 73,195,560 ordinary shares for gross proceeds of US$ 12.9 million. Refer to note 16.

15 Equity settled share based payments

The cost of equity settled transactions with certain Directors of the Company and other participants ("Participants") is measured by reference to the fair value at the date on which they are granted. The fair value is determined based on the Black-Scholes option pricing model.

Options and warrants

The total number of share options and warrants in issue as at the period end is set out below.

Recipient	*Grant Date*	*Term in years*	*Exercise Price*	*Number at March 1, 2023*	*Number Issued*	*Number Lapsed/ cancelled/expired*	*Number Exercised*	*29 February 2024*	*Fair value*
Options									**US$**
Directors and Participants	April 2018	5	US$ 0.15668	**1,606,304**	**-**	**(1,460,252)**	**-**	**146,052**	**24,028**
Directors and Participants	June 2021	5	US$ 0.048	**18,000,000**	**-**	**-**	**-**	**18,000,000**	**1,110,556**
Directors and Participants	September 2021	5	£0.09	**3,500,000**	**-**	**(500,000)**	**-**	**3,000,000**	**314,962**
Directors and Participants	April 2022	5	£0.18	**8,925,000**	**-**	**(550,000)**	**-**	**8,375,000**	**1,089,312**
Directors and Participants	December 2022	5	£0.105	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**273,727**
Directors and Participants	April 2023	5	£0.03025	**-**	**4,800,000**	**(300,000)**	**-**	**4,500,000**	**180,622**
Directors and Participants	February 2024	5	£0.00867	**-**	**2,850,000**	**-**	**-**	**2,850,000**	**-**
Warrants									
Supplier warrants	July 2021	5	£0.0550	**1,818,182**	**-**	**-**	**-**	**1,818,182**	**124,482**
Supplier warrants	July 2021	3	£0.0825	**2,254,545**	**-**	**-**	**-**	**2,254,545**	**8,275**
Shareholder warrants	December 2021	2	£0.0885	**1,185,687**	**-**	**-**	**-**	**1,185,687**	**44,858**
Supplier warrants	April 2022	2	£0.1350	**3,244,331**		**-**	**-**	**3,244,331**	**284,918**
				41,534,049	**7,650,000**	**(2,810,252)**	**-**	**46,373,797**	**3,455,740**

Recipient	*Grant Date*	*Term in years*	*Exercise Price*	*Number at March 1, 2022*	*Number Issued*	*Number Lapsed/ cancelled/expired*	*Number Exercised*	*28 February 2023*	*Fair value*
Options									**US$**
Directors and Participants	April 2018	5	US$ 0.15668	1,606,304	-	-	-	1,606,304	24,028
Directors and Participants	June 2021	5	US$ 0.048	18,000,000	-	-	-	18,000,000	1,110,556
Directors and Participants	September 2021	5	£0.09	4,000,000	-	(500,000)	-	3,500,000	314,962
Directors and Participants	April 2022	5	£0.18	-	9,200,000	(275,000)	-	8,925,000	1,089,312
Directors and Participants	December 2022	5	£0.105	-	1,000,000	-	-	1,000,000	273,727
Warrants									
Supplier warrants	July 2021	5	£0.0550	1,818,182	-	-	-	1,818,182	124,482
Supplier warrants	July 2021	3	£0.0825	2,254,545	-	-	-	2,254,545	8,275
Shareholder warrants	December 2021	2	£0.0885	1,185,687	-	-	-	1,185,687	44,858
Supplier warrants	April 2022	2	£0.1350	-	3,244,331	-	-	3,244,331	284,918
				28,864,718	13,444,331	(775,000)	-	41,534,049	3,275,118

The amount expensed in the income statement has been calculated by reference to the fair value at the grant date of the equity instrument and the estimated number of equity instruments to vest after the vesting period.

	29 February 2024	28 February 2023
	US$	US$
Share based payments charge	**180,622**	1,148,456

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans issued during the period are as follows:

April 2023 options	*Award date and exercise price*
Fair value at grant date	£0.0303
Exercise price	£0.106
Weight average expected volatility	78.50%
Weighted average expected life (years)	5
Risk-free interest rate (based on comparable companies)	3.82%

Terms of the issued options are as follows:

- 4,800,000 options have been granted and are subject to the three independent vesting conditions for 1/3 of the entitlement, relating to the successful fund raising in respect of the Group's operational budget, commencement of a drilling program in respect of the San Domingo project and resolution of certain Wickieup project title claims. All un-exercised options expire after a period of 5 years from grant date. It is assumed that options are exercised within 5 years from date of grant. The applied volatility is based on historical volatility.
-

February 2024 options	*Award date and exercise price*
Fair value at grant date	£0.0087
Exercise price	£0.02
Weight average expected volatility	73.60%
Weighted average expected life (years)	5
Risk-free interest rate (based on comparable companies)	4.64%

Terms of the issued options are as follows:

- 2,850,000 options have been granted and are subject to the three independent vesting conditions for 1/3 of the entitlement, relating to the successful fund raising in respect of the Group's operational budget, commencement of a drilling program in respect of the San Domingo project and resolution of certain Wickieup project title claims. All un-exercised options expire after a period of 5 years from grant date. It is assumed that options are exercised within 5 years from date of grant. The applied volatility is based on historical volatility.

16 Warrants

The cost of equity warrants granted during the period are measured by reference to the fair value at the date on which they are granted. The fair value is determined based on the Black-Scholes option pricing model.

During year ended 28 February 2023, the Company awarded warrants to investors who participated in the fundraise completed during April 2022.

The total number of warrants in issue as at the period end is set out below.

Recipient	*Grant Date*	*Term in years*	*Exercise Price*	*Warrants at 1 March 2023*	*Number of Warrants Issued*	*Number of Warrants Lapsed/ cancelled/expired*	*Number of Warrants Exercised*	*Number of Warrants at 29 February 2024*	*Fair value*
Warrants									**US$**
Shareholder warrants	April 2022	2	£0.2100	73,195,560	-	-	-	**73,195,560**	-
				73,195,560	-	-	-	**73,195,560**	-

The fair value applied to the shareholder warrants has been classified as a financial liability. At the date of grant the fair value of shareholder warrants of US$ 4,748,671 was deducted from the gross proceeds raised against share premium. At period end, the warrant liability has been re-measured to fair value, with a corresponding entry to profit and loss of US$ 230,201 (28 February 2023: US$ 4,518,470) within Warrant Fair Value Re-Measurement.

Reconciliation of warrant liability fair value:

	Fair value US$
Balance at March 1, 2023	-
Warrants issued during the period included within share premium	**230,201**
Fair value re-measurement through profit or loss	**(230,201)**
Balance at 29 February 2024	**-**

17 Financial instruments

Financial risk management

The Company has risk management policies that systematically review the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

The Company's principal financial instruments consist of cash, receivables and payables arising from its operations and activities. The main risks arising from the Company's financial instruments and the policies for managing each of these risks are summarised below.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated. All liabilities are due within one month and all cash maintained in call accounts. To date the Company has relied upon equity funding to finance operations. The carrying amount of financial assets and liabilities reported in the consolidated statement of financial position represents the maximum exposure to liquidity risk. Management is confident that adequate resources are available to meet current obligations. See note 2(b) in respect of the Board's going concern assessment, and note 19 regarding exploration commitments.

The residual undiscounted contractual maturities of financial liabilities are as follows:

29 February 2024

	Less than 1 month US$	1-3 months US$	3 months to 1 year US$	1-5 years US$	Over 5 years US$
Trade and other payables	**161,648**	**-**	**-**	**-**	**-**

28 February 2023

	Less than 1 month US$	1-3 months US$	3 months to 1 year US$	1-5 years US$	Over 5 years US$
Trade and other payables	983,418	-	-	-	-

Credit risk

Credit risk is the risk of loss associated with the counter-party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to receivables and cash balances with the maximum exposure being the reported balance in the statement of financial position. The Company holds available cash with licensed banks which have strong history. The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. All funds are available on demand.

The receivables are actively monitored to avoid significant concentration of credit risk and the Directors consider there to be no significant concentration of credit risk.

Interest rate exposure

Interest rate risk is the risk that the Company will sustain losses through adverse movements in interest bearing assets or liabilities; however, it is the Directors' opinion that the Company is not significantly exposed to interest rate risk. Any interest-bearing liabilities carry fixed interest rates and are not exposed to interest rate fluctuations.

Market price risk

Equity price risk arises from financial assets at fair value through profit or loss due to uncertainties about future values of the instrument. The investment at year end represents an interest held in the share capital of Strathmore Plus Uranmium Corp, a company traded on the TSX Venture Exchange. The performance of this investment is monitored and reviewed by management on a regular basis. As at 29 February 2024, the fair value of equity security exposed to price risk was US$ 67,191 (2023: US$ 91,760). A 5% increase or decrease in the fair value of this listed investment, with all other variables constant, would have increased/decreased consolidated profit or loss and equity by US$ 3,360 (2023: US$ 4,588).

Foreign exchange risk

The Group was exposed to foreign currency risk on fluctuations related to financial assets and liabilities that are denominated in Pounds (GBP). The amounts exposed to foreign currency risk are as follows (in currency balance):

		GBP
29 February 2024	**Cash**	**38,482**

		GBP
28 February 2023	Cash	4,374,471

The impact of 10% strengthening of the GBP against the US Dollar to total comprehensive income/loss is set-out below. A 10% weakening in these currencies would have had the equal but opposite effect, on the basis that all other variables remain constant.

	29 February 2024	28 February 2023
US Dollars against:	**US$**	US$
GBP	**3,848**	528,129

There is no other impact on the Company's equity other than those already affecting the consolidated statement of comprehensive income/(loss).

Political risks

The Company's operations are subject to laws and regulations governing exploration activities. While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in laws and regulations could result in changes in legal requirements or in the terms of existing agreements applicable to the Company which could have a material adverse impact on the Company's current operations or planned implementation of its strategy.

Accounting classifications and fair value

Financial instruments comprise cash and trade and other receivables (classified as loans and receivables), accounts payable and accrued expenses (classified as trade and other payables), investments and convertible loan notes and working capital loan advances (classified as related party balances). The carrying amounts of loans and receivables and trade and other payables, reported in the consolidated statement of financial position, approximate their fair values due to the short-term nature of these accounts.

The related party balances consist of convertible loan notes, which have fixed interest rates and specified repayment terms and conditions. These have been classified as non-current. The convertible loan notes accrue interest, with the rate being charged considered to be similar to market related rates for similar type instruments. Fair value is therefore considered to approximate the carrying value of these instruments.

The working capital loan facility has a repayment term of one year, and has therefore been classified as a current asset.

Financial liabilities not measured at fair value

	Carrying amount, measured at amortised cost	
	29 February 2024	28 February 2023
	US$	US$
Trade and other payables	**161,648**	983,418

The fair value of investments is based on available market price data, taking into account the liquidity of the listed securities.

Capital Management

The Company manages its capital to maximise the return to the shareholders through the optimisation of equity. The capital structure of the Company at 29 February 2024 consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed.

The Company manages its capital structure and makes adjustments to it, in light of economic conditions and the strategy approved by shareholders. To maintain or adjust the capital structure, the Company may adjust any dividend payment to shareholders, return capital to shareholders or issue new shares and release the Company's share premium account. No changes were made in the objectives, policies or processes during the years ended 29 February 2024.

18 Related party transactions and balances

Key management personnel

The Directors of the Company received the following remuneration during the year:

		29 February 2024	
	US$	**US$**	**US$**
	Fees and salary	**Share-based payment remuneration**	**Total**
Charles FitzRoy (to 29 August 2023)	**93,728**	**37,630**	**131,358**
Ian Stalker	**150,340**	**37,630**	**187,970**
Euan Jenkins	**51,520**	**-**	**51,520**
Denham Eke	**64,427**	**-**	**64,427**
Jim Mellon	**51,520**	**-**	**51,520**
Alex Borrelli	**51,520**	**-**	**51,520**
	463,055	**75,260 ***	**538,315**

* The fair value of the options issued has been determined in line with the requirements of IFRS. Refer to note 3 and 15 for the basis of calculatuion.

		28 February 2023	
	US$	**US$**	**US$**
	Fees and salary	**Share-based payment remuneration**	**Total**
Charles FitzRoy	169,105	576,243	745,348
Ian Stalker	142,000	432,182	574,182
Euan Jenkins	47,333	29,572	76,905
Denham Eke	57,345	-	57,345
Jim Mellon	47,333	-	47,333
Alex Borrelli	47,333	29,572	76,905
	510,449	1,067,569 *	1,578,018

* The fair value of the options issued has been determined in line with the requirements of IFRS. Refer to note 3 and 15 for the basis of calculatuion.

The Directors hold the following number of shares in the Company as at 29 February 2024:

	29 February 2024			28 February 2023		
	Number	**% of issued share capital**	**Options held**	Number	% of issued share capital	Options held
James Mellon	**73,097,004**	**18.72%**	**-**	65,097,004	16.67%	-
Denham Eke	**124,307**	**0.03%**	**-**	124,307	0.03%	-
Ian Stalker	**3,870,140**	**0.99%**	**18,250,000**	3,870,140	0.99%	17,250,000
Euan Jenkins	**2,198,934**	**0.56%**	**500,000**	2,198,934	0.56%	500,000
Alex Borrelli	**343,329**	**0.09%**	**500,000**	343,329	0.09%	500,000
	79,633,714	**20.39%**	**19,250,000**	71,633,714	18.34%	18,250,000

Edgewater Associates Limited ("Edgewater")
During the year, Directors and Officers insurance was obtained through Edgewater, which is a 100% subsidiary of Manx Financial Group ("MFG"). James Mellon and Denham Eke are Directors of both the Company and MFG.

The premium payable on the policy was US$ 43,061 (2023: US$ 49,318), of which US$ 11,560 was prepaid as at the period end (2023: US$ 14,497).

19 Basic and diluted loss per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive share options.

An adjustment for the dilutive effect of share options in the current year has not been reflected in the calculation of the diluted loss per share, as the effect would have been anti-dilutive, due the Company recognising a loss for the year.

	29 February 2024 US$	28 February 2023 US$
Loss for the year	**(1,503,858)**	(3,887,588)

	No.	No.
Weighted average number of ordinary shares in issue	**390,609,436**	381,785,865
Dilutive element of share options if exercised (note 15)	**37,871,052**	33,031,304
Diluted number of ordinary shares	**428,480,488**	414,817,169
Basic earnings per share (cents)	**(0.385)**	(1.018)
Diluted earnings per share (cents)	**(0.385)**	(1.018)

The earnings applied are the same for both basic and diluted earnings calculations per share as there are no dilutive effects to be applied.

20 Exploration commitments

The Group has certain obligations to expend minimum amounts on exploration works on mining tenements in order to retain an interest in them, which would be approximately US$ 387,290 during the next 12 months. This includes annual fees in respect of licence renewals. These obligations may be varied from time to time, subject to approval and are expected to be filled in the normal course of exploration and development activities of the Company.

21 Subsequent events

Post yearend the Company announced that it entered into a settlement agreement regarding the fraudulent payment made to an unidentified party, as disclosed in the prior year accounts. Pursuant to the settlement agreement, the Company has been partially reimbursed for the fraudulent funds transfer. The partial settlement is consistent with Company's expectations at the time of initiating enforcement proceedings with gross recovery of approximately 40% of total misappropriated funds.

ENDS