



DELTA
LITHIUM

DELTA LITHIUM LIMITED

ACN 107 244 039

**Interim Financial Report
for the Half-Year Ended
31 December 2023**

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Corporate Directory

Directors	Chris Ellison (Non-Executive Chairman) James Croser (Managing Director) Nader El Sayed (Non-Executive Director) Tim Manners (Non-Executive Director) Steve Kovac (Non-Executive Director) Joshua Thurlow (Non-Executive Director)
Company Secretary	Peter Gilford
Registered Office and Principal Place of Business	Level 2, 18 Richardson Street West Perth WA 6005 Tel: +61 8 6109 0104
Auditors	KPMG 235 St George's Terrace Perth WA 6000 Australia
Solicitors	Thomson Geer Level 29, Central Park 152-158 St Georges Tce Perth WA 6000
Share Registry	Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth WA 6000 Australian Telephone: 1300 850 505 International Telephone: +61 3 9415 4000 www.computershare.com.au
Securities Exchange Listing	Delta Lithium Limited shares are listed on the Australian Securities Exchange (ASX) ASX Code: DLI
Website	www.deltalithium.com.au
Email	Info@deltalithium.com.au

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Director's Report

The Directors hereby present their Interim Financial Report on Delta Lithium Limited (ASX: DLI) (the 'Company' or 'Delta') and its subsidiaries for the half-year ended 31 December 2023.

DIRECTORS

Except as otherwise stated below, the following persons were Directors of Delta Lithium Limited during the whole of the half-year and up to the date of this Report as follows:

Director	Title	Appointment Date	Resignation Date
Chris Ellison	Non-Executive Chairman	12 September 2023	-
James Croser ¹	Managing Director	4 December 2020	-
Nader El Sayed	Non-Executive Director	1 March 2021	-
Tim Manners	Non-Executive Director	1 March 2022	-
Steve Kovac	Non-Executive Director	2 August 2023	-
Joshua Thurlow	Non-Executive Director	12 September 2023	-
David Flanagan	Executive Chairman	29 August 2022	12 September 2023

¹Mr James Croser transitioned from Non-Executive Director to Managing Director on 12 September 2023.

COMPANY SECRETARY

Mr Peter Gilford has acted as the Company Secretary during the entire period.

Review of Operations

Despite the volatile lithium price environment experienced in the second half of 2023, Delta has continued to surpass operational goals and advance both the Mt Ida and Yinnetharra projects.

Conscious of the prevailing lithium market conditions and our commitment to prudent capital management, Delta made the strategic decision during the reporting period to place the plans for early DSO operations at Mt Ida on hold. Investigations into the production of a lithium concentrate product continue as previously planned, as does exploration and resource definition activity on both projects.

The team believes that by prudently refining the knowledge of the Mt Ida orebody and continuing to define the scale of the Yinnetharra Project, the Company will be best positioned to take advantage of the year ahead.

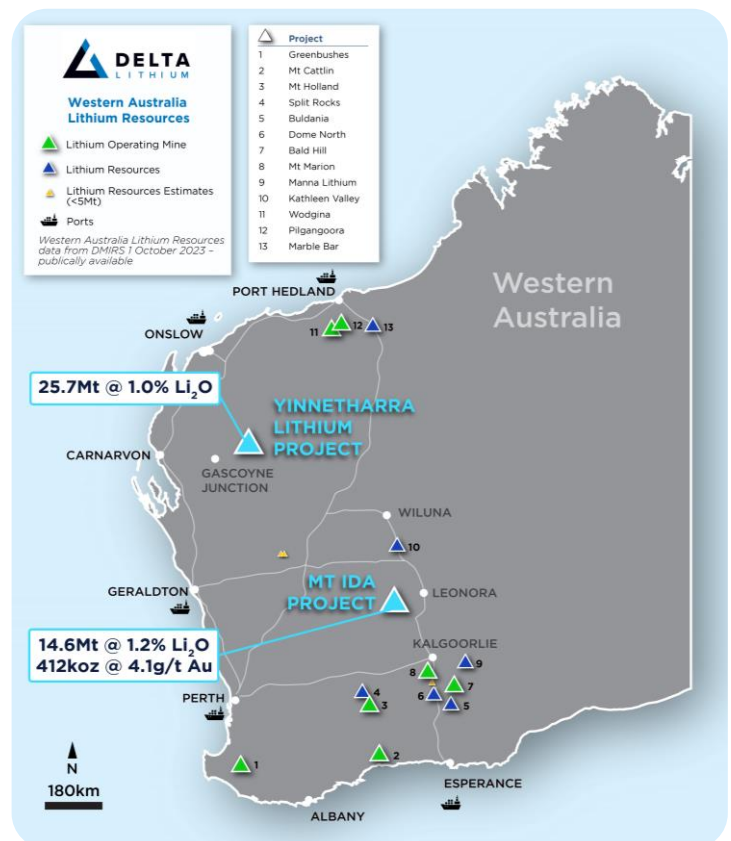
The Delta team has achieved significant operational milestones during the half-year, including the completion of a maiden Mineral Resource Estimate (MRE) at Yinnetharra, receiving approval from the WA Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) for the Mining Proposal and Mine Closure Plan and an increased MRE at Mt Ida.

Corporate Strategy

Delta has retained a strategic advantage over many peers by progressing the status of the Mt Ida Project site from a granted mining lease to an approved Mining Proposal and Mine Closure Plan. The approval was granted by DEMIRS in the December quarter of 2023. This positions the Mt Ida Project as shovel ready for commencement of production when the market price recovers. Co-located to the lithium resource, the definition of the Gold MRE during the half-year provides an additional source of value for the Company.

Looking forward, the Company is focused on three main objectives:

- Developing a production pathway for a Mt Ida Lithium Concentrate product;
- Expanding the scale and confidence in the extensive Yinnetharra Project;
- Growth via exploration and a disciplined approach to acquisition opportunities and realising Gold value.



Yinnetharra Lithium Project

The Yinnetharra Lithium Project located in the Gascoyne Lithium Province of Western Australia was acquired by Delta in September of 2022. The Project sits within a tenement package covering an area of 517.5km². Throughout the course of 2023 the Company drilled 498 holes for 115,317m at the Malinda Prospect. The Lithium mineralisation at the Malinda Prospect is predominantly spodumene hosted, contained within multiple north and south shallowly dipping pegmatites.

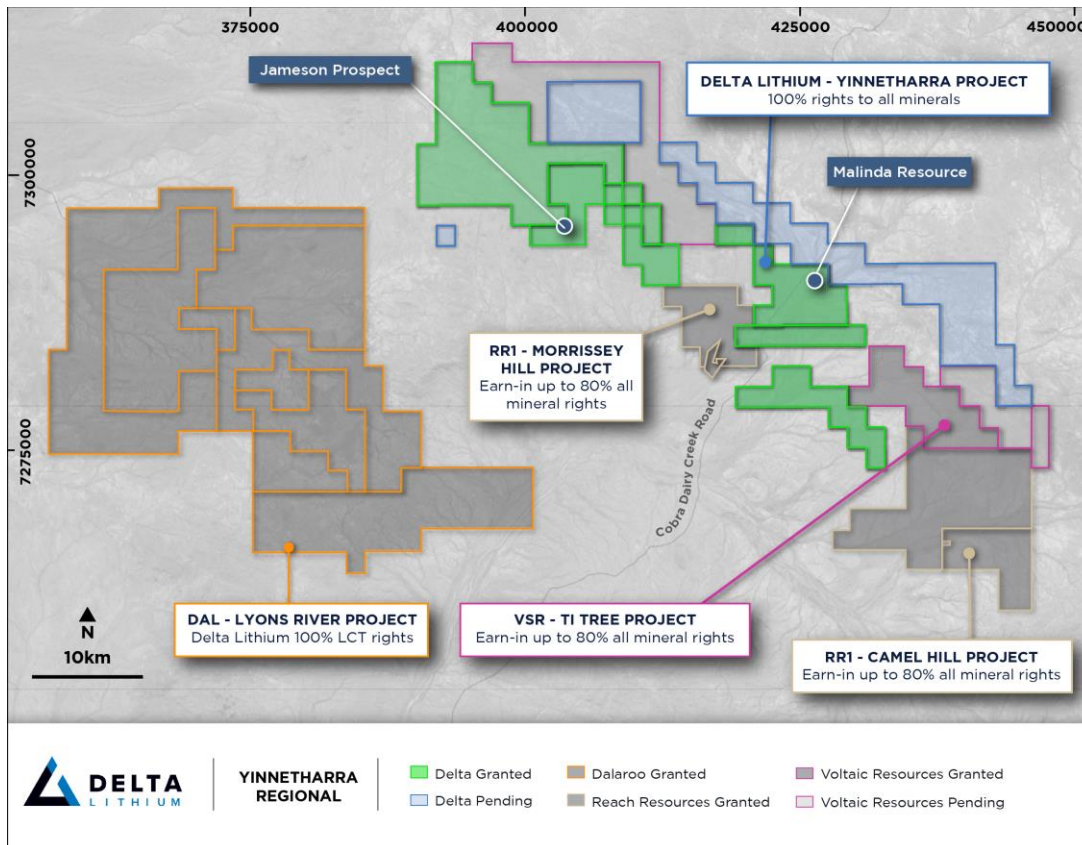


Figure 1: Yinnetharra plan showing general location of drilling at the Malinda Prospect and the Jameson Prospect.

In December of 2023, the Company reported its maiden Mineral Resource Estimate of Yinnetharra. The rapid definition and delivery of the MRE in just over 12 months from the acquisition is a significant achievement for the Company reflecting the experience and strength of the exploration team.

The combined Inferred and Indicated Mineral Resource Estimate were measured as:

25.7 Mt @ 1.0% Li₂O (at a 0.5% Li₂O cut off)

26% of the MRE in higher confidence Indicated category: 6.7Mt @ 1.0 Li₂O% as shown in the table below.

Yinnetharra Lithium December 2023						
	Resource category	Cut-off grade (Li ₂ O%)	Li ₂ O		Li ₂ O (Kt)	Ta ₂ O ₅ Grade (ppm Ta ₂ O ₅)
			Tonnes (Mt)	Grade (% Li ₂ O)		
	Total Measured		-	-	-	
	Total Indicated		6.7	1.0	65	51
	Total Inferred		19.0	1.0	181	67
	Total		25.7	1.0	246	62

Notes: Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate. Inconsistencies in the totals are due to rounding.

Table 1: - Yinnetharra JORC Resource

- Drilling results received from the Yinnetharra Lithium Project including:
 - 29m @ 1.5% Li₂O from 203m Inc. 11m @ 3% Li₂O from 221m in YRRD120
 - 36m @ 1.1% Li₂O from 254m Inc. 6m @ 3.1% Li₂O from 282m in YRRD095
 - 30m @ 1.1% Li₂O from 291m Inc. 10m @ 2.2% Li₂O from 310m in YRRD071
 - 29m @ 1.0% Li₂O from 199m in YRRD133
 - 15m @ 1.5% Li₂O from 135m in YRRD212
 - 68.9m @ 1% Li₂O from 128m in YRRD018
 - 47.3m @ 1.3% Li₂O from 82.6m in YRRD011
 - 44m @ 0.84% Li₂O from 3m in YRRD249
 - 18.5m @ 1.1% Li₂O from 64.8m in YRRD014
 - 25.5m @ 0.8% Li₂O from 38m in YRRD015
 - 27.9m @ 1.1% Li₂O from 158m in YRRD017
 - 21.0m @ 1.2% Li₂O from 165m in YRRD260

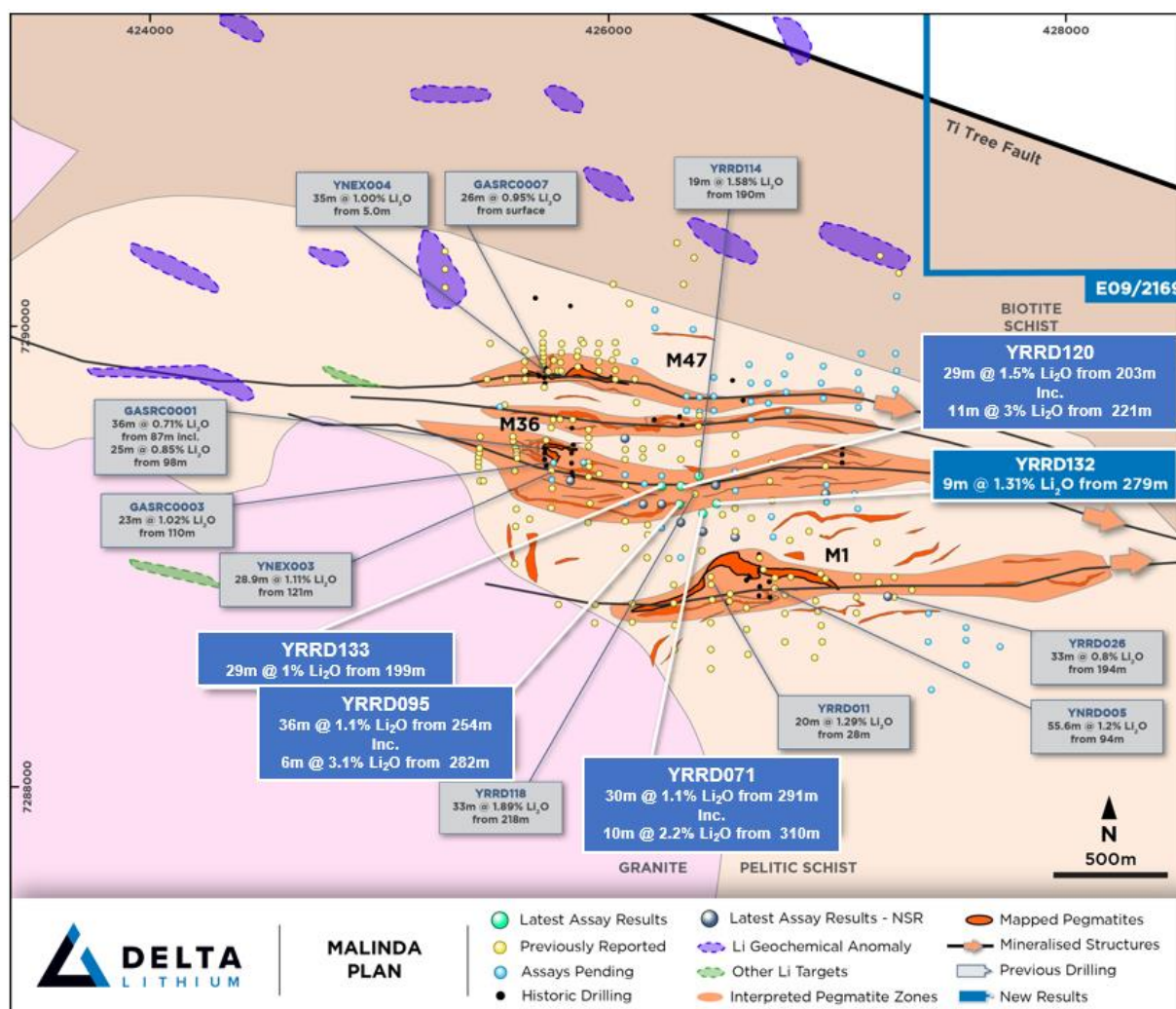


Figure 2: Plan showing drilling at Malinda.

Work also commenced at the Jameson Prospect prior to the year-end, in preparation for heritage and environmental surveys which will lead into an enhanced drilling program planned for Q1 of 2024. Once drilling is complete, the team will then undertake engineering, metallurgical and geotechnical studies for ore analysis and to investigate economic feasibility of the site.

Mt Ida Project

The Mt Ida Project, located in the Goldfields region of Western Australia, is an advanced, shovel ready lithium mine site with all environmental and mining permits in place, ready for Open Pit Phase 1 operations. During the most recent half-year, the team has dedicated their efforts to refining knowledge of the orebody with infill drilling programs in addition to defining an initial gold resource adjacent to the Sister Sam lithium orebody.

The granting of Mining Approval for open pit operations during the reporting period now allows the Company to choose when to proceed. The high-grade shallow gold resources adjacent to the lithium resource could also be mined with minimal modification to the approved plan. Delta continues to assess opportunities to exploit the gold resources in order to attribute value for shareholders.

During the half-year, the Board decided that at this stage of the price cycle it is not feasible to commence DSO lithium mining as previously anticipated. The rapid and pronounced change in the lithium market has forced many industry participants to adapt their approach and it would be imprudent for Delta to proceed with the prior plans. The Company maintains the optionality to do so and will continually assess lithium market conditions in this regard.

In October of 2023, the Company completed the infill drilling campaign that lifted the Indicated Mineral Resources by **136% to 7.8Mt @ 1.3% Li₂O**. The substantial increase in Indicated Mineral Resources strategically positions Delta for detailed feasibility studies on the primary lithium concentrate project at Mt Ida. Design and engineering studies remain ongoing and the Company looks forward to reporting on the results of this advanced study. The total Mt Ida Project Mineral Resource was brought up to **14.6Mt @ 1.2% Li₂O** as a result of the drilling campaign.

The longer-term plan for Mt Ida is to produce a lithium concentrate product with detailed technical work ongoing. The team is working hard to determine the optimal path forward considering both potential underground and open pit mining to deliver the best return to shareholders from the identified resources.

Table 2: Mineral Resource Estimate for Mt Ida Lithium Project.

Mt Ida Lithium September 2023						
	Resource category	Cut-off grade (Li ₂ O%)	Li ₂ O		Li ₂ O (Kt)	Ta ₂ O ₅
			Tonnes (Mt)	Grade (% Li ₂ O)		Grade (Ta ₂ O ₅ ppm)
Sparrow	Measured	0.55	-	-	-	-
	Indicated		1.3	1.0	14	189
	Inferred		1.2	0.9	11	144
	Total Resource		2.5	1.0	25	167
Timoni	Measured	0.55	-	-	-	-
	Indicated		1.5	1.2	18	206
	Inferred		1.3	1.1	14	156
	Total Resource		2.7	1.2	32	183
Sister Sam	Measured	0.55	-	-	-	-
	Indicated		5.0	1.4	72	238
	Inferred		4.3	1.2	50	156
	Total Resource		9.3	1.3	123	200
Total Measured			-	-	-	-
Total Indicated			7.8	1.3	104	224
Total Inferred			6.8	1.1	76	154
Total			14.6	1.2	180	191

Notes:

Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate. Inconsistencies in the totals are due to rounding.

In addition to the lithium MRE upgrade, Delta also released a maiden Inferred and Indicated Mineral Resource Estimate for gold at Mt Ida of 3.1Mt @ 4.1g/t Au for 412,000 ounces. Some notable highlights include:

50% of the gold MRE is in the higher confidence Indicated Resource category
 approximately 85% of the gold MRE is co-located adjacent to the defined lithium MRE.
 100% of the gold MRE sits within granted Mining Leases

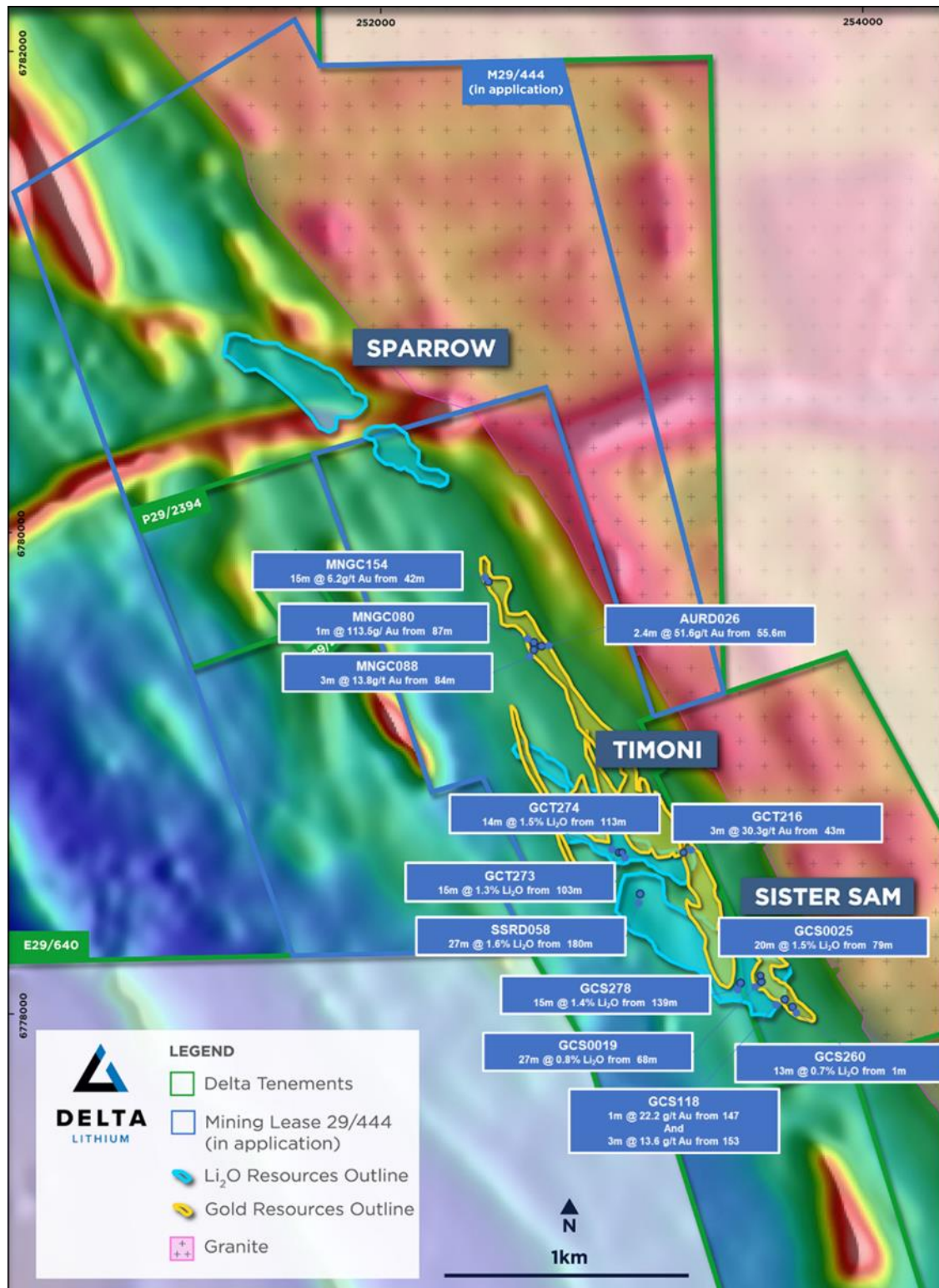


Figure 3: Detailed plan from Mt Ida showing latest results from infill drilling.

The maiden gold MRE includes two shallow high-grade discoveries, the Baldock 086 lode and the Meteor North 140 lode.

Baldock 086

High-grade shallow gold resource of **0.24Mt @ 9g/t Au for 70koz** potentially amenable to open pit mining and in close proximity to the top of the Sister Sam lithium resource.

Meteor North 140

High-grade shallow gold resource located just north along strike from the Timoni lithium resource of **0.6Mt @ 4.7g/t Au for 91koz**, also with potential to mine via open pit.

The proximity of the gold deposit potentially de-risks the development of Mt Ida by generating early cash flow via sale or toll treatment of high grade, shallow gold resources for minimal incremental cost. The Company is considering multiple options to realise value from the gold resources at Mt Ida.

Eureka Gold Project

The Eureka gold project is located roughly 50km north of Kalgoorlie. Access is via the Goldfields Highway from Kalgoorlie then 2km unsealed road. Eureka is a high-grade asset on granted Mining Leases with strong potential for walk-up drill targets. Management consider that the strike and depth potential of the Eureka mineralised system has not been fully tested, and hosts potential for additional shallow mineralisation in a strongly endowed mineral terrain.

The resource was last updated in June 2021 by CUBE consulting and is tabled below:

Resource Category	Cut-off Grade	Tonnes	Grade	Contained Metal
		(t)	(g/t Au)	(Oz Au)
Indicated	0.3	1,437,000	1.4	65,000
	0.5	1,269,000	1.5	62,000
	0.8	983,000	1.8	56,000
	1.0	811,000	2.0	52,000
Inferred	0.3	1,341,000	1.2	52,000
	0.5	1,183,000	1.3	50,000
	0.8	887,000	1.5	43,000
	1.0	666,000	1.7	37,000
ALL Resources	0.3	2,778,000	1.3	116,000
	0.5	2,452,000	1.4	112,000
	0.8	1,870,000	1.7	100,000
	1.0	1,477,000	1.9	88,000

Table 3: Eureka Gold Project- In Situ Mineral Resources (as of 23 June 2021).

Earaheedy Basin project

The Company relinquished its land position in the Earaheedy Basin during the half-year ended 31 December 2023.

Corporate

Accelerated Non-Renounceable Entitlement Offer

Delta raised approximately \$70.2 million via an accelerated non-renounceable entitlement offer in November of 2023. Proceeds from the Entitlement Offer ensures that the Company is:

- Well-funded for expanded drilling programs at both the Mt Ida Lithium Project in the Goldfields region, and the Yinnetharra Lithium Project in the Gascoyne region, of Western Australia; and
- Fully funded through to the delivery of a scoping study at Yinnetharra as well as a Definitive Feasibility Study and a Final Investment Decision at Mt Ida, expected in late-2024.

Binding agreement with Dalaroo Metals Ltd

In December of 2023, the Company entered a Binding agreement with Dalaroo Metals Ltd (ASX: DAL) to purchase the LCT (lithium, caesium and tantalum) Mineral Rights over its Lyons River Project in the Gascoyne region of Western Australia.

The Lyons River Project tenements cover 838 km² and is located to the southwest of Delta's existing Yinnetharra Project. The geology contains similar granite intrusives and sediment-mafic packages that host the significant Li₂O mineralisation at Yinnetharra. As a result of this transaction, Delta's lithium footprint in the emerging Gascoyne lithium province has increased by 161% to 1,356 km². These tenements have previously shown early encouraging signs with mapped pegmatite swarms and lithium in soil anomalies up to 334 ppm Li₂O.

Early exploration activities are planned for the DAL tenure alongside continued exploration at Yinnetharra in the first quarter of 2024.

Board and Management

On 2 August 2023, Delta appointed Mr Steven Kovac as Non-Executive Director.

On 12 September 2023, Delta appointed Mr Chris Ellison as Non-Executive Chairman and Mr Joshua Thurlow as Non-Executive Director. Mr Ellison is the founder and Managing Director of Mineral Resources Limited who has a shareholding of 23.10%.

With the appointment of Mr Ellison and Mr Thurlow, the Board resolved to remove the role of Executive Chairman and David Flanagan left the Company. Mr James Croser was appointed to the position of Managing Director and CEO and continues in that role.

Chris Ellison, Non-Executive Chairman

Mr Ellison is the Managing Director of Mineral Resources Limited. Mr Ellison is the founding shareholder of each of the three original subsidiary companies of Mineral Resources (Crushing Services International Pty Ltd, PIHA Pty Ltd and Process Minerals International Pty Ltd). He has more than 40 years of experience in the mining contracting, engineering and resource processing industries.

Joshua Thurlow, Non-Executive Director

Mr Thurlow is the current Chief Executive - Lithium for Mineral Resources Limited and is responsible for the continued growth of the MinRes lithium assets and partnerships. He has more than 20 years' experience in the mining and resources sectors across Asia Pacific, Africa and North America. Joshua's expertise spans corporate strategy, social responsibility, business development and growth, and operations leadership. Joshua is a qualified mining engineer and holds a Master of Business Administration.

Steven Kovac, Non-Executive Director

Mr Steven Kovac, is the current Chief Executive Officer of Idemitsu Australia. Mr Kovac holds a Bachelor of Engineering (Mining), an MBA and is a Graduate of the Australian Institute of Company Directors. Over his 23-year career in the mining sector he has had extensive technical and operational experience at a site level, holding senior management and executive level roles for the past 14 years.

Mr Kovac is also a Non-Executive Director of Critical Minerals Group Ltd (ASX:CMG), a Non-Executive Director of Vecco Group Pty Ltd, an alternate Director of Low Emission Technology Australia and an Executive Committee member of New South Wales Minerals Council. He is a member of the Australian Institute of Mining and Metallurgy and the Mine Managers Association of Australia.

Competent Persons Statement

Information in this Announcement that relates to exploration results is based upon work undertaken by Mr. Charles Hughes, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr. Hughes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. Hughes is an employee of Delta Lithium Limited and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Refer to www.deltalithium.com.au for past ASX announcements.

Past Exploration results and Mineral Resource Estimates reported in this announcement have been previously prepared and disclosed by Delta in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement, and all material assumptions and technical parameters underpinning Mineral Resource Estimates in the relevant market announcement continue to apply and have not materially changed. Refer to www.deltalithium.com.au for details on past exploration results and Mineral Resource Estimates.

Forward looking statements

This document may contain “forward-looking statements” and other forward-looking information based on the Group’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Group’s business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, Mineral Resources and results of exploration. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this document are cautioned that such statements are only predictions, and that the Group’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Group’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future commodity prices; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place reliance on such forward-looking information. Recipients of this document must make their own investigations and inquiries regarding all assumptions, risks, uncertainties and contingencies which may affect the future operations of the Group and the Group’s securities. The Group disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

CONVERTIBLE SECURITIES

Options

At the date of this report, unissued shares of the Group under option are:

Number of Securities	Exercise Price	Number Vested & Exercisable	Expiry Date
2,666,666	\$0.75	2,666,666	27 Mar 2024
5,186,293	\$0.25	5,186,293	01 Oct 2024
8,048,817	\$0.25	8,048,817	18 Nov 2024
1,000,000	\$0.77	1,000,000	26 Jul 2025
3,000,000	\$0.25	3,000,000	21 Sep 2025
5,000,000	\$0.85	5,000,000	30 Sep 2025
24,901,776		24,901,776	

Performance Rights

At the date of this report, unissued shares of the Group pursuant to performance rights issued to incentivise its directors, employees and other vendors are:

Number of Securities	Grant Date	Number Vested & Exercisable	Expiry Date
2,700,000	16-Jan-23	800,000	23-Jan-28
1,500,000	8-May-23	-	8-May-28
1,250,000	13-Jun-23	500,000	13-Jun-28
787,500	16-Aug-23	262,500	16-Aug-28
300,000	4-Sep-23	100,000	4-Sep-28
6,537,500		1,662,500	

FINANCIAL REVIEW

Losses from ordinary activities after income tax

Cents per share for losses attributable to the ordinary equity holders of the company

31-Dec-23	31-Dec-22
\$	\$
(1,685,170)	(2,794,368)
(0.31)	(0.85)

The Company had cash and cash equivalents of \$116,310,970 on hand as at 31 December 2023 (30 June 2023: \$84,311,712).

SUBSEQUENT EVENTS

On 2 January 2024, the Company elected to pay the deferred consideration in relation to the acquisition of the issued capital in Electrostate Limited (owner of the Yinnetharra Lithium Project) by issue of 21,720,247 ordinary shares at a price of \$0.46 per share (refer note 12).

On 9 March 2024, the Company entered into an agreement with Voltaic Strategic Resources (VSR) to acquire an interest in the Ti Tree project. Key terms of the transaction are:

- Upfront consideration of \$1.25 million.
- Commitments of \$3 million in exploration expenditure (minimum spend of \$1 million) through stage 1 to earn in 51% interest with a payment of \$0.5 million to VSR at completion of stage 1.
- Commitments of a further \$6.25 million (for a total of \$ 9.25 million) of exploration expenditure to stage 2 to earn in 80% with a payment of \$1 million to VSR at completion of stage 2.

On 9 March 2024, the Company entered into an agreement with Reach Resources to acquire an interest in the Morrissey Hill and Camel Hill projects. Key terms of the transaction are:

- Upfront consideration of \$3.2 million.
- Commitments of \$3 million in exploration expenditure through stage 1 to earn in 51% interest.
- Commitments of a further \$6 million (for a total of \$9 million) of exploration expenditure to stage 2 to earn in 80%.
- Payments of approximately \$10 million upon definition of a resource of greater than 7.5Mt.

For further details on the above agreements, refer to ASX announcement dated 11 March 2024.

There were no other subsequent events that required adjustment to or disclosure in the interim financial report.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

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



James Croser
Managing Director
Dated 12 March 2024



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

To the Directors of Delta Lithium Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Delta Lithium Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Glenn Brooks

Partner

Perth

12 March 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Notes	31-Dec-23 \$	31-Dec-22 \$
Income			
Other income	6	1,250,281	141,124
Net (loss) on disposal & deconsolidation of subsidiary		-	(40,167)
Total income		1,250,281	100,957
Expenditure			
Employee benefits expense		(2,490,288)	(757,384)
Corporate & administrative expenses		(1,438,005)	(788,144)
Public relations & marketing expenses		(384,567)	(252,562)
Share-based payments	17	564,268	(1,720,922)
Net fair value gain/(loss) on financial assets	8	(268,040)	35,396
Impairment reversal/(expense)	9	(500,408)	500,000
Depreciation		(124,105)	(53,350)
Total expenditure		(4,641,145)	(3,036,966)
Operating loss		(3,390,864)	(2,936,009)
Finance income		1,781,572	187,041
Finance costs		(75,878)	(45,400)
Net finance income		1,705,694	141,641
Loss before income tax from continuing operations		(1,685,170)	(2,794,368)
Income tax expense		-	-
Loss after income tax from continuing operations		(1,685,170)	(2,794,368)
Items that may be reclassified subsequently to profit and loss			
Reclassification of foreign currency differences on disposal of subsidiary		-	38,590
Other comprehensive income / (loss) net of tax for the year		(1,685,170)	(2,755,778)
Total comprehensive loss for the year is attributable to owners of the company		(1,685,170)	(2,755,778)
Loss per share			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent (cents per share)		(0.31)	(0.85)
Loss per share for continuing operations			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent (cents per share)		(0.31)	(0.85)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31-Dec-23 \$	30-Jun-23 \$
Current assets			
Cash and cash equivalents	7	116,310,970	84,311,712
Trade and other receivables		2,031,293	2,429,298
Financial assets at fair value through profit or loss	8	1,270,717	1,538,757
Total current assets		119,612,980	88,279,767
Non-current assets			
Exploration and evaluation expenditure	9	138,868,688	105,016,898
Plant and Equipment		2,671,887	1,211,486
Right-of-Use Asset	10	764,027	111,389
Total non-current assets		142,304,602	106,339,773
Total assets		261,917,582	194,619,540
Current liabilities			
Trade and other payables	11	6,862,118	7,777,053
Lease Liability	10	175,877	90,874
Deferred Consideration	12	10,000,000	10,000,000
Total current liabilities		17,037,995	17,867,927
Non-current liabilities			
Provision - rehabilitation	13	2,256,591	2,389,779
Lease Liability	10	598,058	26,686
Total non-current liabilities		2,854,649	2,416,465
Total liabilities		19,892,644	20,284,392
Net assets		242,024,938	174,335,148
Equity			
Share capital	14	258,905,692	188,810,114
Share-based payment reserve	15	9,313,697	10,034,315
Accumulated losses	16	(26,194,451)	(24,509,281)
Total Equity		242,024,938	174,335,148

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

DELTA LITHIUM LIMITED

Interim Financial Report 31 December 2023



Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

Consolidated

Balance as at 1 July 2022

Loss after income tax expense for the period

Foreign exchange translation differences

Total comprehensive loss for the period

Transactions with owners in their capacity as owners

Shares issued during the period

Electrostate consideration shares/options

Transfer from conversion of performance rights

Exercise of options

Share-based payments

Costs of shares issued

Balance as at 31 December 2022

Balance as at 1 July 2023

Loss after income tax expense for the period

Foreign exchange translation differences

Total comprehensive loss for the period

Transactions with owners in their capacity as owners

Shares issued during the period

Lyons River consideration shares

Transfer from conversion of performance rights

Exercise of options

Share-based payments

Costs of shares issued

Balance as at 31 December 2023

Notes

Share capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
\$	\$	\$	\$	\$
70,709,238	5,659,212	(38,590)	(15,970,914)	60,358,946
-	-	-	(2,794,368)	(2,794,368)
-	-	38,590	-	38,590
-	-	38,590	(2,794,368)	(2,755,778)
41,745,000	-	-	-	41,745,000
17,724,867	755,138	-	-	18,480,005
661,350	(661,350)	-	-	-
275,343	-	-	-	275,343
-	1,720,922	-	-	1,720,922
(2,685,894)	-	-	-	(2,685,894)
128,429,904	7,473,922	-	(18,765,282)	117,138,544
188,810,114	10,034,315	-	(24,509,281)	174,335,148
-	-	-	(1,685,170)	(1,685,170)
-	-	-	-	-
-	-	-	(1,685,170)	(1,685,170)
68,935,558	-	-	-	68,935,558
500,000	-	-	-	500,000
156,350	(156,350)	-	-	-
3,435,283	-	-	-	3,435,283
-	(564,268)	-	-	(564,268)
(2,931,613)	-	-	-	(2,931,613)
258,905,692	9,313,697	-	(26,194,451)	242,024,938

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The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	31-Dec-23	31-Dec-22
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(4,704,094)	(2,351,331)
Interest received	1,388,587	79,324
Interest paid	-	(4,071)
Government grants and tax incentives	1,090,146	118,948
Net cash outflow from operating activities	(2,225,361)	(2,157,130)
Cash flows from investing activities		
Proceeds from disposal of subsidiary	-	467
Acquisition of subsidiary, net of cash acquired	-	2,009,488
Tenement acquisitions	(500,000)	-
Payments for exploration and evaluation	(33,985,470)	(13,269,558)
Purchase of plant and equipment	(1,315,427)	(89,035)
Proceed from sales of assets	-	34,665
Net cash outflow from investing activities	(35,800,897)	(11,313,973)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	68,850,974	42,020,342
Proceeds from the exercise of convertible securities	3,435,283	-
Principal payments of lease liability	(64,118)	(46,373)
Share issue costs	(2,196,623)	(2,626,852)
Net cash inflow from financial activities	70,025,516	39,347,117
Net increase in cash and cash equivalents	31,999,258	25,876,014
Cash and cash equivalents at the beginning of the financial period	84,311,712	23,359,876
Cash and cash equivalents at the end of the financial period	116,310,970	49,235,890

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The interim financial report of Delta Lithium Limited (the “Company” or “Delta”) and its controlled entities (the “Group”) for the half-year ended 31 December 2023 was authorised for release in accordance with a resolution of the Directors dated 12 March 2023.

Delta is a company incorporated and domiciled in Australia whose shares are publicly listed on the ASX (ASX Code: DLI).

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These general-purpose financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Group during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of Preparation

The condensed consolidated interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial assets and liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the interim financial report for the half-year ended 31 December 2023 are consistent with those adopted and disclosed in the Group's 2023 annual financial report for the financial year ended 30 June 2023.

New and amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Directors have determined there is no material impact from the adoption of these new or amended standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these interim condensed consolidated financial statements, significant estimates and judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2023.

4. GOING CONCERN

The interim financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss from continuing operations of \$1,685,170 (31 December 2022: \$2,794,368) for the half-year period ended 31 December 2023 with net cash outflows from operations of \$2,225,361 (31 December 2022: \$2,157,130). At 31 December 2023, the Group had a working capital surplus of \$102,574,985 (30 June 2023: \$70,411,840), including cash and cash equivalents of \$116,310,970 (30 June 2023: \$84,311,712). Within the current liabilities is \$10,000,000 deferred consideration to which the Company had the option to extinguish via the issue of ordinary shares. This issue of shares was completed on 2 January 2024.

The Group's cashflow forecasts for the 12 months indicate that the Group has sufficient cash reserves to meet its expenditure requirements and carry out its planned activities. If required, the Group has the ability to curtail expenditure commitments and adjust the development of operational plans over the next 12 months.

Based on the matters detailed above, the Directors are satisfied that the going concern basis of preparation is appropriate and that the Group will be able to realise its assets and settle its obligations in the ordinary course of business over the next 12 months.

5. OPERATING SEGMENTS

Identification of reportable operating segments

The company currently reports in three operating segments (2022: three), being exploration and evaluation operations related to the Mt Ida, Yinnetharra and Eureka projects. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

The board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segments on this basis.

Consolidated - 31 December 2023

	Mt Ida \$	Yinnetharra \$	Eureka \$	Total \$
Income	314,894	348,223	-	663,117
Expenditure	(69,178)	(6,503)	(1,598)	(77,279)
Impairment	(377,052)	(5,660)	-	(382,712)
Profit/(Loss) before income tax expense	(131,336)	336,060	(1,598)	203,126
<i>Unallocated income</i>	-	-	-	587,164
<i>Unallocated expenditure</i>	-	-	-	(2,475,460)
Income tax expense	-	-	-	-
Loss after income tax expense from continuing operations	-	-	-	(1,685,170)
Assets				
Exploration assets	73,844,836	51,131,757	13,892,095	138,868,688
Other segment assets	2,546,170	121,821	242,501	2,910,492
Total segment assets	76,391,006	51,253,578	14,134,596	141,779,180
Other exploration assets	-	-	-	-
<i>Unallocated assets:</i>				
Cash and cash equivalents	-	-	-	113,400,478
Trade and other receivables	-	-	-	2,031,293
Financial assets	-	-	-	1,270,717
Right-of-use assets	-	-	-	764,027
Property, plant and equipment	-	-	-	2,671,887
Total assets	-	-	-	261,917,582
Liabilities				
Segment liabilities	3,861,468	2,180,339	866,987	6,908,794
Total segment liabilities	3,861,468	2,180,339	866,987	6,908,794
<i>Unallocated liabilities:</i>				
Deferred consideration	-	-	-	10,000,000
Trade and other payables	-	-	-	2,209,593
Lease liabilities	-	-	-	773,935
Total liabilities	-	-	-	19,892,322

Consolidated - 31 December 2022

	Mt Ida \$	Yinnetharra \$	Eureka \$	Total \$
Income	133,232	-	8,714	141,946
Expenditure	(43,031)	(7,319)	(176,723)	(227,073)
Impairment	-	-	500,000	500,000
Profit/(Loss) before income tax expense	90,201	(7,319)	331,991	414,873
<i>Unallocated income</i>	-	-	-	181,448
<i>Unallocated expenditure</i>	-	-	-	(3,390,689)
Income tax expense	-	-	-	-
Loss after income tax expense from continuing operations	-	-	-	(2,794,368)

Assets

Exploration assets	36,159,226	28,088,181	13,800,428	78,047,835
Other segment assets	1,938,223	170,089	297,687	2,405,999
Total segment assets	38,097,449	28,258,270	14,098,115	80,453,834
Other exploration assets	-	-	-	15,342
<i>Unallocated assets:</i>				
Cash and cash equivalents	-	-	-	48,457,443
Trade and other receivables	-	-	-	438,566
Financial assets	-	-	-	2,456,665
Right-of-use assets	-	-	-	159,623
Property, plant and equipment	-	-	-	84,967
Total assets	-	-	-	132,066,439

Liabilities

Segment liabilities	2,394,097	513,637	950,771	3,858,505
Total segment liabilities	2,394,097	513,637	950,771	3,858,505
<i>Unallocated liabilities:</i>				
Deferred consideration	-	-	-	10,000,000
Trade and other payables	-	-	-	903,698
Lease liabilities	-	-	-	165,691
Total liabilities	-	-	-	14,927,895

6. OTHER INCOME

R&D tax credits	668,944	-
Fuel tax credits	575,991	132,409
Net gain/(loss) on disposal of non-current assets	5,346	8,715
	1,250,281	141,124

31-Dec-23 \$	31-Dec-22 \$
668,944	-
575,991	132,409
5,346	8,715
1,250,281	141,124

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits on call with financial institutions, and other short-term, highly liquid investments.

	31-Dec-23	30-Jun-23
	\$	\$
Cash at bank	35,956,145	69,147,975
Cash on deposit	80,354,825	15,163,737
Total cash and cash equivalents	116,310,970	84,311,712

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31-Dec-23	30-Jun-23
	\$	\$
Listed ordinary shares - designated at fair value through profit or loss	1,270,717	1,538,757
Total financial assets	1,270,717	1,538,757
<i>Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:</i>		
Opening fair value	1,538,757	921,269
Additions	-	1,500,000
Revaluation loss	(268,040)	(882,512)
Closing fair value	1,270,717	1,538,757
<i>Classification</i>		
Current	1,270,717	1,538,757
Non-current	-	-
Total financial assets	1,270,717	1,538,757

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9. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation costs carried forward in respect of mining areas of interest

	31-Dec-23	30-Jun-23
	\$	\$
Opening net book amount	105,016,898	39,438,128
Capitalised exploration and evaluation costs	33,486,681	38,857,831
Acquisition costs - Eureka adjustment	-	(228,020)
Asset acquisition - Yinnetharra	-	26,948,959
Asset acquisition - Lyons River	1,043,212	-
Changes in rehabilitation provision	(177,695)	-
Impairment of lapsed/surrendered tenements	(500,408)	-
Total exploration and evaluation assets	138,868,688	105,016,898

Reconciliation

	30-Jun-23	Acquisition costs	Additions	Disposals/ Other	Impairment	31-Dec-23
	\$	\$	\$	\$	\$	\$
Mt Ida	53,808,848	-	20,522,464	(109,424)	(377,052)	73,844,836
Yinnetharra	37,312,911	-	12,781,294	-	(5,660)	50,088,545
- Lyons River	-	1,043,212	-	-	-	1,043,212
Eureka	13,855,775	-	104,591	(68,271)	-	13,892,095
Other	39,364	-	78,332	-	(117,696)	-
Total exploration and evaluation assets	105,016,898	1,043,212	33,486,681	(177,695)	(500,408)	138,868,688

10. RIGHT-OF-USE-ASSET AND LEASE LIABILITIES

Right-of-use-asset

	31-Dec-23	30-Jun-23
	\$	\$
Opening balance	111,389	207,856
Additions - Buildings - Right-of-use	802,224	-
Disposals - Buildings - Right-of-use	(67,366)	-
Less: Accumulated depreciation	(82,220)	(96,467)
Total right-of-use-assets	764,027	111,389

Lease liabilities

	31-Dec-23	30-Jun-23
	\$	\$
Opening balance	117,560	212,064
Additions - Buildings - Right-of-use	802,224	-
Disposals - Buildings - Right-of-use	(72,494)	-
Less: lease repayments	(90,141)	(101,650)
Add: Interest	16,786	7,146
Total lease liabilities	773,935	117,560

Classification

	31-Dec-23	30-Jun-23
	\$	\$
Lease liability - Current liability	175,877	90,874
Lease liability - Non-current liability	598,058	26,686
	773,935	117,560

11. TRADE AND OTHER PAYABLES

	31-Dec-23	30-Jun-23
	\$	\$
Trade payables	4,439,449	6,136,012
Other payables and accruals	2,422,669	1,641,041
Total trade and other payables	6,862,118	7,777,053

12. DEFERRED CONSIDERATION

	31-Dec-23	30-Jun-23
	\$	\$
Electrostate Limited ¹	10,000,000	10,000,000
Total deferred consideration	10,000,000	10,000,000

¹On 28 September 2022 the Company completed the acquisition of 100% of the issued capital in Electrostate Limited. Deferred consideration was payable upon delineation of a JORC 2012 compliant resource in excess of 15M tonnes @ 0.9% Li₂O or greater on the project within 4 year following settlement of the acquisition (Milestone). The milestone was met 27 December 2023. The Company had the option to elect to pay the deferred consideration via cash or by the issue of ordinary shares at a deemed issue price equal to the 10-day VWAP up to and including the day prior to the date on which the Milestone is achieved. The Company elected to pay the deferred consideration by issue of 21,720,247 ordinary shares at a price of \$0.46 per share on 2 January 2024.

13. REHABILITATION PROVISION

	31-Dec-23	30-Jun-23
	\$	\$
Opening net book amount	2,389,779	2,357,763
Changes in provisions recognised	(177,695)	-
Accretion expense	44,507	32,016
Total rehabilitation provision	2,256,591	2,389,779

	30-Jun-23	Accretion expense	Changes in provisions	31-Dec-23
	\$	\$	\$	\$
<i>Reconciliation</i>				
Mt Ida	1,471,619	27,407	(109,424)	1,389,602
Eureka	918,160	17,100	(68,271)	866,989
Total exploration and evaluation assets	2,389,779	44,507	(177,695)	2,256,591

14. SHARE CAPITAL

	31-Dec-23		30-Jun-23	
	No. Shares	\$	No. Shares	\$
Ordinary shares fully paid	688,105,147	258,905,692	520,573,492	188,810,114

Movements in ordinary share capital

	Date	No. Shares	Issue price \$	Total \$
Opening balance	1-Jul-22	304,554,426		70,709,238
Shares issued for the 100% acquisition of Electrostare Limited	28-Sep-22	26,455,026	0.670	17,724,867
Placement - Tranche 1	7-Dec-22	83,000,000	0.500	41,500,000
Share purchase plan	30-Dec-22	490,000	0.500	245,000
Placement - Tranche 2	19-Jan-23	27,000,000	0.500	13,500,000
Placement - Idemitsu	7-Jun-23	65,636,000	0.708	46,437,470
Conversion of \$0.25 Options	Various	10,973,040	0.250	2,743,260
Conversion of performance rights to employees	Various	2,465,000	Various	1,255,100
Unmarketable parcel share movement				(7)
Less: share issue costs				(5,304,814)
Closing balance	30-Jun-23	520,573,492		188,810,114
Accelerated non-renounceable entitlement offer - Tranche 1	21-Nov-23	90,786,694	0.460	41,761,879
Accelerated non-renounceable entitlement offer - Tranche 2	11-Dec-23	59,073,214	0.460	27,173,678
Unpaid share capital - ineligible holders ¹	11-Dec-23	2,647,700	-	-
Conversion of \$0.25 Options	Various	13,741,131	0.250	3,435,283
Conversion of performance rights to employees	Various	265,000	0.590	156,350
Consideration shares - Lyons project	12-Dec-23	1,017,916	0.491	500,000
Less: costs of issue				(2,931,613)
Closing balance	31-Dec-23	688,105,147		258,905,692

¹As part of the Accelerated Non-Renounceable Entitlement Offer (ANREO) 2,647,700 issued shares were identified as being associated with ineligible shareholders. The Company did not receive funds as at 31 December 2023 for these 2,647,700 shares. Subsequent to the reporting period, the ineligible shareholder shares have been sold and the funds received.

15. RESERVES

	31-Dec-23 \$	30-Jun-23 \$
<i>Share-based Payment Reserve</i>		
Opening balance	10,034,315	5,659,212
Movement during the year	(702,618)	4,375,103
Closing balance	9,313,697	10,034,315

16. ACCUMULATED LOSSES

	31-Dec-23 \$	30-Jun-23 \$
Opening balance	(24,509,281)	(15,970,914)
Net loss for the period	(1,685,170)	(8,538,367)
Closing accumulated losses	(26,194,451)	(24,509,281)

17. SHARE-BASED PAYMENTS

The terms, conditions and key assumptions used in valuing share-based payment arrangements granted in this period over ordinary shares affecting remuneration of directors, other key management personnel and employees in this financial year or future reporting years are as follows:

Performance rights to employees

On 16 August 2023, 1,050,000 unlisted performance rights were granted to other employees. The performance rights were issued 16 August 2023 and include the following milestones (vesting conditions):

- **Tranche 1** - Performance rights vesting upon delineation of 50Mt JORC resource at minimum grade of 0.8% Li2O at any of the Company's projects by 3 November 2025.
- **Tranche 2** - Performance rights vesting upon delineation of 100Mt JORC resource at minimum grade of 0.8% Li2O at any of the Company's projects 3 November 2025.
- **Tranche 3** - Performance rights vesting if mining operations commence at any of the Company's projects on or before 31 December 2023.
- **Tranche 4** - Performance rights vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025.

Vesting is subject to continuous employment by the holder with the company until the achievement of the vesting conditions (as applicable).

The valuation of performance rights was performed using a 'per security' valuation for all tranches using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest factoring in the appropriate probability. Valuations have been derived using the following underlying inputs and assumptions:

	Tranche 1 ¹	Tranche 2	Tranche 3 ²	Tranche 4	Total
Security class					
Grant Date	16-Aug-23	16-Aug-23	16-Aug-23	16-Aug-23	
Vesting date	3-Nov-25	3-Nov-25	31-Dec-23	3-Nov-25	
Expiry date	16-Aug-27	16-Aug-27	16-Aug-27	16-Aug-27	
No. Securities	262,500	262,500	262,500	262,500	1,050,000
Security entitlement	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	\$Nil	\$Nil	\$Nil	\$Nil	
Value of each security	0.895	0.895	0.895	0.895	
Probability	100%	100%	100%	100%	
Total Value (\$)	234,938	234,937	234,938	234,937	939,750
Expense recognised during HY24 (\$)	234,938	39,977	-	39,977	314,892

¹The milestone attached to Tranche 1 was achieved 27 December 2023 and service condition met, resulting in acceleration of recognition of the remaining expense in full in the current period.

²The milestone condition attached to Tranche 3 was not met, resulting in reversal of cumulative expense (AASB2 Para 19).

Reconciliation

Expense relating to performance rights granted in this period
 Expense relating to performance rights granted in prior periods
Total share-based payment expense recognised during HY24

31-Dec-23 \$
314,892
(879,160)
(564,268)

Convertible Securities

The Share-based payments reserve is made up of convertible securities, namely options and performance rights, granted at the discretion of the Board to align the interests of executives, employees, and consultants with those of shareholders. A summary of convertible securities as at 31 December 2023 are as follows:

Options

At 31 December 2023, unissued shares of the Group under option are:

Number of Securities	Exercise Price	Number Vested & Exercisable	Expiry Date
5,568,041	\$0.25	5,568,041	1-Oct-24
8,048,817	\$0.25	8,048,817	18-Nov-24
1,000,000	\$0.77	1,000,000	26-Jul-25
3,000,000	\$0.25	3,000,000	21-Sep-25
2,666,666	\$0.75	2,666,666	27-Mar-24
5,000,000	\$0.85	5,000,000	30-Sep-25
25,283,524		25,283,524	

Performance Rights

At 31 December 2023, unissued shares of the Group pursuant to performance rights issued to incentivise its directors, employees and other vendors are:

Number of Securities	Grant Date	Number Vested & Exercisable	Expiry Date
25,000	15-Nov-22	25,000	18-Nov-27
4,037,500	16-Jan-23	2,387,500	23-Jan-28
1,500,000	27-Apr-23	-	8-May-28
1,500,000	12-Jun-23	500,000	13-Jun-28
787,500	16-Aug-23	262,500	16-Aug-27
300,000	28-Aug-23	100,000	29-Dec-25
8,150,000		3,275,000	

18. COMMITMENTS & CONTINGENCIES

The company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Capital commitments at the reporting date but not recognized as liabilities are as follows:

	31-Dec-23	30-Jun-23
	\$	\$
Exploration commitments - Within one year	1,551,337	1,028,720
Exploration commitments - Later than one year but not later than five years	5,645,349	4,972,907
Lease commitments - Within one year ¹	-	217,055
Lease commitments - Later than one year but not later than five years ¹	-	1,229,981
Total commitments	7,196,686	7,448,663

¹At 30 June 2023 there was a commitment for a new office lease that was signed post year end. This has now been captured and disclosed in terms of AASB16 Leases - refer note 10.

With exception to the above, there have been no significant changes to commitments and contingent liabilities since 30 June 2023.

19. RELATED PARTY TRANSACTIONS

There were no other material changes to related party transactions disclosed at 30 June 2023.

20. SUBSEQUENT EVENTS

On 2 January 2024, the Company elected to pay the deferred consideration in relation to the acquisition of the issued capital in Electrostate Limited (owner of the Yinnetharra Lithium Project) by issue of 21,720,247 ordinary shares at a price of \$0.46 per share (refer note 12).

On 9 March 2024, the Company entered into an agreement with Voltaic Strategic Resources (VSR) to acquire an interest in the Ti Tree project. Key terms of the transaction are:

- Upfront consideration of \$1.25 million.
- Commitments of \$3 million in exploration expenditure (minimum spend of \$1 million) through stage 1 to earn in 51% interest with a payment of \$0.5 million to VSR at completion of stage 1
- Commitments of a further \$6.25 million (for a total of \$ 9.25 million) of exploration expenditure to stage 2 to earn in 80% with a payment of \$1 million to VSR at completion of stage 2

On 9 March 2024, the Company entered into an agreement with Reach Resources to acquire an interest in the Morrissey Hill and Camel Hill projects. Key terms of the transaction are:

- Upfront consideration of \$3.2 million.
- Commitments of \$3 million in exploration expenditure through stage 1 to earn in 51% interest.
- Commitments of a further \$6 million (for a total of \$ 9 million) of exploration expenditure to stage 2 to earn in 80%
- Payments of approximately \$10 million upon definition of a resource of greater than 7.5Mt.

For further details on the above, refer to ASX announcement dated 11 March 2024.

There were no other subsequent events that required adjustment to or disclosure in the interim financial report.

Directors' Declaration

The Directors of the Company declare that:

1. the interim financial statements and notes, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standard AASB134 Interim financial reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and

in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to s 303(5) of the Corporations Act.



James Croser

Managing Director

Dated 12 March 2024

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Independent Auditor's Review Report

To the shareholders of Delta Lithium Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Delta Lithium Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Delta Lithium Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 20 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Delta Lithium Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

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

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



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-Year Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Glenn Brooks

Partner

Perth

12 March 2024