



LEPIDICO LTD

ACN 008 894 442

FINANCIAL REPORT 2024

For personal use only

Table Of Contents

Corporate Directory	3
Directors' Report	4
Auditors Independence Declaration.....	30
Consolidated Statement of Profit and Loss and Other Comprehensive Income ...	31
Consolidated Statement of Financial Position.....	32
Consolidated Statement of Changes in Equity	33
Consolidated Statement of Cash Flow.....	34
Notes to the Financial Statements	35
Consolidated Entity Disclosure Statement.....	66
Directors' Declaration.....	67
Independent Auditor's Report	68
Additional ASX Information	72

Corporate Directory

Directors

Gary Johnson (Non-Executive Chair)
Julian (Joe) Walsh (Managing Director)
Mark Rodda (Non-Executive Director)
Cynthia Thomas (Non-Executive Director)

Joint Company Secretaries

Alex Neuling
Shontel Norgate

Registered Office

Suite 2, 680 Murray Street
West Perth, WA, Australia, 6005

Telephone: (08) 9363 7800
Facsimile: (08) 9363 7801
Email: info@lepidico.com

Principal Place of Business

Suite 2, 680 Murray Street
West Perth, WA, Australia, 6005
PO Box 536 West Perth WA 6872

Website: www.lepidico.com

Country of Incorporation

Australia

Auditors

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
PERTH WA 6000

Telephone: (08) 9225 5355
Facsimile: (08) 9225 6181

Share Registry

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000
GPO Box 5193 Sydney NSW 2001

Telephone: 1300 288 664
Email: hello@automicgroup.com.au

Home Exchange

Australian Securities Exchange Limited
Central Park,
152-158 St Georges Terrace,
PERTH WA 6000

ASX Code: LPD, LPDO, LPDOE

Directors' Report

The Directors of Lepidico Ltd (Directors) present their report on the Consolidated Entity consisting of Lepidico Ltd (the Company or Lepidico) and the entities it controlled at the end of, or during, the year ended 30 June 2024 (Consolidated Entity or Group).

DIRECTORS

The names of the Directors in office and at any time during, or since the end of, the year are:

Mr Gary Johnson	Non-executive Chair
Mr Joe Walsh	Managing Director
Mr Mark Rodda	Non-executive Director
Ms Cynthia Thomas	Non-executive Director

Directors have been in office since the start of the financial year to the date of this report.

CURRENT DIRECTORS

Mr Gary Johnson - Chair (Non-executive)

Qualifications - MAusIMM, MTMS, MAICD

Mr Johnson has over 45 years' experience in the mining industry as a metallurgist, manager, owner, director and managing director possessing broad technical and practical experience of the workings and strategies required by successful mining companies. Gary is a principal and part owner of Strategic Metallurgy Pty Ltd, which specialises in high-level metallurgical strategic consulting and the creation of new technology businesses. He has been a Director of the Company since 9 June 2016.

Special responsibilities:

Member of Audit, Risk & Sustainability Committee

Member of the People Committee: Remuneration, Nomination & Diversity

Other Current Directorships of listed public companies:

Director of Antipa Minerals Ltd (ASX listed)

Mr Julian "Joe" Walsh - Managing Director (Executive)

Qualifications - BEng, MSc

Mr Walsh is a resources industry executive, mining engineer and geophysicist with over 35 years experience working for mining and exploration companies, and investment banks in mining-related roles. Joe joined Lepidico as Managing Director in 2016. Prior to this he was the General Manager Corporate Development with PanAust Ltd and was instrumental in the evolution of the company from an explorer in 2004 to a US\$2+ billion, ASX 100 multi-mine copper and gold company. Joe has extensive equity capital market experience and has been involved with the technical and economic evaluation of many mining assets and companies around the world.

Special responsibilities:

None

Other Current Directorships of listed public companies:

None

Former Directorships of listed public companies in the last 3 years:

None

Mr Mark Rodda - Non-Executive Director

Qualifications - BA, LLB

Mr Rodda is a lawyer, consultant and public company director with around 30 years of private practice, in-house legal, company secretarial and corporate experience. Mr Rodda has considerable practical experience in the management of local and international mergers and acquisitions, divestments, exploration and project joint ventures, strategic alliances, corporate and project financing transactions and corporate restructuring initiatives. Prior to its 2007 takeover by Norilsk Nickel, Mark held the position of General Counsel and Corporate Secretary for LionOre Mining International Ltd, a Top 10 nickel producer globally with operations in Australia and Africa and listings on the TSX, LSE and ASX.

Special responsibilities:

Chair of the People Committee: Remuneration, Nomination & Diversity

Member of Audit, Risk & Sustainability Committee

Other Current Directorships of listed public companies:

Director of Antipa Minerals Ltd Ms Thomas has over 30 years of banking and mine finance experience and is currently the Principal of Conseil Advisory Services Inc. (Conseil), an independent financial advisory firm specialising in the natural resource industry which she founded in 2000. Prior to founding Conseil, Cynthia worked with the Bank of Montreal, Scotiabank and ScotiaMcLeod in the corporate and investment banking divisions. Cynthia holds a Bachelor of Commerce degree from the University of Toronto and a Masters in Business Administration from the University of Western Ontario.

Former Directorships of listed public companies in the last 3 years:

None

Ms Cynthia Thomas – Non-Executive Director

Qualifications – B.Com, MBA

Special responsibilities:

Chair of Audit, Risk & Sustainability Committee

Member of the People Committee: Remuneration, Nomination & Diversity

Other Current Directorships of listed public companies:

None

Former Directorships of listed public companies in the last 3 years:

Executive Chair of Victory Nickel Inc. (CSE listed) – resigned 26 July 2022

COMPANY SECRETARIES**Mr Alex Neuling**

Qualifications: BSc, FCA (ICAEW), FCIS

Mr Neuling has extensive corporate and financial experience including as director, chief financial officer and/or company secretary of various ASX-listed companies in the mineral exploration, mining, oil and gas and other sectors. Alex is the principal of Erasmus Consulting, which provides company secretarial and financial management consultancy services to ASX-listed companies. In addition to his professional qualifications, Alex also holds a degree in Chemistry from the University of Leeds in the United Kingdom.

Ms Shontel Norgate

Qualifications: CA, AGIA ACIS

Ms Norgate is a Chartered Accountant with over 25 years experience in the resources industry including debt and equity finance, financial reporting, project management, corporate governance, commercial negotiations and business analysis experience in finance and administration. Prior to joining Lepidico Shontel was CFO for ten years with TSX-listed resources company, Nautilus Minerals Inc. Prior to her appointment at Nautilus Minerals, Ms Norgate was Financial Controller with Macarthur Coal Ltd and Southern Pacific Petroleum NL, both listed on the ASX and commenced her career as an auditor with Price Waterhouse (now PricewaterhouseCoopers)

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2024, and the number of meetings attended by each director.

	Full Board Meetings		Audit, Risk & Sustainability Committee Meetings ⁽¹⁾		People Committee: Nomination, Remuneration & Diversity Committee Meetings ⁽²⁾	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Mr Gary Johnson	5	5	3	3	2	2
Mr Joe Walsh	5	5	0	0	1	1
Mr Mark Rodda	5	5	3	3	3	3
Ms Cynthia Thomas	5	5	3	3	3	3

⁽¹⁾ During the year the Audit Committee and Sustainability & Risk Committee were combined to form the Audit, Risk & Sustainability Committee

⁽²⁾ During the year the Nomination & Remuneration Committee and Diversity Committee were combined to form the People Committee: Nomination, Remuneration & Diversity

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF LEPIDICO

As at the date of this report, the notifiable interests held directly and through related bodies corporate or associates of the Directors in shares and options of Lepidico are:

	Number of fully paid ordinary shares	Number of options
Mr Gary Johnson	350,127,030	30,717,686
Mr Joe Walsh	46,519,286	49,811,071
Mr Mark Rodda	-	23,333,333
Ms Cynthia Thomas	-	23,333,333
	396,646,316	127,195,423

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in this report including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and

For personal use only

involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that neither the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year were mineral exploration and development, and the development of proprietary technologies, that include: L-Max[®], LOH-Max[®] and caesium-rubidium extraction.

OBJECTIVE

The Group's strategic objectives are to: 1) fast track the business to free cash flow generation; 2) demonstrate the commercial viability of L-Max[®]/LOH-Max[®]; and 3) become a sustainable, globally significant alkali metals chemical producer with industry-leading ESG credentials and technologies.

To meet this objective, the following targets have been set for the 2024 financial year and beyond.

1. Sustainability: industry-leading sustainability practices and performance with defined targets (climate change focus); transparent mature reporter benchmarked against industry peers.
2. Production: transition the Phase 1 Project to full construction as either an integrated project with an installed capacity of 5,700tpa (4,500tpa nominal) lithium hydroxide production or sequentially, initially producing a lithium mica concentrate for export ahead of the development of downstream chemical conversion capacity that employs the Company's proprietary technologies.
3. Mineral Resources: expand Ore Reserves to support a Phase 1 Project life of 20 years. Secure additional resources to support a Phase 2 chemical plant through exploration and/or third-party concentrate feed.
4. Business Development: complete the Phase 2 chemical plant scoping study; develop third-party lithium mica concentrate sources; process technology improvements; and develop markets for new products of Rb, Cs, silica and gypsum.
5. Systems: fit-for-purpose systems, standard/procedure development ahead of growth requirements and governance compliance with ASX
6. Stakeholders: establish a stakeholder group to deliver on strategy and maintain relationships.
7. Shareholders: transparent communication, institutional base development, with a total shareholder return in the top quartile of the S&P/ASX 300 Metals and Mining Index.
8. People: employees and contractors are appropriately skilled, diverse, motivated and aligned with Group Vision & Values so as to be empowered to be creative, add value, deliver on the corporate strategy and thereby excel.

SUMMARY REVIEW OF OPERATIONS

For the financial year ending 30 June 2024, the Group recorded a net loss after tax of \$7,068,212 (2023: net loss after tax \$3,604,123) and a net cash outflow from operations of \$5,714,405 (2023: net cash outflow \$6,761,229).

The net assets of the Group decreased to \$88,470,518 at 30 June 2024 (2023: \$92,458,261).

DEVELOPMENT & FINANCE

Finance

Lepidico's strategic imperative remains to advance the business to free cash flow generation. A secondary imperative is to demonstrate the commercial viability of its proprietary process technologies. The financing strategy for the vertically integrated Phase 1 Project has centred on core funding from the public sector for both the Karibib mine-concentrator and the downstream Abu Dhabi chemical plant, alongside private sector equity. Most recently Karibib is considered as a starter project producing concentrate for supply to third-party converters, ahead of a development of Lepidico's chemical plant.

Namibia Mine & Concentrator

Securing finance for the now sub-US\$50 million mine and mineral concentrator in Namibia is the main priority, with the U.S. Government's DFC continuing to be the lender of choice, as per the formal mandate letter of October 2020. Subsequently, extensive technical, environmental and social independent due diligence has been successfully undertaken by DFC. Positive feedback from DFC towards the Phase 1 Project continued to be received during the year, which in part is understood to be associated with its unique attributes as a supplier of all three critical minerals, lithium, caesium and rubidium.

The alternative, sequential (versus parallel) development strategy, where the mine and concentrator are prioritised – selling lithium mica concentrate to third parties – ahead of committing to the downstream chemical plant continues to be considered by select prospective partners. Marketing of lepidolite concentrate from Karibib by a U.S. trading company is being undertaken with interest from Chinese lithium mica converters demonstrated through entering into confidentiality arrangements and the provision of technical data and ore samples for review.

A binding concentrate offtake agreement is under negotiation (see Product Marketing below) and represents a priority to provide strategic equity partners – that have undertaken considerable due diligence – with the necessary confidence to make a commitment.

Staged development, with Karibib supplying concentrate to a third party (or parties) with a subsequent commitment to the downstream chemical plant, is far less onerous than securing the multiple finance facilities necessary for the vertically integrated project. This staged development strategy can now be advanced with greater confidence, following the U.S. Government providing the "FINAL Interpretive Guidance on Foreign Entities of Concern", effective 6 May 2024.

Identification of a strategic partner that is not a Foreign Entity of Concern (FEOC) is required for DFC to restart and complete legal due diligence. Lepidico will also ensure that key development contracts are not with an FEOC.

Abu Dhabi Chemical Plant & Australia-UAE CEPA

Securing a partner and/or cornerstone public sector financier for the Abu Dhabi chemical plant has proved to be more challenging than initially envisaged, given the enthusiasm voiced for the project and which led Lepidico to the selection of KEZAD as the industrial park for development. Potential remains for UAE public sector involvement, with support provided by Australian Government departments in parallel with the ongoing negotiation of a bilateral free trade agreement, the Comprehensive Economic Partnership Agreement (CEPA), between the two countries, which was announced in December 2023 and is targeted for finalisation later in 2024.

One of the key Australia-UAE CEPA negotiating objectives is to “facilitate two-way investment between Australia and the UAE, including in those sectors that underpin the energy transition”.

Lepidico is proposing bilateral support via the CEPA for the Phase 1 chemical plant. Development of a production capability of lithium and other critical minerals in Abu Dhabi by an Australian company using Australian-developed technology that is far more sustainable than incumbent process techniques for the conversion of hard rock lithium mineral concentrates represents a compelling opportunity. However, more time is required for public sector discussions to advance sufficiently, which underpins Lepidico’s approach to prioritising the development of Karibib as a starter project.

Government Support

Government financial support is proving to be an essential component of blended finance packages for critical minerals project developments, evidenced by Department of Energy funding under the Inflation Reduction Act for some of the more advanced lithium projects in the U.S. and the U.K. Government’s investment in Cornish Lithium Plc, which is using Lepidico’s process technologies under licence for the local processing of concentrate from its Trelavour lithium mica project.

Most recently, Lepidico has made a preliminary submission for grant funding for the sustainable production of critical minerals under the (US) Industrial Base Analysis and Sustainment (IBAS) Program, for the development of production capability in the U.S., Canada or the UK. This initiative is to optimise the manufacture of caesium (Cs) and rubidium (Rb) chemicals for key industrial applications in these markets. Both caesium and rubidium are defined as critical minerals by the USA with current supply available only from FEOC countries.

Phase 1 Development

Lepidico remains determined to pursue the development of a chemical conversion plant in Abu Dhabi given the associated strategic advantages: established infrastructure; availability of affordable energy, sulphur and other reagents; local markets for bulk products including silica and the gypsum residue; and availability of skilled/semi-skilled labour.

Continued engagement with several leading equipment manufacturers for the chemical plant has led to material cost savings being identified and shorter lead times for equipment supply. Lepidico has been working with a leading crystalliser supplier to assess the economics of developing a manufacturing capability in the UAE. Fabrication of structural and plate steel components has been revealed to be cost-competitive with existing Chinese facilities. As a result, delivery costs and times will be dramatically reduced, while local just-in-time delivery should provide additional flexibility during construction. Lepidico is also working with equipment manufacturers with an established local presence in the UAE to bundle equipment into larger packages. Other activities during the year included a review of operating expenditure to optimise local economic benefit and supply chain support, and thereby assess potential industrial incentives for power, energy and land use, which should further improve project economics.

Alternative implementation options were identified and evaluated for the Karibib mine and concentrator, during the year. These include 1) Engineering, Procurement and Construction (EPC) under a Lump-Sum Turn-Key (LSTK) contract model; 2) mobile crusher; 3) prefabricated non-process buildings; and 4) contract mining. An option for a third-party renewables-based power supply to Rubicon for 30% of the power need, bundled with the 29km grid connection power line and financed off-balance sheet remains a work in progress.

Total capital expenditure under the Karibib options study has fallen to less than US\$50 million (2024 real) with an increased contingency of 20% on owner’s costs, versus US\$63 million before sunk costs in the 2022 control estimate. A revised estimate for unit operating costs shows a modest 4% increase. Average

For personal use only

unit operating costs for the first 5 years of operation are estimated at US\$319/t FOB¹ and US\$392/t CIF², for production of a 3.0% Li₂O concentrate on average. This operating cost convention is similar to that used by Western Australian spodumene miners to allow comparison.

Feedback from commercial lenders is that an EPC implementation for smaller-scale developments such as Karibib is desirable under an LSTK model.

A mobile crusher will provide considerable flexibility with multiple open pits as well as remote stockpiles being introduced into the ore mining schedule and allow conventional road trucks to be used for ore haulage from sources remote to Rubicon.

Contract mining will provide future flexibility, including the adoption of more cost-effective and sustainable (electric) mobile fleet options as they become available at the necessary scale and competitive price point.

Stage 2 implementation works, conducted under the Engineering Procurement & Construction Management (EPCM) contracts for both the Abu Dhabi chemical conversion plant and the Karibib concentrator will resume once project funding is secured.

By way of background, Lepidico's technologies provide a far more sustainable alternative to roasting for converting lithium mica minerals.

- L-Max[®] and LOH-Max[®] are hydrometallurgical processes that convert lepidolite concentrates to lithium hydroxide with no solid process waste generated, no effluent and no sodium sulphate. By-product revenues can be realised from caesium, rubidium, SOP, amorphous silica and a gypsum-rich residue. Energy intensity and greenhouse gas emissions are both relatively low.
- Phase 1 in Abu Dhabi has been de-risked by 4 pilot trials – each plant being progressively larger scale than the prior facility – and an exhaustive risk-based process design review during FEED that was completed in November 2022. Phase 1 is ready to transition to construction on securing finance.

Life of mine All In Sustaining Costs (AISC)³ for the integrated project are estimated to average US\$8,730/t Lithium Carbonate Equivalent (LCE) (US\$7,680/t lithium hydroxide) while C1 costs are estimated at US\$5,890/t LCE (US\$5,185/t lithium hydroxide), after by-product credits (ASX Announcement, Phase 1 Project Economics Updated, 30 October 2023). Chemical plant by-products include caesium, rubidium, amorphous silica, sulphate of potash (SOP) and a gypsum-rich residue, with no solid process waste.

Karibib is fully permitted for the re-development of two open pit mines at Rubicon and Helikon 1, which will feed lithium mica ore to a central mineral concentrator that employs conventional flotation technology. Awarded Project permits include the Mining Licence (ML204), water extraction permit, Environmental Compliance Certificate (ECC), Accessory Works Permit and a separate ECC awarded for the overhead power transmission line.

Product Marketing

New interest continues to be received from lithium mica converters in the relatively high-quality concentrate that can be produced from the Rubicon and Helikon deposits. The concentrate is estimated to grade between 2.5-3.5% Li₂O over the life of mine and over 3.0% Li₂O for at least the first 5 years of

¹ Unit operating cost (FOB Walvis Bay excluding freight and royalties) includes mining, processing, transport, port charges, and site based general and administration costs and is net of any by-product credits. It is calculated on an incurred basis and excludes depreciation of fixed assets and right of use leases, and amortisation of deferred stripping.

² Unit operating cost (CIF China) includes the unit operating costs (FOB Walvis Bay excluding freight and royalties) plus freight and royalty costs. Royalty costs include a 2% government royalty on the FOB selling price.

³ C1 cash costs: Brook Hunt convention for the reporting of direct cash costs comprising mine site, product transportation and freight, treatment and refining charges and marketing costs.

AISC or C3: C1 cash cost plus royalties; corporate support and shared services costs; sustaining capital; lease principal and interest charges; and deferred mining and inventory adjustments capitalised.

Net of by-product credits LCE basis: costs for lithium and other products after deduction of credits for by-product revenues, per tonne of recovered lithium chemical.

operation, significantly above what most operations in China can achieve and with relatively low levels of deleterious elements.

Lepidico is working on a binding concentrate offtake agreement with the U.S. trading company that has been marketing Karibib material since April 2023 and conducted the tender process in September 2023. Unsolicited interest in Karibib concentrate along with finance has also been received from other trading companies.

Lepidico Chemicals Manufacturing signed a binding offtake agreement in December 2021 with Traxys Europe S.A. ("Traxys"), where Traxys provides sales-marketing, logistics and trade finance for 100% of lithium hydroxide manufactured during the first 7 years of operation or 35,000t in total. In addition, Traxys is acting as agent for 100% of the production of caesium sulphate solution from the KEZAD chemical plant.

The Company continues to work with Traxys to place the lithium hydroxide produced from the Phase 1 KEZAD plant on mutually beneficial terms that are sustainable, and effectively manage price risk for supplier and consumer throughout a cycle. Offtake negotiations have slowed due to the prevailing lithium price weakness that has caused many consumers to continue to delay making new commitments for lithium chemicals.

Initiatives for further refining and development of caesium chemicals continue in collaboration with a leading chemical company.

A body of work has also started with a world-leading research university for the evaluation of rubidium, with the objective of supporting its use as a substitute for caesium in certain applications.

Letters of Intent (LOIs) are in hand from customers in the UAE for volumes exceeding the expected production of amorphous silica, SOP and gypsum-rich residue.

Sustainability

During the year, the Company finalised its Sustainability and Climate Strategies. The Sustainability Strategy is built on four pillars: Planet, People, Partnerships & Processes, and Prosperity. These Strategies were developed with IBIS Consulting in collaboration with Lepidico's management and are aligned with the UN Sustainable Development Goals; the International Council on Mining and Metals principals; the Taskforce on Climate-related Financial Disclosures; and the Intergovernmental Panel on Climate Change's latest assessment report.

Embedded within the Climate Change and Energy Strategy is a commitment to follow a Paris agreement aligned decarbonization pathway, which is compatible with a 1.5°C temperature scenario in our own operations. The Strategy supports decarbonization via Lepidico's innovative proprietary low-carbon lithium manufacturing solutions, as well as by progressive electrification, implementation of new adaptation solutions across operations and support of host communities to adapt to the physical impacts of climate change.

The goal is net zero by 2050 with specific targets set for years 2035, 2040 and 2050. The KPIs are focused on scope 1, 2 and 3 GHG emissions targets and efficient non-carbon generating energy usage. IBIS Consulting also conducted a revised GHG assessment that shows the Phase 1 Project's Scope 1,2 & 3 emissions estimates are more than 43% below the hard rock lithium industry average.

Modern sustainability and climate strategies are designed to be bankable, and Lepidico's Sustainability Strategies are designed to meet the most stringent lender requirements at the company's current stage of development.

The structure for sustainability reporting in accordance with the Global Reporting Initiative (GRI) has been finalised and data collation has started for Lepidico's first Sustainability Report against GRI standards.

A Human Rights gap analysis of Lepidico's systems was also completed, which generated an action plan that will be progressively implemented through the project development phase and into operations. Lepidico is committed to the safety and well-being of its employees, contractors and the community, diversity, equity, inclusion and respect for human rights.

Business Development & Licencing

SPV – Lepidico Strategic Chemicals Manufacturing LLC-OPC

Lepidico continues to receive recognition for the unique opportunity that the L-Max[®] and LOH-Max[®] technologies provide for a low-energy intensity lithium chemical conversion solution with exceptional green credentials, including no solid process waste and no process effluent.

A Special Purpose Vehicle (SPV) has been established, Lepidico Strategic Chemicals Manufacturing LLC-OPC, for collaboration in the UAE on lithium opportunities aside from the existing Phase 1 Project.

Associated with the establishment of Lepidico Strategic Chemicals Manufacturing LLC-OPC, samples of three different styles of mineralisation were dispatched in May to Strategic Metallurgy for L-Max[®] amenability testing. Due to the size of the samples they had to be diverted to Brisbane for routine gamma irradiation for bio-security purposes. Test work will start as soon as the samples are received.

Cornish Lithium and Strategic Metallurgy

A representative from Strategic Metallurgy (SM) was contracted to Cornish Lithium Plc (Cornish Lithium) during the advanced stages of construction of its £9 million (A\$17.7 million) facility to process lithium mica mineralisation from its Trelavour Project in Cornwall. This complex comprises a flotation plant to produce a predominantly zinnwaldite and polyolithionite concentrate, a hydrometallurgical facility that will produce battery-grade lithium hydroxide using, under licence, Lepidico's L Max[®] and LOH Max[®] technologies and a visitors' centre. Cornish Lithium selected the technology based on its exceptionally low carbon emissions, environmental benefits and its ability to deliver superior product quality from lithium-bearing mica concentrates, which includes valuable by-products. Whilst still a lithium mica deposit, the Trelavour project is predominantly zinnwaldite and polyolithionite mineralisation, whereas Lepidico's Karibib deposits are lepidolite/lithian muscovite dominant, which demonstrates the flexibility of the Company's processing technologies across the breadth of lithium mica mineral species.

Bulk samples have been mined, with concentration scheduled for August 2024. Commissioning of the hydrometallurgical plant is now expected to start in September 2024, with three SM staff contracted to provide support. Production is planned for throughout the latter part of the year and into 2025, operating for 3,600 hours across 15 separate continuous campaigns at a design rate of 15kg/hr of mica concentrate feed. The facility includes an onsite 'state of the art' laboratory to confirm the efficacy and efficiency of the plant.

By way of background, Lepidico granted Cornish Lithium an exclusive technology licence in 2020 for an upfront payment of £2.3 million to process feedstock sourced from the St Austell granite region, an area of approximately 93 km². The technologies include the proprietary L-Max[®], LOH-Max[®] and caesium-rubidium manufacturing processes.

EXPLORATION⁴

Karibib Project (80%)

Lepidico is pursuing a strategy of maximising the value of its exploration properties by implementing programs targeted at a range of metals for which the Namibian tenements are prospective, including lithium, caesium, rubidium, tantalum, gold, copper and tungsten. Work programs span a range of activities, from regional exploration assessing conceptual targets to Mineral Resource Development. The near-term objectives of this work are to extend the operating life of the Phase 1 Project to over 20 years, expand the Resource base to support the Phase 2 Scoping Study and evaluate the Karibib licences for their gold potential.

Mineral Resource & Ore Reserve development

A short reverse circulation drilling program was completed at Helikon 4 during the reporting period to test mineralisation extension down dip. A total of 8 holes for 707 metres were completed, with six of the holes intercepting pegmatite, confirming a 20m - 30m down-dip extension over a 40m – 60m strike. The results also indicate the presence of a fault at depth potentially truncating the mineralised system down-dip.

Regional Exploration and Scout Drilling

Three scout holes were drilled into a new target A1, located within regional target RT001. Regional targets are worked up using an in-house algorithm based on regional geophysics and structural interpretation, followed by gridded soil sampling and analysis by portable XRF for K, Rb and Cs and then ground magnetics over selected zones. The aim of this work is to seek out new areas of LCT-type pegmatite mineralisation that do not outcrop. RT001 is one of 17 such targets delineated within the Karibib project tenements.

Target A1 is defined by an outcrop of pegmatitic granite coincident with a structural feature that was defined by ground magnetics. The orientation of this feature is parallel to the trend of the Rubicon pegmatite 2 km southeast. All the holes intercepted pegmatitic granite, with one hole intersecting a 17m interval of perthite-quartz-muscovite pegmatite.

Recent exploration activities have been largely limited to regional and reconnaissance work within ML204 and EPL5349, due to road access being blocked to a priority drill target. In the March 2024 quarter, Lepidico Chemicals Namibia filed a motion with the High Court in Namibia against a local property owner for a locked gate that denies access to a public road. Hearing of the case has proved to be an iterative process that has resulted in multiple delays. Exploration can resume once ground access is secured and subject to funding.

The Karibib Camp remains on care and maintenance with a downsized staff complement largely working from home.

⁴ Compliance Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

Previously Reported Results

Reference in this report is made to the Company's ASX announcements dated 22 November 2022 ("Phase 1 Economics Updated & Improved"), 30 January 2023 ("Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources"), 7 March 2023 ("Replacement Announcement – Helikon 4 Ore Reserve") and 30 October 2023 ("Phase 1 Project Economics Updated Operating Costs & Long-Term Margins Improved"). Other than as disclosed in those announcements, the Company confirms it is not aware of any new information or data that materially affect the information in those announcements.

CORPORATE

Cash and Facilities

At 30 June 2024, the Company held \$4.7 million in cash and cash equivalents.

Following the Entitlement Offer, the Company implemented further cash-saving measures including termination of consultants and encouraging employees to take Annual Leave to reduce the Company's liabilities. The Karibib camp remains on "care and maintenance". In July 2024, Mr Hans Daniels, GM Operations – UAE resigned effective from 30 August 2024. Mr Daniels' responsibilities will be re-distributed to other key members of the Lepidico group while the Company focuses on securing additional funding.

At-the-Market Facility Extension

On 26 January 2024, the Company agreed with Acuity Capital to extend the expiry date of its At-the-Market Subscription Agreement ("ATM") (previously referred to as a Controlled Placement Agreement) from 31 January 2024 to 31 January 2027.

As previously announced, the ATM was initially established with an expiry date of 31 January 2021 and provided Lepidico with up to \$7.5 million of standby equity capital (see announcements on 23 December 2019 and 30 January 2022). In January 2022 the ATM expiry date was extended to 31 January 2024 (see announcements above). There were no fees or costs associated with the extension of the ATM. No additional security has been provided or is required in relation to the ATM extension.

Lepidico has utilised the ATM to raise a total of \$3.525m and the remaining standby equity capital available under the ATM is \$3.975m. There is no requirement on Lepidico to utilise the ATM and the Company may terminate the ATM at any time without cost or penalty.

Acuity Capital holds 72,900,000 fully paid ordinary LPD shares as security against the ATM. At 30 June 2024, the Company's share price closed at \$0.003 which could raise \$218,700, before fees, based on the number of shares held as security.

Entitlement Offer

The Renounceable Entitlements Offer announced on 4 April 2024 (the "Offer") closed raising \$2,852,438 (before costs).

The Company issued 950,812,527 new fully paid ordinary shares ("Shares") and 475,406,263 new options exercisable at \$0.009, with an expiry date of 7 November 2026 ("Options"). The Options are quoted under the ASX code LPDOE.

The net proceeds, along with the Company's existing cash reserves, will be allocated to finalising Phase 1 Project financing, including strategic partner and lender due diligence, and advance business development opportunities for collaborations on previously unidentified, potentially large-scale lithium mica deposit evaluations, and working capital.

Mahe Capital Pty Ltd acted as Lead Manager and Underwriter to the rights issue.

Jefferies Engagement

On 2 September 2024, the Company announced it had engaged Jefferies International Limited ("Jefferies") to act as the Company's exclusive financial advisor in connection with maximising the value of the Karibib Lithium Project, with potential to expand scope as strategically attractive. A wide breadth of deal structures may be considered, from securing a minority equity partner to an asset sale.

Outreach to potential partners includes entities where the Company has previously had engagement, as well as to new prospective partners that have been identified as having interest in direct involvement in upstream hard rock lithium assets, with most transaction types to be considered. Organisations that have specific interest in Lepidico's novel and sustainable proprietary lithium mica process technologies may also be considered. The outreach is global and spans organisation types that include, but is not limited to, private corporations, state owned enterprises, investment funds and private equity.

All transaction proposals will be assessed based on certainty, sustainability and for their ability to maximise value for shareholders. Binding proposals are requested for October 2024.

The Company continues to progress discussions with various government entities in relation to funding support for the integrated Phase 1 Project.

The Company remains committed to securing a transaction or transactions for the Phase 1 Project in the near term and will provide updates on progress once material milestones are reached

Options

On 22 November 2023, 72,999,999 unlisted options with an exercise price of \$0.013 and 33,142,856 unlisted options with an exercise price of \$0.01 expiring on 22 November 2026 were issued under the Company's employee incentive scheme to directors, executives and consultants.

Legal

Arbitration with Jinhui Lithium Co., Ltd

On 31 May 2023, Jiangxi Jinhui Lithium Co., Ltd (Jinhui), a private Chinese corporation filed a Notice of Arbitration under the Arbitration Rules of the Singapore International Arbitration Centre (Notice).

The Notice is in connection with the offtake agreement between Desert Lion Energy (Pty) Ltd (subsequently renamed Lepidico Chemicals Namibia (Pty) Ltd) and Jinhui dated 6 November 2017 and later amended on 13 February 2018, which provided for the sale of material located in the stockpile at the Karibib project in Namibia and expired on 16 November 2022 (the Offtake Agreement).

In accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC), the panel of three arbitrators, being each party's nominated arbitrator and the third independent arbitrator has been completed and the arbitration timetable set.

LCN received Jinhui's Statement of Claim (SOC) on 4 December 2023. The SOC includes a claim for US\$5.0 million which comprises the unamortised deposit paid under the Offtake Agreement, plus expenses related to the dispute.

LCN filed its Statement of Defence and Counterclaim (SODCC) on 15 January 2024 and has submitted a counterclaim, which is well in excess of the claim included in Jinhui's SOC.

LCN received the Statement of Reply and Defence to Counterclaim on 8 February 2024 and on 18 March 2024, LCN filed its Statement of Rejoinder and Report to Defence to Counterclaim.

On 8 July 2024, the parties exchanged documents as per the arbitrators' instructions.

Witness statements were exchanged on 19 August 2024, in accordance with the arbitration timetable. Lepidico's witness statements provide a coherent and compelling narrative that is consistent with Ontario law. Responses to witness statements are due to be exchanged by 23 September 2024.

The arbitration hearing has been provisionally set for early November 2024.

The Company believes that the arbitration brought against it is without merit. The Company has retained Canadian and Namibian litigation counsel to vigorously defend itself.

Public Road Access (Namibia)

Lepidico Chemicals Namibia (Pty) Ltd (LCN) has filed a motion with the High Court in Namibia against Ombujomenge Close Corporation for hindering and/or restricting the access of the LCN to Public Road FR1965.

LCN needs to access the Public Road to be able to reach its exploration tenement and in order to undertake exploration work on a neighbouring property.

On 18 September 2024, the Company received notification that the High Court of Namibia ruled in favour of LCN, granting access to Public Road FR 1965 and ordering the respondents to pay LCN's costs.

Patents and Trademarks

The Company holds granted patents for its L-Max[®] technology in the United States, Canada, Europe, Japan and Australia. The Company also has patents granted for its process technology for lithium recovery from phosphate minerals (amblygonite) from the United States, Canada, Europe, Japan and Australia.

The Company holds granted patents for the Company's LOH-Max[®] process in Japan, Canada and ARIPO (African Regional Intellectual Property Organization). The national and regional phase of the patent application for LOH-Max[®] is progressing in the remaining jurisdictions under PCT/AU2020/050090.

During the year, the Company was granted Australian patents for the Company's S-Max[®] process for Improved Mica Processing under 2019262080 and Processing of Silicate Minerals under 2019262079.

The national and regional phase of the patent application for the lithium carbonate recovery process from a raw lithium hydroxide material is progressing under the Patent Cooperation Treaty (PCT) and was allotted the number PCT/AU2022/050297. The patent process is expected to continue during 2024.

The International PCT application for the preparation of Cs-Rb-K alkali salt solutions from lithium mica mineral source material under the PCT number PCT/AU2022/051154 is progressing through the national and regional phases. The refining process has application in tailoring ternary materials for industrial catalyst applications and the patent process is expected to continue during 2024.

EXTERNAL FACTORS AND MATERIAL BUSINESS RISKS AFFECTING COMPANY RESULTS

The Company operates in an uncertain economic environment when trying to deliver results in accordance with its strategic objectives. Its financial results are subject to various risks and uncertainties, some of which are outside the reasonable control of the Company.

The Company's Board and management identify, monitor and manage risks through its Risk Management Framework, and where possible, attempt to mitigate the risk of adverse outcomes through the adoption of controls and mitigation strategies.

The following factors are all capable of having a material adverse effect on the Company's business, affecting the Company's results and impacting the Company's prospects for future financial years.

Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company will need to raise additional capital to fund the development of the integrated Phase 1 Chemical Plant. The decision on how and when the Company may raise future capital will largely depend on the market conditions existing at that time.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce exposure to assets or the scope of its operations and/or scale back its exploration programmes as the case may be.

There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. In the event the Company is unable to secure additional capital as required there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities

Increases in capital and operating costs

On 20 October 2023, the Company announced updated Phase 1 Project Economics including revised capital and operating costs. The actual capital and operating costs could be significantly higher than the estimates, particularly if there are material changes in project scope or delays to the construction of the Phase 1 Chemical Plant or significant movements in inflationary factors. There can be no assurance that actual capital and operating costs will be as estimated in that announcement.

Commodity price fluctuations

The Company is seeking to develop projects which will be reliant on the prices of various commodities including lithium chemicals and various by-products. Lithium chemicals are considered to be specialty industrial chemicals and the contracted sales prices for the different lithium compounds are not public.

Lithium chemicals are not traded commodities like base and precious metals. Therefore, it is possible that the sales prices used in Phase 1 Project economic assessments and other Company updates will be different than the actual prices at which the Company is able to sell its lithium compounds. Commodity and product prices fluctuate and are affected by numerous factors beyond the control of the Company.

These factors include foreign currency fluctuation, worldwide and regional supply and demand for commodities and chemicals, industrial disruption, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Technology Risk

L-Max[®] and LOH-Max[®] are new process technologies that have only been tested at pilot scale. The technologies have not been scaled up and tested and may not be technically feasible, may not perform the process as it was designed, may prove uneconomic or unreliable and may not be developed on a timely basis.

Competition in retaining and sustaining the protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.

Although the Company is not aware of any third-party interests in relation to its technologies, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been or will be sufficient.

Operational and technical risks

The operations of the Company may be affected by various factors, including but not limited to:

- a) Failure to locate or identify mineral deposits;
- b) Failure to achieve predicted grades and tonnes in exploration and mining;

- c) Operational and technical difficulties encountered in mining;
- d) Insufficient or unreliable infrastructure, such as power, water and transport;
- e) Difficulties in commissioning and operating plant and equipment;
- f) Mechanical failure or plant breakdown;
- g) Unanticipated metallurgical problems which may affect extraction costs;
- h) Adverse weather conditions;
- i) Industrial and environmental accidents;
- j) Industrial disputes and labour shortages; and
- k) Unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Government licences and approvals

Lepidico through its direct and indirect participation in corporations has interests in properties in Namibia. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements. The outcome in courts in other jurisdictions may be less predictable than in Australia, which could affect the enforceability of contracts entered into.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of Lepidico. Lepidico has made its investment and strategic decisions based on the information currently available to the Directors, however, should there be any material change in the political, economic, legal and social environments in UAE, and Namibia the Directors may reassess investment decisions and commitments to assets in these jurisdictions.

International Operations

Any potential future operations of Lepidico in overseas jurisdictions are subject to a number of risks, including:

- a) geopolitics associated with competition for critical minerals that could impact financing and product supply arrangements;
- b) potential difficulties in enforcing agreements and collecting receivables through foreign local systems;
- c) potential difficulties in protecting rights and interests in assets; and
- d) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

any of these factors could materially and adversely affect Lepidico's business, results of operations and financial condition.

Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- a) the emergence of new or expanded regulations associated with the transition to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Litigation Risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance, and financial position.

Refer Review of Operations above and Note 18: Contingent Liabilities for details of the dispute that the Company is currently engaged in with Jiangxi Jinhui Lithium Co., Ltd (Jinhui), a Company incorporated in China and in respect to the Offtake Agreement between Desert Lion Energy Pty Ltd (subsequently renamed Lepidico Chemicals Namibia Pty Ltd) and Jinhui dated 6 November 2017 (as amended from time to time).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as mentioned in the Review of Operations, no significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

SUBSEQUENT EVENTS

Other than the matters discussed above there are no other matters or circumstances which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

- (a) the Consolidated Entity's operations in future years, or
- (b) the results of those operations in future financial years, or
- (c) the Consolidated Entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS ON OPERATIONS

The Company plans to continue to implement its strategy to become a vertically integrated alkali metals chemical company through the commercialisation of its proprietary technologies including L-Max[®] and LOH-Max[®] and the ongoing growth, exploration and development of its portfolio of lithium interests.

The nature of the Company's business remains speculative and the Board considers that comments on expected results or success of this strategy are not considered appropriate or in the best interests of the Company.

INSURANCE AND INDEMNITY OF OFFICERS AND AUDITORS

During the year, the Company paid a premium in respect of a contract insuring the directors of the Company (named above) and the Company Secretaries against liabilities incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001 (Cth)*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

DIVIDENDS PAID OR RECOMMENDED

The Directors recommend that no dividend be paid for the year ended 30 June 2024, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

ENVIRONMENTAL REGULATIONS

The Group's operations are subject to environmental laws and regulations under the relevant governments' regulations. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant governmental authorities. There have been no significant known breaches in any of the jurisdictions which the Group operates in during the financial year.

OPTIONS

At the date of this report, the Company has the following options on issue:

Number	Exercise Price	Grant	Expiry
527,775,404	\$0.030	4 November 2022	4 November 2024
67,500,000	\$0.072	18 November 2021	18 November 2024
109,500,000	\$0.026	28 November 2022	28 November 2025
475,405,920	\$0.009	10 May 2024	10 November 2026
72,999,999	\$0.013	22 November 2023	22 November 2026
33,142,856	\$0.010	22 November 2023	22 November 2026
<u>1,286,324,179</u>			

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001(Cth)* for the year ended 30 June 2024 is included on page 29 of the Directors' Report.

The Auditor did not provide any non-audit services for the year ended 30 June 2024 (2023: \$Nil).

REMUNERATION REPORT (AUDITED)**Letter from the Chairs of the Board and People Committee**

Dear Shareholders,

This year we have taken significant steps to respond to shareholder concerns about remuneration outcomes last year, with changes to our framework and communications.

Our response to shareholder concerns in relation to the 2023 remuneration report

At our 2023 Annual General Meeting, we incurred a “first strike” with 27.94% of votes cast against the adoption of the 2023 remuneration report. The Board takes this outcome very seriously and recognises that the decisions we made last year about how we reward our executives were not well communicated and were not in line with the expectations of all of our shareholders.

We have taken significant action during the 2024 financial year, which has focused on three key aspects:

- working closely with shareholders to ensure that their concerns are well understood;
- reviewing the executive reward framework to ensure it remains “fit for purpose” in the current environment; and
- ensuring 2024 remuneration decisions appropriately reflect performance and are communicated clearly.

Primarily, shareholders were disappointed that we awarded a deferred short-term incentive (STI) in a year where Lepidico did not secure financing for the integrated Phase 1 Project. Shareholders also told us that there was insufficient transparency around the deferment of the payment of the STI. Another concern included the value of our long-term incentives (LTIs).

2024 reward outcomes

Shareholder concerns have been front of mind in making reward decisions during the 2024 financial year. Key reward decisions for 2024 include:

- no increase to Total Fixed Remuneration (TFR) in 2024 for any Executives; the last increase in TFR was 1 July 2022;
- no STI was awarded for 2024; the 2023 STI remains deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project
- LTIs rewards were reviewed for FY2024 to ensure tax efficiency in all the jurisdictions in which the Company operates; LTIs are now linked to a total value, rather than a specific number of shares, with Executives able to select the most tax-efficient option based on their jurisdiction. This approach saw a reduction in the value of LTIs awarded in FY2024 compared to FY2023

We will take advantage of opportunities to reduce remuneration costs. Following the resignation of Mr Hans Daniels in August 2024, the decision was made not to replace the GM Operations – UAE until there is more certainty around the timing of financing for the Phase 1 Project.

A more transparent reward framework

We have reflected on concerns raised by shareholders in relation to our approach with STIs last year. The Board exercised its discretion and did not award any STIs for FY2024. In addition, the disclosures regarding the FY2023 STI have been expanded below, to provide shareholders with further clarity regarding the KPIs to be satisfied before the STIs are paid.

Looking forward

Continuing to engage with you, as our shareholders, will be a key priority for FY2025 and beyond.

Yours sincerely



Gary Johnson
Board Chair



Mark Rodda
People Committee Chair

This remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service Agreements
- D. Share-Based Compensation

This remuneration report outlines the Director and Executive remuneration arrangements for the Company and Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations. For this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent Company and includes the highest paid executives of the Company and Group.

The information provided in this remuneration report has been audited as required by section 308(3c) of the Corporations Act 2001.

A. Principles Used to Determine The Nature And Amount Of Remuneration

The Company's remuneration policy is designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering incentives based on the Group's financial results. The People Committee makes recommendations to the Board which aims to attract and retain appropriate executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The People Committee considers the remuneration of Directors and the Executive and makes recommendations to the Board. Remuneration is considered annually or otherwise as required.

The nature and amount of remuneration for an executive and non-executive director depends on the nature of the role and market rates for the position, which are determined with the assistance of external advisors (where necessary), surveys and reports, taking into account the experience and qualifications of each individual. The Board ensures that the remuneration paid to KMP is competitive and reasonable.

During the financial year, the People Committee reviewed elements of KMP remuneration for the year commencing 1 July 2023 including the provision of comparative information relating to the KMP remuneration for the Company's peers and provided recommendations to the Board. The recommendations from the People Committee were approved by the Board.

The following were the KMP of the Group during the financial year and unless otherwise indicated were KMP for the entire financial year:

Non-Executive Directors

Mr Gary Johnson	Non-executive Chair
Mr Mark Rodda	Non-executive Director
Ms Cynthia Thomas	Non-executive Director

Executive Director

Mr Joe Walsh	Managing Director
--------------	-------------------

Executives

Ms Shontel Norgate	Chief Financial Officer & Joint Company Secretary
Ms Benedicta Dreyer	GM – Sustainability
Mr Hans Daniels ⁽¹⁾	GM – Operations UAE
Mr Timo Ipangelwa	GM – Operations Namibia
Mr David Hall	GM – Marketing & Investor Relations
Mr Roland Wells ⁽²⁾	Project Director (ceased being KMP on 1 June 2024)
Mr Tom Dukovcic	GM – Geology
Mr Alex Neuling ⁽³⁾	Joint Company Secretary

- (1) Mr Hans Daniels resigned on 30 August 2024.
- (2) Mr Roland Wells provides services as the Project Director through a services agreement with Project Creations Pty Ltd (Project Creations). Mr Wells contract was placed on suspension on 1 June 2024 pending securing funding for the integrated Phase 1 Project.
- (3) Mr Neuling provides services as a Joint Company Secretary through a services agreement with Erasmus Consulting Pty Ltd (Erasmus).

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Fees and payments to the Non-Executive Directors reflect the demands made and the responsibilities placed on the Non-Executive Directors. The maximum annual aggregate directors' fee pool limit is \$600,000 and was approved by shareholders at the annual general meeting on 22 November 2018.

The Company's policy is to remunerate Non-Executive Directors at market rates (for comparable companies) and reflect the demands made and the responsibilities placed on the Non-Executive Directors.

Non-Executive Director fees approved by the Board since 1 December 2018 are:

Base fees (annual) Non-Executive Chair	\$ 87,600
Other Non-Executive Directors	\$ 54,750
Chair of Audit, Risk & Sustainability/People Committee	\$ 10,000
Member of Audit, Risk & Sustainability/People Committee	\$ 10,000

Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholders' interests, Directors are encouraged to hold equity securities in the Company. Non-executive Directors are also entitled to participate in the Company's long-term incentive plan (refer *Long Term Incentives (LTIs)* below).

In addition to Directors' fees, Non-Executive Directors are entitled to additional remuneration as compensation for additional specialised services performed at the request of the Board and reimbursed for reasonable expenses incurred by directors on Company business. Non-Executive Directors' fees and payments are reviewed annually by the Board.

Retirement benefits

No retirement benefits or allowances are paid or payable to Non-Executive Directors of the Company other than superannuation benefits.

Other benefits

No motor vehicle, health insurance or other similar allowances are made available to Non-Executive Directors.

Executive Director and Executive Remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The remuneration framework aligns executive reward with the achievement of strategic and operational objectives and the creation of wealth for shareholders. The Board ensures that the executive reward framework satisfies the following key criteria in line with appropriate governance practices:

- attract, retain, motivate and reward executives;
- reward executives for Company and individual performance against pre-determined targets/benchmarks;
- link rewards with the strategic goals and performance of the Company;
- provide competitive remuneration arrangements by market standards (for comparable companies);

- align executive interests with those of the Company's shareholders; and
- comply with applicable legal requirements and appropriate standards of governance.

The Company has structured an executive remuneration framework that is market-competitive and complementary to the reward strategy of the organisation. Executive remuneration packages may comprise a mix of the following:

Fixed remuneration

Fixed remuneration comprises base salary and employer superannuation contributions. Salaries are reviewed on an annual basis to ensure competitive remuneration is paid to executives with reference to their role, responsibility, experience and performance. Salaries are reviewed on an annual basis. There are no guaranteed base pay increases included in any executive contracts.

Short-term incentives (STIs)

STIs comprise cash bonuses. The STIs are structured to provide remuneration for the achievement of individual and Company performance targets linked to the Company's strategic objectives across four areas of focus: Development, Exploration, Financing/Shareholder Value and Governance. At the beginning of each year, performance targets are set by the Board. Where possible, the performance targets are specific and measurable. At the end of each year, the Company's performance against the KPIs is assessed by the CEO, presented to the People Committee and approved by the Board. STIs may be adjusted up or down in line with under or over-achievement relative to target performance levels at the discretion of the People Committee.

During the year the Company achieved the key milestones relating to identification of capital savings for the development and construction of the integrated Phase 1 Project. In addition, a successful drill program was completed on Helikon 4. The Company finalised its Sustainability and Climate Strategy and issued its first full Sustainability Report. The Company continued to ensure the health and safety of its employees.

For the year ended 30 June 2024, no STIs were awarded to the KMP of the Company or Group (2023: \$842,562 with payment deferred until the Company satisfies certain KPIs related to securing finance for the Phase 1 Project). The number of KMP eligible for an STI for the year ended 30 June 2024 was 7 (2023:7).

Long term incentives (LTIs)

LTIs comprise options granted at the recommendation of the People Committee in order to align the objective of Directors and Executives with shareholders and the Company (refer to section D for further information). The issue of options to Directors (Non-Executive and Executive) requires shareholder approval.

The grant of share options has not been directly linked to previously determined performance milestones or hurdles as the current pre-operations stage of the Group's activities makes it difficult to determine effective and appropriate key performance indicators and milestones.

Persons granted options are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit his or her exposure to the economic risk in relation to the securities.

Consequences of Performance on Shareholder Wealth

Executive remuneration is aimed at aligning the strategic and business objectives with the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last 5 years as required by the *Corporations Act 2001*. However, given the pre-development stage of the business these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. Consequently, there may not be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
Net Profit/(Loss)	(10,118,237)	\$282,556	(7,941,340)	(3,604,123)	(7,068,212)
EPS	(0.002)	0.00006	(0.00127)	(0.0005)	(0.00091)
Share price at 30 June	0.007	0.01	0.026	0.011	0.003

B. Details Of Remuneration

Amounts of remuneration

Details of the remuneration paid or payable to the directors and Key Management Personnel of the Group are set out in the following tables.

		Short-term Benefits		Post-employment Benefits	Share-based Payments	Total including Deferred STI	Total Performance Based Remuneration
		Cash Salary and Fees	Other (Deferred STI Not Paid)	Retirement Benefits	Equity Options		
					\$	\$	\$
Non-Executive Directors							
Mr Gary Johnson	2024	100,000	-	11,000	41,667	152,667	27%
	2023	100,000	-	10,500	52,500	163,000	32%
Mr Mark Rodda	2024	80,000	-	8,800	41,667	130,467	32%
	2023	80,000	-	8,400	52,500	140,900	37%
Ms Cynthia Thomas	2024	88,800	-	-	41,667	130,467	32%
	2023	88,400	-	-	52,500	140,900	37%
Executive Director							
Mr Joe Walsh ⁽¹⁾	2024	524,063	-	-	85,714	609,777	14%
	2023	521,448	267,116*	-	105,000	893,564	42%
Executives							
Mr Tom Dukovcic	2024	247,748	-	27,252	56,571	331,571	17%
	2023	248,869	83,325*	26,131	70,000	428,325	36%
Mr David Hall ⁽²⁾	2024	279,279	-	30,721	55,000	365,000	15%
	2023	257,164	85,695*	27,002	70,000	439,861	35%
Ms Shontel Norgate ⁽³⁾	2024	402,476	-	-	56,571	459,047	12%
	2023	400,468	123,086*	-	70,000	593,554	33%
Ms Benedicta Dreyer ⁽⁴⁾	2024	246,292	-	-	55,000	301,292	18%
	2023	239,897	73,154*	-	70,000	383,051	37%
Mr Hans Daniels ⁽⁵⁾	2024	445,070	-	-	55,000	500,070	11%
	2023	421,406	129,116*	-	70,000	620,522	32%
Mr Timo Ipangelwa ⁽⁶⁾	2024	231,717	-	-	55,000	286,717	19%
	2023	206,892	62,791*	-	70,000	339,683	39%
Mr Roland Wells ⁽⁷⁾	2024	176,614	-	-	-	176,614	0%
	2023	320,101	-	-	-	320,101	0%
Mr Peter Walker ⁽⁸⁾	2024	-	-	-	-	-	0%
	2023	106,738	-	-	-	106,738	0%
Mr Alex Neuling ⁽⁹⁾	2024	47,520	-	-	-	47,520	0%
	2023	54,100	-	-	28,000	82,100	34%
Total Directors' and KMP Remuneration	2024	2,869,579	-	77,773	543,857	3,491,209	16%
	2023	3,045,483	824,283*	72,033	710,500	4,652,299	33%

* Deferred and not paid

- (1) Mr Walsh is remunerated in Canadian dollars and his total salary paid was C\$465,500 (2023: C\$465,000). The Company uses the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of C\$1.00 for every A\$1.1258 (2023: C\$1.00 for every A\$1.1202).
- (2) Mr Hall commenced being a KMP on 1 August 2023.
- (3) Ms Norgate is remunerated in Canadian dollars and her total salary paid was C\$357,500 (2023: C\$357,500). The Company uses the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of C\$1.00 for every A\$1.1258 (2023: C\$1.00 for every A\$1.1202).
- (4) Ms Dreyer is remunerated in Namibian dollars and her total salary paid was N\$3,022,224 (2023: N\$3,022,224). The Company uses the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of N\$1.00 for every A\$0.08149 (2023: N\$1.00 for every A\$0.0794).
- (5) Mr Daniels is remunerated in UAE Dirham and his total salary paid was AED1,071,996 (2023: AED1,044,339). The company uses the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of AED1.00 for every A\$0.4152 (2023: AED1.00 for every A\$0.4053). Mr Daniels resigned on 30 August 2024.
- (6) Mr Ipangelwa is remunerated in Namibian dollars and his total salary paid was N\$2,606,428 (2023: 2,606,428). The Company uses the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of N\$1.00 for every A\$0.08149 (2023: N\$1.00 for every A\$0.0794).
- (7) Mr Wells provided services as the Project Director through a services agreement with Project Creations Pty Ltd (Project Creations). Mr Wells ceased being a KMP on 1 June 2024. During the year Project Creations was paid or is payable fees of \$176,614 (2023: \$320,101) for the provision of project management services for the Phase 1 Project.
- (8) Mr Walker ceased being a KMP on 31 August 2022. Mr Walker is remunerated in Great British pounds and his total salary paid in 2023 was GBP£56,760. The Company uses the average annual rate to translate remuneration into the reporting currency and was translated in 2023 at the rate of GBP£1.00 for every A\$1.8805.
- (9) Mr Neuling provides services as the Joint Company Secretary through a services agreement with Erasmus Consulting Pty Ltd (Erasmus). During the year Erasmus was paid or is payable fees of \$47,520 (2023: \$54,100) for the provision of company secretarial services to the Group.

Loans to Key Management Personnel

There were no loans made to Directors or other KMP of the Group (or their personally related entities) during the current financial period.

Other Transactions with Key Management Personnel

	2024	2023
	\$	\$
Payments to director-related entities ⁽¹⁾	22,554	766,749

- ⁽¹⁾ Payments were made to Strategic Metallurgy Pty Ltd, a company of which Mr Gary Johnson is a director and beneficial shareholder. The payments were for the development of L-Max[®] technology on an arm's length basis. As at 30 June 2024, no invoices (2023: \$2,866) were payable.

C. Service Agreements

The remuneration and other terms of agreement for the Company's Managing Director and other KMP are formalised in employment contracts, as set out below.

Mr Joe Walsh, Managing Director (MD) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as MD and provides for an annual review of base remuneration taking into account performance. Mr Walsh's remuneration includes a salary of C\$465,500 per annum. Mr Walsh did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2023: C\$235,078; payment of the bonus has been deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 6 months' written notice. Upon termination, the MD is entitled to receive from the Group all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the MD will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Mr Tom Dukovic, GM - Geology (GMG) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as GMG and provides for an annual review of base

remuneration taking into account performance. Mr Dukovcic's remuneration includes a salary of \$275,000 per annum inclusive of superannuation. Mr Dukovcic did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2022: \$83,325; payment of the bonus has been deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 6 months' written notice. Upon termination, the GMG is entitled to receive from the Company all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the GMG will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Mr David Hall, General Manager – Marketing & Investor Relations (MIR) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as MIR and provides for an annual review of base remuneration taking into account performance. Mr Hall's remuneration includes a salary of A\$310,000 per annum, inclusive of superannuation. Mr Hall did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2023: A\$85,695; payment of the bonus has been deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 3 months' written notice. Upon termination, the MIR is entitled to receive from the Company all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the MIR will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Ms Shontel Norgate, Chief Financial Officer (CFO) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as CFO and provides for an annual review of base remuneration taking into account performance. Ms Norgate's remuneration includes a salary of C\$357,500 per annum. Ms Norgate did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2023: C\$108,323; payment of the bonus has been deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 3 months' written notice. Upon termination, the CFO is entitled to receive from the Company all payments owed to her under the employment agreement up to and including the date of termination and any payments due to her pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the CFO will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Ms Benedicta Dreyer, General Manager – Sustainability (GMS) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as GMS and provides for an annual review of base remuneration taking into account performance. Ms Dreyer's remuneration includes a salary of N\$3,022,224 per annum. Ms Dreyer did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2023: N\$915,734; payment of the bonus has been deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 3 months' written notice. Upon termination, the GMS is entitled to receive from the Company all payments owed to her under the employment agreement up

to and including the date of termination and any payments due to her pursuant to any relevant legislation by way of accrued annual leave and long service leave.

Mr Timo Ipangelwa, General Manager – Operations Namibia (ON) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as ON and provides for an annual review of base remuneration taking into account performance. Mr Ipangelwa's remuneration includes a salary of N\$2,606,428 per annum. Mr Ipangelwa did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2023: N\$786,010; payment of the bonus will be deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 3 months' written notice. Upon termination, the ON is entitled to receive from the Company all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and long service leave.

Mr Hans Daniels, General Manager – Operations UAE (OU) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as OU and provides for an annual review of base remuneration taking into account performance. Mr Daniel's remuneration includes a salary of AED1,071,996 per annum. Mr Daniels did not receive an increase in base salary during the reporting period. No monetary bonus has been awarded for the financial year ended 30 June 2024 (2023: AED315,026; payment of the bonus will be deferred until the satisfaction of specific KPIs related to securing finance for the Phase 1 Project).

Termination of the employment agreement requires 3 months' written notice. Upon termination, the OU is entitled to receive from the Company all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and end-of-service benefit. Mr Daniels resigned on 30 August 2024.

D. Share Based Compensation

Share Holdings

The number of shares and options over ordinary shares in the Group held during the financial year by each director of Lepidico Ltd and other KMP of the Group, including their personally related parties, are set out below:

2024	Balance at start of year	Purchased	Exercised Options	Sold	Other Net Change	Balance at end of year
Non-Executive Directors						
Mr Gary Johnson	340,789,197	9,437,833	-	-	(100,000)	350,127,030
Mr Mark Rodda	-	-	-	-	-	-
Ms Cynthia Thomas	-	-	-	-	-	-
Executive Director						
Mr Joe Walsh	37,215,430	9,303,856	-	-	-	46,519,286
Key Management						
Mr Tom Dukovcic	6,608,446	5,008,480	-	-	-	11,616,926
Ms Shontel Norgate	14,314,022	3,687,499	-	-	-	18,001,521
Ms Benedicta Dreyer	-	-	-	-	-	-
Mr Timo Ipangelwa	-	-	-	-	-	-
Mr Hans Daniels	-	-	-	-	-	-
Mr David Hall	-	-	-	-	-	-
Mr Roland Wells ⁽¹⁾	379,500	94,875	-	-	(474,375)	-
Mr Alex Neuling	3,898,495	-	-	-	-	3,898,495
Total	403,205,090	27,532,543	-	-	(574,375)	430,163,258

⁽¹⁾ Mr Wells ceased being a KMP on 1 June 2024

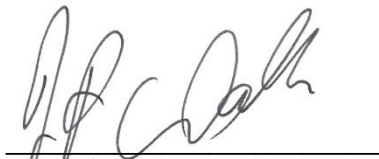
Option Holdings

2024	Balance at start of year	Granted during the year as remuneration	Purchased during year	Expired during year	Sold during the year	Net Other Change	Balance at end of year	* Vested and exercisable at end of year
Non-Executive Directors								
Mr Gary Johnson	25,165,436	8,333,333	4,718,917	(7,500,000)	-	-	30,717,686	30,717,686
Mr Mark Rodda	22,500,000	8,333,333	-	(7,500,000)	-	-	23,333,333	23,333,333
Ms Cynthia Thomas	22,500,000	8,333,333	-	(7,500,000)	-	-	23,333,333	23,333,333
Executive Directors								
Mr Joe Walsh	45,873,429	14,285,714	4,651,928	(15,000,000)	-	-	49,811,071	49,811,071
Key Management								
Mr Tom Dukovic	30,000,000	9,428,571	2,504,240	(10,000,000)	(2,504,240)	-	29,428,571	29,428,571
Ms Shontel Norgate	30,000,000	9,428,571	1,843,750	(10,000,000)	-	-	31,272,321	31,272,321
Ms Benedicta Dreyer	10,000,000	11,000,000	-	-	-	-	21,000,000	21,000,000
Mr Timo Ipangelwa	10,000,000	11,000,000	-	-	-	-	21,000,000	21,000,000
Mr Hans Daniels	10,000,000	11,000,000	-	-	-	-	21,000,000	21,000,000
Mr David Hall	10,000,000	11,000,000	-	-	-	-	21,000,000	21,000,000
Mr Roland Wells ⁽¹⁾	17,250	-	47,437	-	-	(64,687)	-	-
Mr Alex Neuling	4,000,000	-	-	-	-	-	4,000,000	4,000,000
Total	220,056,115	102,142,855	13,766,272	(57,500,000)	(2,504,240)	(64,687)	275,896,315	275,896,315

⁽¹⁾ Mr Wells ceased being a KMP on 1 June 2024

Details of the share options granted during the year as remuneration are disclosed in Note 16(b) as approved by shareholders at the Company's Annual General Meeting in November 2023.

This report is made in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.



Joe Walsh
Managing Director

Dated this 20th day of September 2024

Auditor's Independence Declaration

Under Section 307c of the Corporations Act 2001

To the directors of Lepidico Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



SL Tan
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)
Perth

20th day of September 2024



Moore Australia Audit (WA)
Chartered Accountants

Consolidated Statement of Profit and Loss and Other Comprehensive Income as at 30 June 2024

	Note	2024 \$	2023 \$
Continuing Operations			
Other income	3	195,171	7,023,495
Business development expenses		(287,621)	(951,606)
Administrative expenses	4	(3,087,525)	(2,788,500)
Employment benefits		(3,001,109)	(4,170,551)
Depreciation		(610,384)	(571,325)
Share based payments		(563,857)	(766,500)
Finance costs		(676,356)	(632,296)
Exploration and evaluation expenditure expensed		(144,008)	(46,162)
R&D expenditure expensed		-	(56,901)
Loss before income tax		(8,175,689)	(2,960,346)
Income tax benefit/(expense)	5	1,107,477	(643,777)
Loss from continuing operations after tax		(7,068,212)	(3,604,123)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		92,000	(667,754)
Total comprehensive loss for the year		(6,976,212)	(4,271,877)
Comprehensive loss for the year attributable to:			
Owners of the parent		(6,440,468)	(4,311,630)
Non-controlling interest		(627,744)	707,507
		(7,068,212)	(3,604,123)
Loss per share for the year attributable to the members of Lepidico Ltd			
Basic and diluted loss per share	7	(0.00091)	(0.0005)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	4,673,677	10,828,962
Trade and other receivables	9	343,546	703,453
TOTAL CURRENT ASSETS		5,017,223	11,532,415
NON-CURRENT ASSETS			
Trade and other receivables	9	716,755	728,135
Property, plant and equipment	10	16,806,534	17,061,890
Exploration and evaluation expenditure	11	50,502,334	48,356,862
Intangible asset	12	28,981,052	28,773,120
TOTAL NON-CURRENT ASSETS		97,006,675	94,920,007
TOTAL ASSETS		102,023,898	106,452,422
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,906,978	2,130,854
Provisions	14	284,076	268,115
Borrowings and lease liabilities	15	49,231	595,277
TOTAL CURRENT LIABILITIES		2,240,285	2,994,246
NON-CURRENT LIABILITIES			
Trade and other payables	13	510,479	-
Provisions	14	1,089,251	808,068
Borrowings and lease liabilities	15	7,671,329	7,136,646
Deferred Tax Liability	5	2,042,036	3,055,201
TOTAL NON-CURRENT LIABILITIES		11,313,095	10,999,915
TOTAL LIABILITIES		13,553,380	13,994,161
NET ASSETS		88,470,518	92,458,261
EQUITY			
Issued capital	16	124,685,798	122,261,186
Reserves	17	8,715,938	8,060,081
Equity component of convertible note		990,000	990,000
Accumulated losses		(52,405,370)	(45,964,902)
Equity attributable to owners of the Parent		81,986,366	85,346,365
Non-controlling interests		6,484,152	7,111,896
TOTAL SHAREHOLDERS EQUITY		88,470,518	92,458,261

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Year ended 30 June 2024

For personal use only

	Attributable to the owners of the Company							Non Controlling Interest	Total Equity
	Issued Capital	Reserves			Equity component of convertible note	Accumulated Losses	Total		
		Options	Warrants	Foreign Currency					
		\$	\$	\$					
Balance at 1 July 2022	102,655,726	6,619,847	415,135	1,009,733	990,000	(41,653,272)	70,037,169	6,404,389	76,441,558
Loss for the year	-	-	-	-	-	(4,311,630)	(4,311,630)	707,507	(3,604,123)
Other comprehensive loss	-	-	-	(667,754)	-	-	(667,754)	-	(667,754)
Shares issued (net of costs)	18,307,021	-	-	-	-	-	18,307,021	-	18,307,021
Options issued	-	766,500	-	-	-	-	766,500	-	766,500
Options exercised	1,215,059	-	-	-	-	-	1,215,059	-	1,215,059
Fair value of options exercised	83,380	(83,380)	-	-	-	-	-	-	-
Balance at 30 June 2023	122,261,186	7,302,967	415,135	341,979	990,000	(45,964,902)	85,346,365	7,111,896	92,458,261
Loss for the year	-	-	-	-	-	(6,440,468)	(6,440,468)	(627,744)	(7,068,212)
Other comprehensive loss	-	-	-	92,000	-	-	92,000	-	92,000
Shares issued (net of costs)	2,424,545	-	-	-	-	-	2,424,545	-	2,424,545
Options issued	-	563,857	-	-	-	-	563,857	-	563,857
Options exercised	67	-	-	-	-	-	67	-	67
Fair value of options exercised	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	124,685,798	7,866,824	415,135	433,979	990,000	(52,405,370)	81,986,366	6,484,152	88,470,518

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow For the Year ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(5,222,255)	(6,777,822)
Interest received		182,945	274,374
Interest paid		(21,111)	(6,649)
Payments made in relation to legal dispute		(653,984)	(251,132)
Net cash provided by/(used in) operating activities	21	(5,714,405)	(6,761,229)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation activities		(2,121,768)	(3,386,010)
Payments for research and development activities		(155,078)	(385,420)
Proceeds from research and development tax credit		135,653	2,181,799
Payments for property, plant and equipment		(750,197)	(8,232,247)
Proceeds from property, plant and equipment		23,637	-
Net cash used in investing activities		(2,867,753)	(9,821,878)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of costs)		2,424,545	18,307,021
Proceeds from exercise of options (net of costs)		67	1,215,059
Proceeds from borrowings		53,389	169,114
Repayment of borrowings		(42,276)	(6,980)
Net cash provided by financing activities		2,435,725	19,684,214
Net increase/(decrease) in cash held		(6,146,433)	3,101,107
Cash at beginning of financial year		10,828,962	8,042,822
Effect of foreign exchange rate changes		(8,852)	(314,967)
Cash at end of financial year	8	4,673,677	10,828,962

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Year ended 30 June 2024

Note 1: Statement of Material Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Lepidico Ltd and its controlled entities (the Group or Consolidated Entity or Economic Entity). Lepidico Ltd is a listed public company, incorporated and domiciled in Australia. The financial report of the Group complies with all Australian equivalents to International Financial Reporting Standards (A-IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements were authorised for issue on 20th September 2024 by the Directors of the Company. The Directors have the power to amend and re-issue the financial report. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Accounting Policies

(a) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the Group to continue as a going concern is dependent on the Company being able to continue to raise additional funds as required to meet ongoing exploration and development programs and working capital. Further, the current high inflationary environment has negatively impacted the global economy and created volatile market dynamics.

For the year ended 30 June 2024, the Group incurred a net loss after tax of \$7,068,212 and a net cash outflow from operations of \$5,714,405. On 30 June 2024, the Company had net current assets of \$ 2,776,938.

The financial report has been prepared on a going concern basis which the Directors consider to be appropriate as they believe that the Group will be able to raise additional capital as required based on current financing initiatives, existing standby equity raising facilities in place and the successful outcomes of previous Entitlement Offers. There remains ongoing strategic partner interest in the Company and the long-term outlook for the lithium industry remains robust.

While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. The Company's opinion concerning its ability to secure future financing options is based on currently available information. To the extent that this information proves to be inaccurate, or the current high inflationary environment continues for a prolonged period of time and/or impacts capital markets further the future availability of financing may be adversely affected.

(b) Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent (Lepidico Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 2.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Item	Depreciation Method	Average Useful Life
Buildings & Infrastructure	Straight line	10 years/Life of Mine
Furniture, Fittings & Equipment	Straight line	3-5 years
Motor Vehicles	Straight line	4 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases (the Group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;

- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

The present value of the lease liability is increased by the interest cost and decreased by the lease payment each period over the life of the lease. The Group includes right of use leased assets separately in Property, Plant, Equipment disclosures. All new contracts of the Group are assessed on an ongoing basis to determine if a right of use asset exists and if they require recognition under the requirements of the lease standard.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

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

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

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs of site restoration are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(h) Financial Instruments

The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Group subsequently measures all equity investments at fair value. The Group has not elected to present fair value gains and losses on equity investments in OCI, where there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the Group to account for expected credit loss since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

(i) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the

assets carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that Entity operates. The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- (i) assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- (ii) income and expenses are translated at average exchange rates for the period; and
- (iii) retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(l) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(n) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Recoverability of Exploration and Evaluation Expenditure

The Company's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

(ii) Recoverability of Intangible Assets (Research & Development Expenditure)

The recoverability of capitalised research and development expenditures recognised as a non-current asset is dependent upon the successful development, or alternatively sale, of the respective intellectual property which comprise the assets. Refer to Note 12 for details of how the research and development expenditure has been valued. Judgement is applied by management in determining when these assets are commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to future events. If a judgement is made that the intellectual property is impaired, the relevant capitalised amount will be written off to the income statement.

(iii) Property, Plant and Equipment / Phase 1 Project – recoverable amount

The Company is embarking on its Phase 1 Project which is expected to fully integrate the Company's major non-current assets such as its proprietary intellectual property, mineral reserves (in the form of capitalised exploration and evaluation expenditures) and infrastructure as part of any future development activities. The determination of the Project's Fair Value Less Cost of Disposal (FVLCD) and value in use (or NPV) projection requires management to make estimates about future capital expenditure, expected production and sales volumes, commodity prices, reserves, operating / financing costs, and rehabilitation costs. Management also considers the impact of material climate-related risks, both transitional and physical, on estimates of future costs and useful lives of assets. Changes in circumstances may alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged to the income statement.

(q) Intangibles Assets – Intellectual Property Development Expenditure

Such assets are recognised at cost of acquisition. Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributed to the intangible asset during its development.

Capitalised development costs will be amortised over their expected useful life of the intangible asset once full commercialisation or production commences.

(r) Adoption of New and Revised Accounting Standards

Standards and Interpretations applicable to 30 June 2024

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting period beginning on or after 1 July 2023. The changes that impact the Company are as follows:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates / AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2021-2 amends a number of accounting standards to improve accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates.

In particular, it amends AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies and provides the following factors to assist an entity in determining if the accounting policy information is material:

- a) Changes in accounting policy
- b) Documentation of choice in the accounting standards
- c) An accounting policy developed in the absence of an explicit accounting standard requirement
- d) Significant judgement or estimation
- e) Complex transaction and accounting policy need to explain treatment.

AASB 2021-6 makes consequential amendments to a number of Australian-specific standards.

AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules / AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures

Amendments have been made to AASB 112 *Income Taxes* by introducing a mandatory exception from accounting for deferred taxes arising from the OECD's Pillar Two Model Rules and adding new disclosure requirements for both full and simplified disclosure financial statements.

(s) New Accounting Standards Issued but not yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. Management is currently assessing the impact of these standards on the Group's financial statements in the year of initial application.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation in the current financial year.

Note 2: Interests in other entities

(a) Controlled Entities

The Group's principal subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

	Country of Incorporation	Interest as at 30 June (%)		Principal Activity
		2024	2023	
Parent Entity:				
Lepidico Ltd	Australia			
Subsidiaries of Lepidico Ltd:				
Lepidico Holdings Pty Ltd	Australia	100	100	Lithium Exploration and Investment
Li Technology Pty Ltd	Australia	100	100	Holder of L-Max [®] Technology
Silica Technology Pty Ltd	Australia	100	100	Holder of S-Max [®] Technology
Bright Minz Pty Ltd	Australia	100	100	Holder of LOH-Max [®] Technology
Mica Exploration Pty Ltd	Australia	100	100	Lithium Exploration
Lepidico (Netherlands) Coöperatief U.A.	Netherlands	100	100	International Holding Company
Lepidico (Netherlands) B.V.	Netherlands	100	100	Global Marketing Company
Lepidico (UK) Ltd	United Kingdom	100	100	Management Company
Lepidico Holdings (Canada) Inc	Canada	100	100	Holding Company
Lepidico (Canada) Inc	Canada	100	100	Management Company
Lepidico (Mauritius) Ltd	Mauritius	100	100	Holding Company
Lepidico Chemicals Namibia (Pty) Ltd	Namibia	80	80	Exploration and Development Company
Lepidico Infrastructure Namibia (Pty) Ltd	Namibia	100	100	Dormant
Lepidico Chemicals Manufacturing Ltd	UAE	100	100	Developer of Phase 1 Chemical Plant
Lepidico Strategic Chemicals Manufacturing LLC-OPC	UAE	100	-	Collaboration in the UAE for lithium opportunities

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for Lepidico Chemicals Namibia (Pty) Ltd (LCN), the subsidiary that has a non-controlling interest and is material to the group. The amounts disclosed for the subsidiary are in Australian dollars (A\$) before inter-company eliminations.

Summarised Balance Sheet

	2024 \$	2023 \$
Current assets	236,708	317,194
Current liabilities	(595,079)	(418,903)
Current net assets/(liabilities)	(358,371)	(101,709)
Non-current assets	24,119,759	22,492,194
Non-current liabilities	(14,597,048)	(9,985,017)
Non-current net assets	9,522,711	12,507,177
Net assets	9,164,340	12,405,468
Accumulated NCI	6,484,152	7,111,896

Summarised statement of comprehensive income

	2024 \$	2023 \$
Revenue	18,604	6,448,227
Profit/(Loss) for the period	(3,126,204)	4,084,240
Other comprehensive income	(114,924)	114,644
Total comprehensive income/(loss)	(3,241,128)	4,198,884
Profit/(Loss) allocated to NCI	(627,744)	707,507

Summarised cashflows

	2024 \$	2023 \$
Cash flows from operating activities	(934,792)	(1,259,874)
Cash flows used in investing activities	(2,051,923)	(2,433,272)
Cash flows from financing activities	3,103,597	3,214,403
Net increase/(decrease) in cash and cash equivalents	116,882	(478,743)

Under the Shareholders' Agreement Term Sheet, Lepidico Ltd, has the discretion to either finance all expenditures of LCN and/or arrange for third party financing. LCN is currently funded via an interest bearing intercompany loan facility between the Company and LCN.

Note 3: Revenue

	2024 \$	2023 \$
Other Income		
Deferred revenue recognised on termination	-	6,447,728
Interest	182,945	274,374
Profit on Sale of Fixed Assets	12,226	-
Realised FX gain	-	301,393
Other Income	195,171	7,023,495
Total Revenue	195,171	7,023,495

Note 4: Administrative Expenses

	2024	2023
	\$	\$
Office & general	525,396	758,837
Professional services	733,412	859,757
Compliance related	551,886	588,172
Travel	155,871	370,528
Total Administrative Expenses	1,966,565	2,577,294

Other Significant Administrative Expenses

The following significant expenses were incurred during the year and impacted the financial performance:

Legal Dispute	1,120,960	211,206
Total Administrative Expenses	3,087,525	2,788,500

Note 5: Income Tax Expense

	2024	2023
	\$	\$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	(1,101,088)	643,777
Losses recouped not previously recognised	(6,389)	-
Income tax expense/(benefit) reported in statement of comprehensive income	<u>(1,107,477)</u>	<u>643,777</u>
(b) The prima facie tax expense/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2023:30%)	(2,452,707)	(888,104)
Add tax effect of:		
- Share based payments	169,157	229,950
- Foreign expenditure	1,143	168,923
- Deferred tax balances not recognised	1,536,253	441,008
- Foreign tax rate differential	(226,607)	76,497
- Adjustments to income tax of previous years	(72,993)	11,545
- Permanent impact of R&D Claims	(21,789)	436,816
- Other non-allowable items	(39,934)	167,142
Less tax effect of:		
- Deferred tax balances not recognised	-	-
- Losses recouped not previously recognised	-	-
Income tax expense/(benefit) reported in statement of comprehensive income	<u>(1,107,477)</u>	<u>643,777</u>

(c) Deferred tax recognised:		
Deferred Tax Liabilities:		
Karibib assets	(2,042,036)	(3,055,201)
Exploration expenditure	(4,245)	(4,245)
L-Max [®] Technology	(718,190)	(718,190)
L-Max [®] Pilot Plant	(729,091)	(727,762)
Other	(56,865)	(22,082)
Deferred Tax Assets:		
Carry forward revenue losses	1,508,391	1,472,279
Net deferred tax	<u>(2,042,036)</u>	<u>(3,055,201)</u>
(d) Unrecognised deferred tax assets:		
Carry forward revenue losses	13,879,047	12,407,009
Capital raising and other costs	38,598	103,877
L-Max Licence	21,826	21,826
Borrowing costs	38,624	38,624
Bright Minz acquisition	2,520	2,520
Provision and accruals	99,587	94,218
	<u>14,080,202</u>	<u>12,668,074</u>

(e) Tax consolidation

Lepidico and its wholly owned Australian resident subsidiaries formed a tax consolidated group effective from 1 July 2014. Lepidico Ltd is the head entity of the tax consolidated group.

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- The Company derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised;
- The Company continues to comply with the conditions of deductibility imposed by law; and
- No changes in income tax legislation adversely affect the Company in utilising the benefits

Note 6: Auditor's Remuneration

	2024	2023
	\$	\$
Audit remuneration paid to the auditor of the parent entity	55,882	53,080
Audit remuneration paid to a subsidiary auditor (CRVW and Co)	42,385	40,892
	<u>98,267</u>	<u>93,973</u>

Note 7: Earnings per Share

The calculation of basic profit or loss per share for each year was based on the profit or loss attributable to ordinary shareholders and using a weighted average number of ordinary shares outstanding during the year. The Company's potential ordinary shares were not considered dilutive as the Company is in a loss position.

	2024	2023
	\$	\$
Profit/(Loss) attributable to the ordinary equity holders of the Company	(0.00091)	(0.0005)
	\$	\$
Profit/(Loss) from continuing operations	(7,068,212)	(3,604,123)
	No.	No.
Weighted average number of ordinary shares	7,771,160,772	7,251,386,048

Note 8: Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	4,673,677	10,828,962

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 23.

Note 9: Trade and Other Receivables

	2024	2023
	\$	\$
Current		
Prepaid expenses	240,893	201,537
R&D tax rebate receivable	-	220,000
Goods and services tax receivable	102,653	281,916
Total Current Trade and Other Receivables	343,546	703,453
Non-Current		
Cash backed guarantees and deposits	716,755	728,135
Total Non-Current Trade and Other Receivables	716,755	728,135
Total Trade and Other Receivables	1,060,301	1,431,588

Note 10: Property, Plant and Equipment

a) Movements during the year

	Buildings & Infrastructure	Furniture, Fittings & Equipment	Motor Vehicles	Assets under Development	Right of Use Asset	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at 1 July 2022	1,761,097	307,387	181,354	-	7,281,463	9,531,301
Additions	7,631	43,896	192,318	8,483,320	-	8,727,165
Disposals	-	(20,066)	-	-	-	(20,066)
Impact of foreign exchange	(19,585)	(9,123)	(380)	-	275,319	246,231
Balance at 30 June 2023	1,749,143	322,094	373,292	8,483,320	7,556,782	18,484,631
Additions	-	14,745	61,143	334,795	-	410,683
Disposals	-	(7,067)	(68,591)	-	-	(75,658)
Impact of foreign exchange	236	2,748	31,768	1,389	(33,777)	2,364
Balance at 30 June 2024	1,749,379	332,520	397,612	8,819,504	7,523,005	18,822,020
Accumulated Depreciation						
Balance at 1 July 2022	416,933	181,492	133,166	-	208,933	940,524
Depreciation	207,002	46,697	19,504	-	298,122	571,325
Disposals	-	(20,066)	-	-	-	(20,066)
Impact of foreign exchange	(53,262)	(13,087)	(14,550)	-	11,857	(69,042)
Balance at 30 June 2023	570,673	195,036	138,120	-	518,912	1,422,741
Depreciation	202,120	43,965	57,423	-	306,875	610,383
Disposals	-	(2,515)	(61,732)	-	-	(64,247)
Impact of foreign exchange	19,743	4,472	30,038	-	(7,644)	46,609
Balance at 30 June 2024	792,536	240,958	163,849	-	818,143	2,015,486
Net Book Value						
At 30 June 2023	1,178,470	127,058	235,172	8,483,320	7,037,870	17,061,890
At 30 June 2024	956,843	91,562	233,763	8,819,504	6,704,862	16,806,534

b) Impairment Testing of Non-Current Assets

The Group reviews its non-current assets at each reporting period and performs a formal estimate of the recoverable amount when circumstances dictate that the carrying value may be impaired.

At 30 June 2024, upon identification of an impairment indicator relating to the Group's market capitalisation relative to the Group's net assets, management performed an impairment assessment on the Phase 1 Project's anticipated CGU. The Phase 1 Project comprises the assets listed in Note 10(a) Assets Under Development, Right of Use Asset, associated plant and equipment, Note 11 - Capitalised exploration and evaluation expenditure and Note 12 - Intangible assets.

Management's impairment assessment includes applying the value in use (VIU) methodology which incorporate several key project parameters that underpin the Phase 1 Project NPV outlined in the Company's ASX announcement on 30 October 2023. Amongst others, the key parameters include:

- Current long term forecast price of lithium hydroxide and spodumene 6% (US\$/tonne) sourced from Benchmark Minerals Intelligence
- Average grade of ore processed
- Production life
- Tonnes of ore mined and processed
- Phase 1 pre-production capital
- Phase 1 AISC (US\$/tonne LCE)
- 8% discount rate

The assessment of the recoverable amount of the Phase 1 Project CGU has determined that no impairment is required at 30 June 2024.

Under the current valuation methodology, a change in the underlying parameters could impact the Project's estimated recoverable value in future financial periods. This change could arise from fluctuations in commodity pricing, operating costs, interest rates, ore grades, technological changes and other contributing factors that could impact on the Project economics. In addition, any changes in the mineral resources of the Phase 1 Project (namely the Helikon and Rubicon ore reserves) could similarly affect its recoverable value.

Note 11: Exploration and Evaluation Expenditure

	2024 \$	2023 \$
Exploration expenditure	50,502,334	48,356,862

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining permits. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production. The impairment of exploration expenditure represents projects that the company is no longer pursuing.

Reconciliation of movements during the year:	2024 \$	2023 \$
Balance at the beginning of year	48,356,862	46,763,770
Exploration and evaluation costs capitalised	2,082,760	2,214,751
Exploration and evaluation costs written off	(144,008)	(46,162)
Impact of foreign exchange	206,720	(575,497)
Balance at the end of the year	50,502,334	48,356,862

Note 12: Intangible assets

	2024 \$	2023 \$
L-Max [®] Technology	28,119,498	27,970,788
S-Max [®] Technology	158,689	152,328
LOH-Max [®] Technology	674,399	628,130
Lepidico Trademark	28,466	21,874
Intangible assets	28,981,052	28,773,120

The recoverability of the carrying amount of the L-Max[®], S-Max[®] and LOH-Max[®] Technologies is dependent of the successful development and commercial exploitation or sale of the asset.

Capitalised development costs will be amortised over their expected useful life of the intangible assets once full commercialisation of production commences.

	2024 \$	2023 \$
Reconciliation of movements during the year:		
Balance at the beginning of year	28,773,120	29,065,361
Intangible costs capitalised	207,932	659,064
Intangible costs written off	-	(56,901)
Research and Development Tax Credit received/receivable	-	(894,404)
Balance at the end of the year	28,981,052	28,773,120

Note 13: Trade and Other Payables

	2024 \$	2023 \$
Current		
Trade payables	44,835	676,172
Sundry payables and accrued expenses	1,862,143	1,454,682
Total Current Trade and Other Payables	1,906,978	2,130,854
Non-Current		
Sundry payables and accrued expenses	510,479	-
Total Non-Current Trade and Other Payables	510,479	-
Total Trade and Other Payables	2,417,457	2,130,854

Note 14: Provisions

	2024 \$	2023 \$
Current		
Employee provisions	284,076	268,115
Total Current Provisions	284,076	268,115
Non-Current		
Employee provisions	280,498	56,020
Make good provision (KEZAD)	808,753	752,048
Total Non-Current Provisions	1,089,251	808,068
Total Provisions	1,373,327	1,076,183

Reconciliation of movements during the period:	Make Good \$	Employee \$
Balance at 1 July 2022	670,970	178,697
Additional provisions	-	311,702
Provisions used	-	(165,103)
Unwinding of discount	54,978	-
Impact of foreign exchange	26,100	(1,161)
Balance at 30 June 2023	<u>752,048</u>	<u>324,135</u>
Additional provisions	-	544,385
Provisions used	-	(294,766)
Unwinding of discount	61,127	-
Impact of foreign exchange	(4,422)	(9,181)
Balance at the end of the period	<u>808,753</u>	<u>564,574</u>

Note 15: Borrowings and Lease Liabilities

	2024 \$	2023 \$
Current		
Lease liabilities	-	565,588
Other borrowings	49,231	29,689
Total Current Borrowings and Lease Liabilities	<u>49,231</u>	<u>595,277</u>
Non-Current		
Lease liabilities	7,549,168	7,011,887
Other borrowings	122,161	124,759
Total Non-Current Borrowings and Lease Liabilities	<u>7,671,329</u>	<u>7,136,646</u>
Total Borrowings and Lease Liabilities	<u>7,720,560</u>	<u>7,731,923</u>

(a) Lease liabilities

(i) Land Lease

In October 2021 the Group entered into the Musataha lease agreement with Abu Dhabi Ports securing the 57,000m² site for the Phase 1 chemical plant for an initial term of 25 years.

Reconciliation of movements during the year:	2024 \$	2023 \$
Balance at the beginning of period	7,577,475	7,024,069
Lease repayments paid/payable	(588,457)	(286,619)
Interest expense	594,118	570,669
Impact of foreign exchange	(33,968)	269,356
Balance at the end of the year	<u>7,549,168</u>	<u>7,577,475</u>

(ii) Short-term and low value leases

The group has entered into short-term contractual arrangements for the leases of offices. Typically, the duration of these contracts is for periods of one and two years.

	2024 \$	2023 \$
Payments for short-term and low value leases	<u>101,312</u>	<u>63,122</u>

(b) Borrowings

The Company has a Revolving Vehicle Financing Facility for N\$2M (approximately A\$175,000) for vehicles for use by the Namibian based team.

Reconciliation of movements during the year:	2024 \$	2023 \$
Balance at the beginning of period	154,448	-
Additions	54,903	169,114
Repayments paid/payable	(63,387)	(13,352)
Interest expense	21,111	6,372
Impact of foreign exchange	4,317	(7,686)
Balance at the end of the year	<u>171,392</u>	<u>154,448</u>

Note 16: Contributed Equity

a) Share capital

	2024		2023	
	Number	\$	Number	\$
Fully paid ordinary shares	8,589,119,384	132,207,507	7,638,305,721	129,355,002
Share Issue Costs		<u>(7,521,709)</u>		<u>(7,093,816)</u>
		<u>124,685,798</u>		<u>122,261,186</u>

Ordinary shares have the right to receive dividends and, in the event of winding-up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Movements in ordinary share capital

Description	Date	Number of shares	Issue Price	\$
Opening Balance	30 June 2023	7,638,305,721		122,261,186
Exercise of listed LPDO options	16 August 2023	2,227	0.030	67
Issue of Shares	10 May 2024	950,811,436	0.003	2,852,434
Less: Share Issue Costs				(427,889)
Closing Balance	30 June 2024	<u>8,589,119,384</u>		<u>124,685,798</u>

b) Share options

As at reporting date, Lepidico has the following options on issue:

Number	Exercise Price	Grant	Expiry
527,777,631	\$0.030	4 November 2022	4 November 2024
67,500,000	\$0.072	18 November 2021	18 November 2024
109,500,000	\$0.026	28 November 2022	28 November 2025
475,405,920	\$0.009	10 May 2024	10 November 2026
72,999,999	\$0.013	22 November 2023	22 November 2026
33,142,856	\$0.010	22 November 2023	22 November 2026
<u>1,286,326,406</u>			

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Group's existing fully paid ordinary shares.

Movements in Options

	Number	Weighted Average Exercise Price \$
Balance at 1 July 2022	785,674,523	0.030
Granted	637,278,131	0.029
Exercised	(75,579,198)	0.016
Expired	<u>(557,005,825)</u>	0.029
Balance at 30 June 2023	790,367,631	0.031
Granted	581,548,775	0.01
Exercised	(2,227)	0.03
Expired	<u>(85,590,000)</u>	0.014
Balance at 30 June 2024	<u>1,286,324,179</u>	0.023

c) Share based payments

During the year the Company made the following share based payments:

(i) Related Party Options

On 22 November 2023, the Company issued a total of 106,142,855 options to directors, employees and consultants under the Company's Share Option Plan and were valued using Black Scholes with the following assumptions:

	Unlisted Options	Unlisted Options
Number of options in series	72,999,999	33,142,856
Grant date share price	\$0.009	\$0.009
Exercise price	\$0.013	\$0.010
Expected volatility	106.8%	106.8%
Option life	3 years	3 years
Dividend yield	0.00%	0.00%
Interest Rate	3.97%	3.97%
Value per option	\$0.005	\$0.006

d) Warrants

As at reporting date, all warrants associated with the Desert Lion Energy Inc business combination had expired.

e) Controlled Placement Agreement

The Company has an At-the-Market Subscription Agreement (ATM) (previously referred to as a Controlled Placement Agreement) with Acuity Capital in place to provide Lepidico with up to \$7.5 million of standby equity capital to fund future product research and development work, new process technology development and working capital. As collateral for the ATM, Lepidico issued an initial 230,000,000 ordinary shares at nil consideration to Acuity Capital (Collateral Shares) but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).

To date, Lepidico has utilised the ATM to raise a total of \$3.525m and the remaining standby equity capital available under the ATM is \$3.975m. There is no requirement on Lepidico to utilise the ATM and the Company may terminate the ATM at any time without cost or penalty.

On 26 January 2024, the Company agreed with Acuity Capital to extend the expiry date of its ATM from 31 January 2024 to 31 January 2027.

At 30 June 2024 there were 72,900,000 Collateral Shares held by Acuity Capital which, if unused on the expiry date, are otherwise required to be returned to the Company upon expiration of the ATM.

At 30 June 2024, the Company's share price closed at \$0.003 which could raise \$218,700, before fees, based on the number of shares held as security.

Note 17: Reserves

	2024 \$	2023 \$
Option Reserve	7,866,824	7,302,967
Warrant Reserve	415,135	415,135
Foreign Currency Translation Reserve	433,979	341,979
Total Reserves	8,715,938	8,060,081

a) Option Reserve

The options reserve is used to recognise the fair value of all options on issue but not yet exercised.

	2024 \$	2023 \$
Opening Balance	7,302,967	6,619,847
Share based payments for the year	563,857	766,500
Transfer of fair value on exercise of options	-	(83,380)
Closing Balance	7,866,824	7,302,967

b) Warrant Reserve

The warrants reserve recognised the fair value of warrants contractually recognised under the Desert Lion acquisition but not exercised.

	2024 \$	2023 \$
	415,135	415,135

c) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

	2024 \$	2023 \$
Opening Balance	341,979	1,009,733
Movement during the year	92,000	(667,754)
Closing Balance	433,979	341,979

Note 18: Contingent Liabilities and Contingent Assets

a) Legal Dispute - Jinhui

Deferred revenue of \$6,447,729 (US\$4,558,272) represented a payment from Jiangxi Jinhui Lithium Co Ltd ("Jinhui") – a private Chinese corporation – under an offtake agreement dated 6 November 2017 and subsequently amended on 13 February 2018 (the Jinhui Lithium Offtake Agreement) which provided for the purchase by Jinhui of beneficiated surface stockpile material from the Karibib project in Namibia.

The payment was classified as deferred revenue and was expected to amortise against any future shipments of the stockpile material. The Agreement does not contain any specific provisions regarding repayment of any unamortised amounts.

On 16 November 2022, the Jinhui Lithium Offtake Agreement expired, and the Company recognised the outstanding balance as revenue in the previous period.

On 31 May 2023, Jinhui, a private Chinese corporation filed a Notice of Arbitration under the Arbitration Rules of the Singapore International Arbitration Centre (Notice). The Notice was in connection with the Jinhui Lithium Offtake Agreement.

In accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC), the panel of three arbitrators, being each party's nominated arbitrator and the third independent arbitrator has been completed and the arbitration timetable set.

LCN received Jinhui's Statement of Claim (SOC) on 4 December 2023. The SOC includes a claim for US\$5.0 million (plus interest and costs) which comprises the unamortised deposit paid under the Offtake Agreement, plus expenses related to the dispute.

LCN filed its Statement of Defence and Counterclaim (SODCC) on 15 January 2024 and has submitted a counterclaim, which is well in excess of the claim included in Jinhui's SOC.

LCN received the Statement of Reply and Defence to Counterclaim on 8 February 2024 and on 18 March 2024, LCN filed its Statement of Rejoinder and Report to Defence to Counterclaim. On 15 April 2024, parties exchanged requests for production of documents.

On 8 July 2024, parties exchanged documents in accordance with the Tribunal's directions.

Witness statements were exchanged on 19 August 2024, in accordance with the arbitration timetable. Lepidico's witness statements provide a coherent and compelling narrative that is consistent with Ontario law. Responses to witness statements are due to be exchanged by 23 September 2024.

The arbitration hearing has been provisionally set for early November 2024.

The Company believes that the arbitration brought against it is without merit. The Company continues to work with Canadian and Namibian litigation counsel to vigorously defend itself.

Note 19: Segment reporting
Reportable Segments

The Group operates two reportable segments, being mineral exploration and development of its technologies including L-Max®, LOH-Max® and S-Max®, which reflects the structure used by the Group's management to assess the performance of the Group.

	Mineral Exploration	Phase 1 Chemical Plant	Intangibles	Corporate & Unallocated items	Total
	\$	\$	\$	\$	\$
(i) Segment performance					
Year ended 30 June 2024					
Revenue	16,903	-	-	178,268	195,171
Profit/(Loss) before tax	(1,790,667)	(1,702,278)	-	(4,682,744)	(8,175,689)
Year ended 30 June 2023					
Revenue	6,749,119	-	-	274,376	7,023,495
Profit/(Loss) before tax	5,311,837	(2,070,170)	(56,901)	(6,145,112)	(2,960,346)
	Mineral Exploration	Phase 1 Chemical Plant	Intangibles	Corporate & Unallocated items	Total
	\$	\$	\$	\$	\$
(ii) Segment assets					
At 30 June 2024	52,616,732	15,286,013	28,981,052	5,140,103	102,023,898
At 30 June 2023	49,979,128	16,247,735	28,993,120	11,232,439	106,452,422

Geographical Information

	Australia	Canada	Africa	UAE	Europe	Total
	\$	\$	\$	\$	\$	\$
(i) Segment performance for the year ended:						
30 June 2024						
Revenue	177,266	-	17,905	-	-	195,171
Profit/(Loss) before tax	(2,771,595)	(1,714,819)	(1,631,647)	(1,624,636)	(432,992)	(8,175,689)
30 June 2023						
Revenue	273,774	499	6,749,222	-	-	7,023,495
Profit/(Loss) before tax	(3,990,826)	(1,669,283)	5,128,653	(2,039,971)	(388,919)	(2,960,346)
(ii) Segment assets						
At 30 June 2024	34,783,659	148,805	52,854,878	14,122,862	113,695	102,023,898
At 30 June 2023	40,415,845	179,038	51,109,226	14,726,799	21,514	106,452,422

Note 20: Commitments

Exploration lease commitments

The Group has committed to the following tenement expenditures to maintain them in good standing until they are farmed out, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of.

These commitments, net of farm outs, are not provided for in the financial statements and are:

	2024 \$	2023 \$
Not later than one year	833,436	1,093,436
After one year but less than five years	2,316,872	2,706,090
	<u>3,150,308</u>	<u>3,799,526</u>

Note 21: Cash Flow Information

Reconciliation of Cash Flow from Operations with Loss after Income Tax

	2024 \$	2023 \$
Loss after income tax	(7,068,212)	(3,604,123)
Adjustments items not impacting cash flow used in operations:		
Depreciation and amortisation	610,384	571,325
Exploration expenditure written-off	144,008	46,162
R&D expenditure written-off	-	56,901
Fair value of options issued	563,857	766,500
Profit on sale of property, plant and equipment	(12,226)	-
Finance costs	655,245	625,647
Deferred Revenue recognised	-	(6,447,728)
Realised FX Gain	-	(301,393)
Income tax expense/(benefit)	(1,107,477)	643,777
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	151,717	117,303
Increase/(decrease) in trade and other payables	107,859	618,962
Increase/(decrease) in provisions	240,439	145,438
Cash flow from/(used) in operations	<u>(5,714,405)</u>	<u>(6,761,229)</u>

Note 22: Related Party Transactions

Key Management Personnel Remuneration

	2024 \$	2023 \$
Cash salaries, fees and other short-term benefits	2,869,579	3,869,766
Post employment benefits	77,773	72,033
Share based payments	543,857	710,500
	<u>3,491,209</u>	<u>4,652,299</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 21 to 29.

Payments to director-related parties

	2024	2023
	\$	\$
Payments to director-related entities ⁽¹⁾	<u>22,554</u>	<u>766,749</u>

⁽¹⁾ Payments were made to Strategic Metallurgy Pty Ltd, a company of which Mr Gary Johnson is a director and beneficial shareholder. The payments were in relation to the development of L-Max[®] technology on an arm's length basis. As at 30 June 2024 no invoices are payable (2023: \$2,866).

Note 23: Financial Risk Management

The Group has exposure to the following risks:

- (a) Credit Risk
- (b) Liquidity Risk
- (c) Market Risk

This note presents information on the Group's exposure to each of the above risks, their objectives, policies and processes for measuring risk, and management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately mitigated.

The Group's Audit & Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis. The consolidated entity does not have any significant credit risk exposure to any single counterparty.

The Group's cash and cash equivalents are held with HSBC Bank, Royal Bank of Canada, Alpha Bank, Mauritius Commercial Bank and First National Bank Namibia, and management consider the Group's exposure to credit risk is low.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2024	2023
		\$	\$
Financial assets			
Cash and cash equivalents	8	4,673,677	10,828,962
Trade and other receivables	9	<u>1,060,301</u>	<u>1,431,588</u>
Total financial assets		<u>5,733,978</u>	<u>12,260,550</u>

For personal use only

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. Typically, the Group ensures it has sufficient cash on demand to meet expected expenditures, including servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as the COVID-19 pandemic.

The Company will need to raise additional capital to fund the development of the integrated Phase 1 L-Max[®] Plant. The decision on how and when the Company may raise future capital will largely depend on the market conditions existing at that time.

The following table analyses the Group's financial liabilities into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the statement of financial position.

30 June 2024

	Note	Carrying amount \$	Contractual cash outflows \$	Within 1 year \$	1-2 years \$	2-5 years \$
Trade & other payables	13	2,417,457	2,417,457	1,906,978	510,479	-
Borrowings & Lease Liabilities	15	7,720,560	17,312,869	645,812	645,812	1,936,879
Total		10,138,017	19,730,326	2,552,790	1,156,292	1,936,879

30 June 2023

	Note	Carrying amount \$	Contractual cash outflows \$	Within 1 year \$	1-2 years \$	2-5 years \$
Trade & other payables	13	2,130,854	2,130,854	2,130,854	-	-
Borrowings & Lease Liabilities	15	7,731,923	18,243,534	922,144	631,817	1,875,048
Total		9,862,777	20,374,388	3,052,998	631,817	1,875,048

Assets pledged as security

The Company has provided a cash deposit of AED1,416,730 (\$583,537) as a security deposit under the Musataha Agreement.

The Revolving Vehicle Financing Facility for N\$2.0M (approximately A\$175,000) is secured by the four acquired vehicles.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

(i) Interest Rate Risk

As at and during the year ended on reporting date the Group had no significant interest-bearing assets or liabilities other than liquid funds on deposit. As such, the Group's income and operating cash flows (other than interest income from funds on deposit) are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out below:

		2024		2023	
		%	\$	%	\$
Financial assets					
Cash assets	Floating rate	2.83%	4,673,677	2.23%	10,828,962

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in higher interest-bearing cash management account.

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk over the reporting period. The sensitivity analysis demonstrates the effect on the current year's results and equity values reported at the end of the reporting period which would result from a 1% change in interest rates.

	2024	2023
	\$	\$
Change in Loss		
Increase by 1%	63,218	111,121
Decrease by 1%	(63,218)	(108,983)
Change in Equity		
Increase by 1%	63,218	111,121
Decrease by 1%	(63,218)	(108,983)

(ii) Currency Risk

The Group operates internationally and is exposed to foreign exchange risk on its financial assets and liabilities. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction. The Group's currency risk arises primarily with respect to the Namibian dollar (NAD) and South African Rand (ZAR), which are equivalent, Canadian dollars (CAD) and United States dollars (USD). In addition, the Company has transactions in British pounds (GBP) and Euro (EUR). The Group has not entered into any derivative financial instruments to hedge such transactions. The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

The Group's exposure to currency risk arising on financial assets and financial liabilities denominated in various currencies was:

30 June 2024

	NAD \$	CAD \$	AED د.ا.	USD \$	GBP £	EUR €
Cash and cash equivalents	2,570,769	87,140	458,499	69,994	16,213	31,290
Trade and other receivables	339,595	21,019	437,530	-	1,575	39,494
Trade and other payables	(5,728,807)	(584,509)	(674,458)	-	-	-
Borrowing & lease liabilities	(2,081,233)	-	(18,495,722)	-	-	-
Net currency exposure	(4,899,676)	(476,350)	(18,274,151)	69,994	17,788	70,784

30 June 2023

	NAD \$	CAD \$	AED د.ا.	USD \$	GBP £	EUR €
Cash and cash equivalents	2,572,113	107,809	357,771	305,053	68,696	-
Trade and other receivables	1,510,857	41,454	165,119	84,087	1,575	8,543
Trade and other payables	(3,280,229)	(438,249)	(708,365)	(218,568)	-	-
Lease liabilities	(1,933,379)	-	(18,482,091)	-	-	-
Net currency exposure	(1,130,638)	(288,986)	(17,181,487)	170,572	70,271	8,543

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2024	2023	2024	2023
1 USD:AUD	1.52539	1.48594	1.49893	1.50566
1 NAD:AUD	0.08149	0.08367	0.08235	0.07989
1 CAD:AUD	1.12581	1.10925	1.09572	1.13629
1 AED:AUD	0.41518	0.40450	0.40805	0.40986

Sensitivity Analysis

The following table details the Group's sensitivity arising in respect of translation of its financial assets and financial liabilities to a 10% movement (2023: 10%) in the Australian dollar against the currencies where it has significant currency risk at the reporting date, with all other variables held constant.

	2024 A\$	2023 A\$
NAD		
If the NAD had strengthened against the AUD	(40,349)	(9,032)
If the NAD had weakened against the AUD	40,349	9,032
CAD		
If the CAD had strengthened against the AUD	(52,195)	(32,837)
If the CAD had weakened against the AUD	52,195	32,837
USD		
If the USD had strengthened against the AUD	10,492	25,682
If the USD had weakened against the AUD	(10,492)	(25,682)
AED		
If the AED had strengthened against the AUD	(745,675)	(704,195)
If the AED had weakened against the AUD	745,675	704,195

(iii) *Commodity Price Risk*

The Group is operating primarily in the pr-development phase and accordingly the Group's financial assets and liabilities are not yet subject to commodity price risk.

(iv) *Capital Management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 24: Parent Entity Financial Information

The following information relates to the legal parent only.

(a) Summary of Financial Information

	2024 \$	2023 \$
Assets		
Current assets	4,223,504	10,046,180
Non current assets	96,573,297	84,450,461
Total assets	<u>100,796,801</u>	<u>94,496,641</u>
Liabilities		
Current liabilities	338,460	750,053
Non current liabilities	2,631,444	29,143
Total liabilities	<u>2,969,904</u>	<u>779,196</u>
Shareholders' Equity		
Issued capital	157,127,831	154,703,219
Reserves	10,697,159	8,273,426
Accumulated Losses	(69,998,093)	(69,259,200)
Total Shareholders' Equity	<u>97,826,897</u>	<u>93,717,445</u>
Result of the parent entity		
Loss for the year	738,893	(3,102,781)
Other comprehensive loss	-	-
Total comprehensive loss for the year	<u>738,893</u>	<u>(3,102,781)</u>

(b) Contractual commitments for the acquisition of property, plant and equipment

At 30 June 2024 the parent entity has no contractual commitments for the acquisition of property, plant or equipment.

(c) Guarantees and contingent liabilities

At 30 June 2024 the parent entity has no guarantees or contingent liabilities other than as disclosed in Note 18.

Note 25: Subsequent Events**a) Jefferies Engagement**

On 1 September 2024, the Company engaged Jefferies International Limited (“Jefferies”) to act as the Company’s exclusive financial advisor in connection with maximising the value of the Karibib Lithium Project, with potential to expand scope as strategically attractive. A wide breadth of deal structures may be considered, from securing a minority equity partner to an asset sale.

Outreach to potential partners includes entities where the Company has previously had engagement, as well as to new prospective partners that have been identified as having interest in direct involvement in upstream hard rock lithium assets, with most transaction types to be considered. Organisations that have specific interest in Lepidico’s novel and sustainable proprietary lithium mica process technologies may also be considered. The outreach is global and spans organisation types that include, but is not limited to, private corporations, state owned enterprises, investment funds and private equity.

All transaction proposals will be assessed based on certainty, sustainability and for their ability to maximise value for shareholders. Binding proposals are requested for October 2024.

The Company continues to progress discussions with various government entities in relation to funding support for the integrated Phase 1 Project.

The Company remains committed to securing a transaction or transactions for the Phase 1 Project in the near term and will provide updates on progress once material milestones are reached.

b) Public Road Access (Namibia)

During the year Lepidico Chemicals Namibia (Pty) Ltd (LCN) filed a motion with the High Court in Namibia against Ombujomenge Close Corporation for hindering and/or restricting the access of the LCN to Public Road FR1965.

LCN needs to access the Public Road to be able to reach its exploration tenement and in order to undertake exploration work on a neighbouring property.

On 18 September 2024, the Company received notification that the High Court of Namibia ruled in favour of LCN, granting access to Public Road FR 1965 and ordering the respondents to pay LCN’s costs.

Consolidated Entity Disclosure Statement at 30 June 2024

Entity Name	Entity Type	Body Corporate country of Incorporation	Country of Tax Residency	Body Corporate % of ownership interest	
				2024 %	2023 %
Lepidico Ltd	Body corporate	Australia	Australia	N/A	N/A
Lepidico Holdings Pty Ltd	Body corporate	Australia	Australia	100	100
Lepidico (UK) Limited	Body corporate	England	UK	100	100
Bright Minz Pty Ltd	Body corporate	Australia	Australia	100	100
Li-Technology Pty Ltd	Body corporate	Australia	Australia	100	100
Mica Exploration Areas Pty Ltd	Body corporate	Australia	Australia	100	100
Silica Technology Pty Ltd	Body corporate	Australia	Australia	100	100
Lepidico (Netherlands) Coöperatief U.A.	Body corporate	Netherlands	Netherlands	100	100
Lepidico (Netherlands) B.V.	Body corporate	Netherlands	Netherlands	100	100
Lepidico Holdings (Canada) Inc	Body corporate	Canada	Canada	100	100
Lepidico (Canada) Inc	Body corporate	Canada	Canada	100	100
Lepidico (Mauritius) Limited	Body corporate	Mauritius	Mauritius	100	100
Lepidico Chemicals Namibia (Pty) Ltd	Body corporate	Namibia	Namibia	80	80
Lepidico Infrastructure Namibia (Pty) Ltd	Body corporate	Namibia	Namibia	100	100
Lepidico Chemicals Manufacturing Ltd	Body corporate	UAE	UAE	100	100
Lepidico Strategic Chemicals Manufacturing LLC-OPC	Body corporate	UAE	UAE	100	-

For personal use only

Directors' Declaration

In the opinion of the Directors of Lepidico Ltd (the Company):

1. The financial statements and notes and the remuneration disclosures that are contained in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - a. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The financial statements comply with international reporting standards as disclosed in Note 1.
4. The consolidated entity disclosure statement for Lepidico Ltd and its controlled entities as at 30 June 2024 is true and correct.
5. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Board of Directors.



Jpé Walsh
Managing Director

Dated this 20th day of September 2024

For personal use only

Independent Auditor's Report To the members of Lepidico Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lepidico Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty related to carrying value of assets under development, right of use asset, exploration and evaluation expenditure and intangible assets

We draw attention to Notes 1(p)(i) to (iii), 10 to 12 in the financial report, which indicates that a material uncertainty exists in relation to the Group's ability to realise the carrying value of its significant non-current assets in the ordinary course of business. The recoverability of these assets is wholly dependent on the successful development and commercial exploitation of the Company's proposed Phase 1 Project or alternatively, sale of these assets. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Material Uncertainty related to going concern

We draw attention to Note 1(a) of the financial report, which describes the principal conditions that may cast doubts about the Group's ability to continue as a going concern. These conditions as explained in Note 1(a) indicate the existence of a material uncertainty about the Group's ability to continue as a going concern for at least the next 12 months. If the Group is unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business and at amounts other than as stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How the matter was addressed in our audit

Carrying value of Property, Plant & Equipment, Exploration & Evaluation Expenditure and Intangible Assets

Refer to Notes 1(p)(i)-(iii), Notes 10 Property, Plant & Equipment, 11 Exploration & Evaluation Expenditure & 12 Intangible Assets

As at 30 June 2024 the Group had non-current assets with an aggregate value of \$96,289,920 comprising property, plant & equipment of \$16,806,534 capitalised exploration and evaluation expenditure of \$50,502,334 and intangible assets with a carrying value of \$28,981,052. All three asset categories form part of the Phase 1 Project being developed in Namibia and Abu Dhabi.

The ability to recognise and to continue to defer exploration-evaluation assets under AASB 6 is impacted by the Group’s ability, and intention, to continue to explore and evaluate the tenements or its ability to realise this value through development or sale.

The intangible asset includes the Group’s investment in the L-Max® Technology, S-Max® Technology and LOH-Max® Technology, including the cost of acquisition of the technology, subsequent development costs and patent fees capitalised. These assets have been subject to an impairment assessment by management.

The directors have also considered the results of the vertically integrated Phase 1 Project Definitive Feasibility Study (incorporating the Karibib and Abu Dhabi assets), which was completed in May 2020 (and updated during the year), in their impairment review of the property, plant & equipment, exploration and evaluation and intangible assets. The Project NPV remains significantly higher than the Group’s non-current assets.

The carrying values of the property, plant & equipment, capitalised exploration and evaluation and technology assets were key audit matters given the significance of the technology exploration and

Our procedures included, amongst others the following:

- Review of the vertically integrated Phase 1 Project Definitive Feasibility Study (“DFS”) completed in May 2020 and subsequently updated during the year, which is based on a commercial scale L-Max Plant, comprising an integrated mine, concentrator and chemical conversion plant development
- In conjunction with our internal valuation experts, we evaluated the updated DFS model and challenged the methodologies and assumptions used by management to estimate recoverable amounts of the property, plant & equipment, exploration and evaluation and technology assets. With commodity forecast pricing being the predominant driver behind the DFS financial model, we assessed the source, integrity and reliability of management’s forecast pricing data in light of current economic conditions. We obtained an understanding of the various independent providers or sources of forecast pricing data available and considered the basis for management’s reliance on one provider (namely Benchmark Mineral Intelligence) to be appropriate and reasonable. We also performed a stress test (sensitivity analysis) to see how the NPV of Phase 1 Project would vary when high risk items (commodity pricing) are changed.
- Reviewing minutes of Board meetings, ASX announcements, the latest professional technological and other reports for evidence of any impairment indicators or material adverse changes in relation to the technology asset since completion of the DFS.
- Testing expenditures and other additions to the property, plant & equipment, technology and exploration-evaluation assets during the year on a sample basis against supporting documentation such as supplier invoices and cost agreements and ensuring such expenditures and additions are appropriately recorded in accordance with applicable accounting standards.
- Reviewing the Group’s rights to tenure to its areas of interest (via a tenement search) and commitment to continue exploration and evaluation activities in these interests and ensuring capitalised expenditures relating to areas of interest which are being discontinued or no longer being budgeted for are appropriately impaired.

For personal use only

Key audit matter
How the matter was addressed in our audit

development activities to the Group's balance sheet.

Significant judgement is required to assess whether there are any indicators of impairment in light of current economic conditions.

- Reviewed the Group's patent listing and verified ownership and status of a sample against Australian and overseas intellectual property government agencies.
- Compared the Group's market capitalisation at balance date to its net asset position, noting that the market capitalisation was at a significant discount relative to net assets. Market capitalisation below net assets is an indicator of possible impairment, thereby requiring further consideration.
- Assessing the appropriateness of the relevant disclosures included in the relevant notes to the financial statements
- We included an emphasis of matter paragraph above in relation to the material uncertainty that exists over the recoverability of these assets. This is due to the material uncertainty concerning the ability of the Group at this time to advance and commercially exploit its major assets as part of the Phase 1 Project.

Contingent Liabilities – Legal Dispute
Refer to Note 18(a) Contingent Liabilities: Legal Dispute - Jinhui

At 30 June 2024, the Company is a party to a legal dispute regarding a payment from Jiangxi Jinhui Lithium Co Ltd ("Jinhui") under a previous offtake agreement as disclosed in note 18(a) whereby management has exercised significant judgement in respect to the classification of the dispute as a contingent liability.

Our procedures included, amongst others the following:

- Holding discussions with the Board, management and obtaining letters from the Company's external legal advisors regarding the likely outcome and exposure to the relevant litigation and claims.
- Reviewing the latest correspondence with the claimant.
- Assessing whether the status of the claim meets the definition of a liability or a contingent liability in accordance with Australian Accounting Standards.
- We also assessed the appropriateness of the related disclosures in note 18(a) to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; &
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

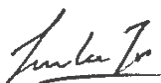
Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Lepidico Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



SL Tan
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)
Perth
20th day of September 2024



Moore Australia Audit (WA)
Chartered Accountants

Additional ASX Information

The Information set out below was applicable at 20th September 2024.

1. Corporate Governance Statement

The Company's Corporate Governance Statement can be found at <https://lepidico.com/resources#ASX%20announcements>

2. Substantial shareholders

The Company does not have any shareholders holding a substantial interest, being 5.0% or greater, in the issued capital of the Company.

3. Issued capital

The issued capital of the company consists of:

Quoted/ Unquoted	Class	Number of units	Number of holders
Quoted	Fully paid ordinary shares (LPD)	8,589,124,884	13,177
Quoted	\$0.03 Options (LPDO)	527,769,904	2,411
Quoted	\$0.009 (LPDOE)	475,405,920	1,048
Unquoted	\$0.072 Options	67,500,000	7
Unquoted	\$0.026 Options	109,500,000	13
Unquoted	\$0.013 Options	72,999,999	8
Unquoted	\$0.01 Options	33,142,856	3

4. Voting rights

Lepidico Ltd ordinary shares carry voting rights of one vote per share. There are no voting rights attaching to any other class of security.

5. Holders holding less than a marketable parcel

The number of holders holding less than a marketable parcel of the entity's main class of securities are as follows:

	Minimum Parcel Size	Holders	Shares
Minimum \$500.00 parcel at \$0.003 per share	166,666	8,772	429,826,263

6. Distribution of shareholders

The distribution of holders in each class of quoted securities are as follows:

Distribution of equity securities	Fully Paid Shares LPD		Quoted Options LPDO		Quoted Options LPDOE	
	Number of holders	% of total issued	Number of holders	% of total issued	Number of holders	% of total issued
1-1,000	939	0.00	194	0.02	24	0.00
1,001-5,000	268	0.01	557	0.29	166	0.10
5,001-10,000	325	0.03	287	0.41	100	0.15
10,001-100,000	6,007	3.07	843	6.68	398	3.30
101,000 and above	5,638	96.88	530	92.60	360	96.45
Totals	13,177	100.00	2,411	100.00	1,048	100.00

The distribution of holders in each class of unquoted securities are as follows:

Distribution of equity securities	Unquoted Options							
	\$0.072		\$0.026		\$0.013		\$0.010	
	#	%	#	%	#	%	#	%
1-1,000	-	-	-	-	-	-	-	-
1,001-5,000	-	-	-	-	-	-	-	-
5,001-10,000	-	-	-	-	-	-	-	-
10,001-100,000	-	-	-	-	-	-	-	-
101,000 and above	7	100	13	100	8	100	3	100
Totals	7	100	13	100	8	100	3	100

Number of holders

% Percentage of total issued

7. 20 Largest shareholders

The names of the 20 largest holders of ordinary shares are as follows:

	Shareholder	Number	%
1	BNP Paribas Noms Pty Ltd	457,651,723	5.33%
2	Citicorp Nominees Pty Limited	336,715,285	3.92%
3	BNP Paribas Nominees Pty Ltd <Clearstream>	283,315,627	3.30%
4	HSBC Custody Nominees (Australia) Limited	279,520,482	3.25%
5	Strategic Metallurgy Holdings Pty Ltd	269,604,534	3.14%
6	Perth Capital Pty Ltd	109,998,607	1.28%
7	Acuity Capital Investment Management Pty Ltd	72,900,000	0.85%
8	Finclear Services Pty Ltd	64,265,618	0.75%
9	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	58,740,081	0.68%
10	Mr Johannes Hendrik Thorburn	56,788,306	0.66%
11	Spreadys Adventures	51,260,473	0.60%
12	Mr Gavin Sidney Milroy Becker & Mrs Wendy Mary Becker	51,250,000	0.60%
13	Mr Ivars Vadzis	50,841,567	0.59%
14	Strategic Metallurgy Pty Ltd	50,000,134	0.58%
15	Mr Ryan Gowrie James Spreadborough	50,000,000	0.58%
16	Ms Kelley Marie Attias	43,761,110	0.51%
17	Mr Carl Holst	43,749,220	0.51%
18	Dr Mohammadreza Niazi	41,800,000	0.49%
19	Rennie Jackson SMSF Pty Limited	41,444,443	0.48%
20	Mr Radoslav Lovis	40,055,000	0.47%
	Total	2,453,662,210	28.57%

For personal use only

The names of the 20 largest holders of quoted LPDO options are as follows:

	Option Name	Number	%
1	Mrs Lynette Irene Brooks	32,000,000	6.06%
2	Mr Steven Parsons & Miss Chia Lu	15,557,556	2.95%
3	Rookharp Capital Pty Limited	14,625,000	2.77%
4	Mr Antony Edward Anderson	12,380,523	2.35%
5	Citicorp Nominees Pty Limited	12,157,107	2.30%
6	The Subramaniam Family Pty Ltd	12,000,000	2.27%
7	HSBC Custody Nominees (Australia) Limited	10,586,494	2.01%
8	Evolution Capital Advisors Pty Ltd	10,400,000	1.97%
9	Mrs Doreen Joan Ellison	8,000,000	1.52%
10	BNP Paribas Noms Pty Ltd	7,878,678	1.49%
11	Mr Mitchell James Gill	6,978,469	1.32%
12	Wayne Dunlop Superannuation Pty Ltd	6,161,861	1.17%
13	Mr Dzung Quoc Can & Mrs Cam My Trinh	6,000,000	1.14%
14	3M Holdings Pty Limited	5,850,000	1.11%
15	Perth Capital Pty Ltd	5,555,556	1.05%
16	Mr Shlomi Almoslinos	5,500,000	1.04%
17	Mr David Gazzola	5,270,771	1.00%
18	Spreadborough Family Super Pty Ltd	5,111,659	0.97%
19	Buffalo One Pty Ltd	5,000,000	0.95%
19	Mrs Harshini Lanka Wijetunga	5,000,000	0.95%
19	Invia Custodian Pty Limited	5,000,000	0.95%
19	M T & G K Investments Pty Ltd	5,000,000	0.95%
19	Mr Graham Woodward & Mrs Sheryl Woodward	5,000,000	0.95%
19	North Western Power Pty Ltd	5,000,000	0.95%
20	NKF Health Pty Ltd	4,336,840	0.82%
	Total	216,350,514	40.99%

For personal use only

The names of the 20 largest holders of quoted LPDOE options are as follows:

	Option Holder	Number	%
1	Mr Ryan James Rowe	50,000,000	10.52%
2	Rookharp Capital Pty Limited	33,332,170	7.01%
3	3M Holdings Pty Limited	11,462,500	2.41%
4	Mrs Lynette Irene Brooks	10,993,262	2.31%
5	Mr Mitchell James Gill	10,935,232	2.30%
6	Mr Gavin Sidney Milroy Becker & Mrs Wendy Mary Becker	10,125,000	2.13%
7	HP Super Fund Pty Ltd	7,750,000	1.63%
8	Gist Holdings Pty Ltd	7,000,000	1.47%
9	BNP Paribas Noms Pty Ltd	6,739,160	1.42%
10	BNP Paribas Nominees Pty Ltd <Clearstream>	6,546,169	1.38%
11	Mr Anthony John Gregory	5,000,000	1.05%
11	Perth Capital Pty Ltd	5,000,000	1.05%
11	Mrs Jillian Margaret Catto	5,000,000	1.05%
11	Chaley Holdings Pty Ltd	5,000,000	1.05%
11	Mr Radoslav Lovis	5,000,000	1.05%
11	Mr Christopher Ku	5,000,000	1.05%
12	Mr Steven Parsons & Miss Chia Lu	4,999,999	1.05%
13	Mr Stuart Fenwick	4,778,786	1.01%
14	Ms Kelley Marie Attias	4,376,111	0.92%
15	Mr Carl Holst	4,297,222	0.90%
16	Mr Benjamin James Opie	4,166,500	0.88%
17	Ms Kelley Marie Attias & Ms Claire Miriam Attias	3,927,286	0.83%
18	Nalmor Pty Ltd John Chappell Super Fund A/C	3,677,778	0.77%
19	Mr Graham Woodward & Mrs Sheryl Woodward	3,500,000	0.74%
20	ML Education Pty Ltd	3,373,120	0.71%
	Total	221,980,295	46.69%

8. Company secretary

The Joint Company Secretary is Ms Shontel Norgate and Mr Alex Neuling.

9. Registered office and principle administrative office

Suite 2, 680 Murray Street, West Perth, WA 6005. Telephone Number: +61 8 9363 7800

10. Register of securities

The register of securities is kept at Automic Pty Ltd, Level 2, 267 St Georges Terrace, Perth, WA 6000. Telephone number: 1300 288 664

11. Other stock exchanges

The Company's securities are quoted on the Frankfurt Stock Exchange under the code AUB:FRA

12. Restricted securities or securities subject to voluntary escrow

There are currently no restricted or escrowed securities.

13. Unquoted securities

In accordance with Listing Rule 4.10.16, the following persons hold 20% or more of the equity securities in an unquoted class:

Class	Holder	Number of units	% Held
\$0.072 Options	Julian (Joe) Walsh	15,000,000	22.22%
\$0.010 Options	Tom Dukovic	9,428,571	28.45%
\$0.010 Options	Shontel Norgate	9,428,571	28.45%
\$0.010 Options	Julian (Joe) Walsh	14,285,714	43.10%

14. Review of Operations

A review of operations and activities for the reporting period that complies with Section 299 and 299A of the Corporations Act 2001 are outlined in the Directors' Report.

15. On market buy backs

There is no current on-market buy-back of Lepidico Ltd shares.

16. Schedule of mineral tenements

The Company currently holds interests in tenements as set out below.

NAMIBIAN OPERATIONS, Karibib Project

Tenement ID	Registered Holder	Lepidico Interest	Expiry Date	Area
ML 204	Lepidico Chemicals Namibia (Pty) Ltd	80%	18/06/2028	69 km ²
EPL 5439	Lepidico Chemicals Namibia (Pty) Ltd	80%	09/06/2024 ¹	165 km ²

¹ Application for renewal lodged on 8 March 2024