Rapid Lithium Limited

(Formerly known as Armada Metals Limited)

ABN 75 649 292 080

Annual Financial Statements - 31 December 2024

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Corporate directory
31 December 2024

Directors	Rick Anthon - Non-Executive Director & Chairman Martin Holland - Managing Director Michael Schlumpberger - Executive Director and Chief Operating Officer Dan Smith - Non-Executive Director David Michael McNeilly - Non-Executive Director
Company secretary	Justin Clyne
Registered office	Level 10, Kyle House, 27 Macquarie Place, Sydney NSW 2000
Principal place of business	Level 10, Kyle House, 27 Macquarie Place, Sydney NSW 2000
Share register	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000
Auditor	Ernst & Young The EY Centre Level 34, 200 George Street Sydney NSW 2000
Solicitors	HWL Ebsworth Lawyers Level 14, 264-278 George Street Sydney NSW 2000
Stock exchange listing	Rapid Lithium Limited shares are listed on the Australian Securities Exchange (ASX code: RLL)
Website	https://rapidlithium.com
Corporate Governance Statement	The directors and management are committed to conducting the business of Rapid Lithium Limited in an ethical manner and in accordance with the highest standards of corporate governance. Rapid Lithium Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation across the 2024 financial year and identifies and explains any recommendations that have not been followed together with the Company's Appendix 4G, will be released to the ASX on the same day the Company releases its Annual Report to the ASX. The Corporate Governance Statement and corporate governance policies are set out on the Company's website at https://rapidlithium.com

The Directors present their report, together with the financial statements, on the Rapid Lithium Limited consolidated group (referred to hereafter as the '**Consolidated Entity'**) consisting of Rapid Lithium Limited (referred to hereafter as the '**Company**', '**Rapid Lithium**' or '**Parent Entity'**) and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors
The following persons were directors of Rapid Lithium Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Rick Anthon - (Non-Executive Director & Chairman)
Martin Holland - (Managing Director)
David Michael McNeilly - (Non-Executive Director)
Michael Schlumpberger - (Executive Director and Chief Operating Officer - appointed 4 November 2024)
Dan Smith - (Non-Executive Director - appointed 4 November 2024)
Dr Ross McGowan - (Managing Director & CEO - resigned 4 November 2024)

Principal activities
During the financial year, the main activities of the Consolidated Entity involved the continued exploration at the Bend Nickel Project ('**Bend**') in Zimbabwe in which the Company has earned a 50% interest. The Bend project covers approximately 12km2 along the eastern margin of the Zimbabwean Craton. Additionally, the Company completed the acquisition of Midwest Lithium Limited ('**Midwest**'), a mineral explorer targeting the exploration and development of hard rock lithium projects in the USA. Just prior to the end of the financial year, Rapid Lithium also announced that it had entered into a binding agreement to acquire certain mineral claims that comprise the Prophet River Ga-Ge Project located in British Columbia, Canada. The Consolidated Entity also announced an impairment of $11,771,939 and the winding down of operations at the Nyanga Magmatic Nickel-Copper Project (the **'Nyanga Project**') in Gabon.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to $20,549,910 (31 December 2023: $4,548,467).

Refer to separate Review of Operations that directly follows this Directors' report.

Significant changes in the state of affairs
On 23 October 2024, the Company issued 135,000,000 fully paid ordinary shares valued at 1 cent per share raising $1,350,000 before costs.

On 4 November 2024, the Company completed the acquisition of 100% of the issued capital of Midwest Lithium Pty Ltd and its subsidiaries.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year
On 17 January 2025, 50,333,801 fully paid shares valued at US$150,000 were issued to settle deferred consideration on the acquisition of the Ingersoll project, as approved by shareholders at the EGM held on 17 October 2024.

On 6 February 2025, the Company issued 13,465,156 fully paid ordinary shares valued at 0.4 cents per share raising $53,860 before costs as a result of applicants under the Company's Entitlement Offer.

On 10 February 2025, the Company issued 235,421,585 fully paid ordinary shares valued at 0.4 cents per share raising $941,686 before costs pursuant to the underwriting of the Entitlement Offer.

On 11 February 2025, the Company issued 1,113,259 fully paid ordinary shares valued at 0.4 cents per share raising $4,453 before costs pursuant to the balance of the underwriting of the Entitlement Offer.

On 25 February 2025, the Company issued 201,534,995 fully paid ordinary shares valued at 0.4 cents per share raising $806,139 before costs pursuant to the placement of the shortfall of the Entitlement Offer.

On 27 February 2025, the Company issued 10,965,005 fully paid ordinary shares valued at 0.4 cents per share raising $43,860 before costs pursuant to the placement of the balance of the shortfall of the Entitlement Offer.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations
The Consolidated Entity expects to pursue exploration activities in North America and Zimbabwe.

Business risks
The Consolidated Entity's significant business risks are summarised below:

- Geological risk related to our exploration activities which are inherently high risk. The risk factor here is high for the early stage exploration targets such as the targets in the United States and Zimbabwe which have a higher risk reward profile;
- Risk related to general market conditions which add pressure on future project value and access to capital; and
- Jurisdictional risk is considered medium given the positive mining investment environment in Zimbabwe. The jurisdictional risk is considered low in the United States.

Environmental regulation
The Consolidated Entity holds exploration licences via its subsidiaries in Gabon, Zimbabwe and the United States. There have been no known breaches of the tenement conditions and no breaches have been notified by any government agency during or subsequent to the year ended December 2024.

Information on directors

Name:	Rick Anthon
Title:	Non-Executive Director & Chairman
Qualifications:	BA. LLB
Experience and expertise:	Mr Anthon is a practicing lawyer with over 30 years' experience in both corporate and commercial law. Rick has extensive experience in the resource sector, as a director of a number of resource companies and as legal adviser, including project acquisition and development, capital raising and corporate governance.
Other current directorships:	Chairman of Greenwing Resources Ltd (ASX:GW1) and a Non-Executive director of Laneway Resources Ltd (ASX:LNY).
Former directorships (last 3 years):	Nil
Interests in shares:	2,750,000 fully paid ordinary shares
Interests in options:	500,000 unlisted options, exercisable at $0.334 before 15 December 2026; and 3,660,554 options, exercisable at $0.017 before 4 November 2029.

Name:	Martin Holland
Title:	Managing Director appointed 4 November 2024 (Executive Director up to 4 Nov 2024)
Experience and expertise:	Mr Holland is a known mining executive with over 12 years' experience in M&A and corporate finance. Mr Holland was the founder and CEO of Lithium Power International (ASX:LPI) from 2015 to 2018. During this period, Mr Holland raised in excess of $70m of new equity to progress LPI's projects from acquisition and further exploration to Definitive Feasibility Study (DFS). Mr Holland is the Chairman of Sydney based investment company Holland International Pty Ltd, which has strong working relationships with leading institutions and banks across the globe.
Other current directorships:	Executive Chairman of Cobre Limited (ASX:CBE)
Former directorships (last 3 years):	Executive Director of OzAurum Resources Limited (ASX:OZM - resigned 30 December 2022)
Interests in shares:	30,000,000 fully paid ordinary shares indirectly as a director of Cobre Limited and 1,364,214 through an entity associated with Mr Holland.
Interests in options:	3,330,000 Options exercisable at $0.334 before 15 December 2026 as a director of Cobre Limited and 47,587,208 options, exercisable at $0.017 before 4 November 2029 and 1,300,000 options, exercisable at $0.334 each before 15 December 2026 held personally or through an entity associated with Mr Holland.

Name:	David Michael McNeilly
Title:	Non-Executive Director
Qualifications:	Mr. McNeilly studied Biology at Imperial College London and has a BA in Economics from the American University of Paris.
Experience and expertise:	Mr McNeilly has formerly been a non-executive director of Greatland Gold plc (AIM:GGP) and a non-executive director at Arkle Resources plc (AIM:ARK). Mr McNeilly serves as director on numerous of MTR's investment and subsidiary entities. Mr McNeilly previously worked as a corporate financier with both Allenby Capital and Arden Partners Limited (AIM:ARDN) as well as a corporate executive at Coinsilium (NEX:COIN) where he worked with early stage blockchain-focussed start-ups. Mr McNeilly studied Biology at Imperial College London and has a Bachelor in Economics from the American University of Paris.
Other current directorships:	Strata Investments Holdings PLC (ASX:SRT); Cobre Limited (ASX:CBE); and Southern Gold Limited (ASX:SAU)
Former directorships (last 3 years):	Nil
Interests in shares:	103,265,185 fully paid ordinary shares held indirectly as a director of Strata Investments Holdings PLC and 125,000 fully paid ordinary shares held personally.
Interests in options:	3,330,000 Options exercisable at $0.334 each before 15 December 2026 and 58,897,778 Options exercisable at $0.017 each before 23 October 2027 also held indirectly as a director of Strata Investments Holdings PLC and 1,300,000 options, exercisable at $0.334 each before 15 December 2026 and 18,302,772 options exercisable at $0.017 each before 4 November 2029.

Name:	Michael Schlumpberger
Title:	Executive Director and Chief Operating Officer (appointed 4 November 2024)
Qualifications:	B.S. Mining Engineering Professional Engineer Masters of Business Administration
Experience and expertise:	Michael is an accomplished mining executive having covered a number of GM, COO and CEO roles in multiple mining companies. He has a strong operational background having been in charge of exploration, of SK-1300 Resources and Reserves, permitting, surface and underground mining, milling, and reclamation. He is an instructor at the South Dakota School of Mines covering Mining Engineering and Management.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	10,099,373 fully paid ordinary shares
Interests in options:	3,660,554 options, exercisable at $0.017 before 4 November 2029

Name:	Daniel Smith
Title:	Non-Executive Director (appointed 4 November 2024)
Qualifications:	B.A., GradDipCorpGov, FGIA, FGIS
Experience and expertise:	Mr Smith holds a Bachelor of Arts, is a Fellow of the Governance Institute of Australia, and has over 16 years' primary and secondary capital markets expertise. He is a director and co-founder of Minerva Corporate, a boutique corporate services and advisory firm. He has advised on and been involved in over a dozen IPOs/RTOs on the ASX, AIM and NSX.
Other current directorships:	DY6 Metals Ltd (ASX:DY6), Nelson Resources Limited (ASX:NES), White Cliff Minerals Ltd (ASX:WCN), QX Resources Ltd (ASX:QXR), Europa Metals Ltd (AIM:EUZ) and Oceana Lithium Ltd (ASX:OCN)
Former directorships (last 3 years):	Alien Metals Ltd (AIM:UFO - resigned 6 September 2023), Artemis Resources Ltd (AIM/ASX:ARV - resigned 31 October 2023) and Lachlan Star Ltd (ASX:LSA - resigned 28 November 2024)
Interests in shares:	1,395,279 fully paid ordinary shares
Interests in options:	850,781 options exercisable at $0.017 each before 23 October 2027.

Name:	Dr Ross McGowan
Title:	Managing Director & CEO (resigned 4 November 2024)
Qualifications:	MGeol, PhD and Dr McGowan is a Fellow of the Geological Society of London and a Fellow of the Society of Economic Geologists
Experience and expertise:	Dr McGowan founded the Resource Exploration & Development Group and has over 20 years of academic, technical and corporate experience in mining exploration in Africa. Ross was a co-recipient of the 2015 PDAC Thayer Lindsley Award for an international Mineral Discovery for Kamoa
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Justin Clyne is a qualified Chartered Company Secretary and Member of the Australian Institute of Company Directors. Justin Clyne was admitted as a Solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a Barrister in 1998. He had 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and commercial law before dedicating himself full-time to the provision of corporate advisory and company secretarial services. Justin has been a director and/or secretary of a number of public listed and unlisted companies. He has significant experience and knowledge in international law, the Corporations Act, the ASX Listing Rules and corporate regulatory requirements generally.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the **Board**') held during the year ended 31 December 2024, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Dr Ross McGowan	4	4
Rick Anthon	4	5
Martin Holland	5	5
David Michael McNeilly	5	5
Michael Schlumpberger	1	1
Daniel Smith	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Consolidated Entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

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

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the board. The board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Under clause 44 of the company's constitution has been set at $1,000,000 per annum.

Executive remuneration
The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has two components:
- base pay
- share-based payments

The combination of these comprises the executive's total remuneration.

Use of remuneration consultants
The Company has not made use of remuneration consultants during the current period.

Voting and comments made at the Company's 28 May 2024 Annual General Meeting ('AGM')
At the 28 May 2024 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2024	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Rick Anthon	80,000	-	-	-	-	28,607	108,607
David Michael McNeilly *	60,000	50,000	-	-	-	143,037	253,037
Dan Smith	6,060	-	-	-	-	-	6,060
Executive Directors:							
Dr Ross McGowan	173,698	-	-	-	-	-	173,698
Martin Holland	141,666	-	-	-	-	371,895	513,561
Michael Schlumberger	47,861	-	-	-	-	28,607	76,468
	509,285	50,000	-	-	-	572,146	1,131,431

* Includes a $50,000 additional payment made upon completion of Midwest Group, due to significant contributions in the process over and above normal duties.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Rick Anthon	80,000	-	-	-	-	-	80,000
Martin Holland *	50,000	-	-	-	-	-	50,000
David Michael McNeilly	60,000	-	-	-	-	-	60,000
Executive Directors:							
Dr Ross McGowan	250,000	-	-	-	-	-	250,000
Martin Holland *	20,000	-	-	-	-	-	20,000
	460,000	-	-	-	-	-	460,000

* Non-executive director until 31 October 2023 and was executive director from 1 November 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
Rick Anthon	74%	100%	-	-	26%	-
Martin Holland	-	100%	-	-	-	-
David Michael McNeilly	23%	100%	20%	-	57%	-
Daniel Smith	100%	-	-	-	-	-
Executive Directors:						
Dr Ross McGowan	100%	100%	-	-	-	-
Martin Holland	28%	100%	-	-	72%	-
Michael Schlumpberger	63%	-	-	-	37%	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Dr Ross McGowan
Title:	Managing Director & CEO (resigned 4 November 2024)
Agreement commenced:	1 December 2021
Details:	Dr McGowan’s annual remuneration package under the Employment Agreement is A$250,000.

Name:	Rick Anthon
Title:	Non-Executive Director & Chairman
Agreement commenced:	1 July 2021
Details:	An annual fee of $80,000 will be paid to Rick Anthon as the chairperson and Non-Executive Director.

Name:	Martin Holland
Title:	Managing Director
Agreement commenced:	1 November 2023
Details:	An annual fee of $120,000 is payable under the consultancy service agreement until 31 October. From 1 November 2024 an annual fee of $250,000 was payable.

Name:	David Michael McNeilly
Title:	Non-Executive Director
Agreement commenced:	1 July 2021
Details:	An annual fee of $60,000 is payable.

Name:	Michael Schlumpberger
Title:	Executive Director and Chief Operating Officer
Agreement commenced:	4 November 2024
Details:	An annual fee of $60,000 and in his capacity of Executive Director and US$144,000 in his capacity as Chief Operating Officer”

Name:	Daniel Smith
Title:	Non-Executive Directors
Agreement commenced:	4 November 2024
Details:	An annual fee of $36,363 is payable.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2024.

Options
The terms and conditions of each grant of options over ordinary shares to directors during 31 December 2024 are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Martin Holland	47,587,208	4 November 2024	4 November 2024	4 November 2029	$0.0170	$0.008
David Michael McNeilly	18,302,772	4 November 2024	4 November 2024	4 November 2029	$0.0170	$0.008
Rick Anthon	3,660,554	4 November 2024	4 November 2024	4 November 2029	$0.0170	$0.008
Michael Schlumpberger	3,660,554	4 November 2024	4 November 2024	4 November 2029	$0.0170	$0.008

Options granted carry no dividend or voting rights.

Additional information
The earnings of the consolidated entity are summarised below:

	2024 $	2023 $	2022 $	2021 $
Loss after income tax	(20,562,408)	(4,548,467)	(4,791,584)	(3,091,371)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021
Share price at financial year end cents	0.50	3.00	6.00	14.00
Basic loss per share (cents per share)	(6.99)	(3.57)	(4.61)	(5.77)
Diluted loss per share (cents per share)	(6.99)	(3.57)	(4.61)	(5.77)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Held at appointment	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dr Ross McGowan *	45,000,000	-	6,250,000	(51,250,000)	-
Martin Holland	30,000,000	-	1,364,214	-	31,364,214
David McNeilly	30,000,000	-	51,000,000	-	81,000,000
Rick Anthon	2,750,000	-	-	-	2,750,000
Daniel Smith	-	828,092	-	-	828,092
Michael Schlumpberger	-	10,099,373	-	-	10,099,373
	107,750,000	10,927,465	58,614,214	(51,250,000)	126,041,679

* Resigned on 4 November 2024.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other	Balance at the end of the year
Options over ordinary shares					
Dr Ross McGowan *	2,000,000	-	2,750,000	(4,750,000)	-
Martin Holland	4,630,000	47,587,208	-	-	52,217,208
David McNeilly	4,630,000	18,302,772	25,500,000	-	48,432,772
Rick Anthon	500,000	3,660,554	-	-	4,160,554
Michael Schlumpberger	-	3,660,554	-	-	3,660,554
Daniel Smith	-	-	-	-	-
	11,760,000	73,211,088	28,250,000	(4,750,000)	108,471,088

* All options are vested and exercisable
** Resigned on 4 November 2024.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Rapid Lithium Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
8 June 2021	15 December 2026	$0.3340	10,560,000
11 October 2021	15 December 2026	$0.3340	7,580,000
Various	23 October 2027	$0.0170	789,487,603
4 November 2024	4 November 2029	$0.0170	95,174,416
			902,802,019

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Rapid Lithium Limited issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

Indemnity and insurance of officers
Since the end of the previous financial year the Company has paid insurance premiums in respect of directors' and officers' legal expenses and liability insurance. The Company has not, except at the extent permitted by law, indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

Indemnity and insurance of auditor
To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. The indemnity does not apply to any Loss resulting from Ernst & Young Australia's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

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

Non-audit services
During the year Ernst and Young provided non-audit services, relating to the preparation of the company's tax return.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 17 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Ernst and Young
There are no officers of the Company who are former partners of Ernst and Young.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Ernst and Young was appointed in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

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Rick Anthon
Chairman

31 March 2025

The 2024 Financial Year (**FY2024**) saw a significant shift in Rapid Lithium Limited's (**Rapid Lithium**, **RLL** or **Company**) strategy moving from its focus on exploration in Gabon and Zimbabwe to a transformational change into lithium in the United States and, just prior to the end of FY2024, the announcement that the Company had signed a binding agreement for the acquisition of a number of mineral claims prospective for Gallium and Germanium in Canada.

Canada:

On 20 December, 2024, Rapid Lithium announced that it had entered into a binding agreement to acquire from Broadstone, certain mineral claims that comprise the Prophet River Ga-Ge Project located in British Columbia, Canada, targeting the exploration and development of zinc, germanium and gallium.

Highlights of the proposed acquisition include:

- The mineral claims to be acquired are targeting the exploration and development of zinc, germanium and gallium;
- The acquisition includes a 100% interest in 2,110 Ha (21km2) covering the historic Cay Mine and surrounding prospective areas;
- Previous exploration at the Prophet River project includes 21 previous drill holes with bulk samples from two zones grading up to 22.69% Zn, 40 g/t Ga, 1,500ppm Ge and 0.36% Pb;
- Prophet River bulk samples reported some of the highest Germanium values recorded globally, underpinning it as a key strategic project;
- Germanium and Gallium are exceptionally high value strategic metals used in the technology sector, semi-conductors, fibre-optics, solar cells, magnets, batteries and LEDs with recent increases in commodity prices – China has banned the export of Germanium and Gallium making it a key strategic metal of high value; and
- Recent market disruptions including the entry of price inelastic demand and Chinese export controls in August 2023 has seen a doubling of prices since 2021 when gallium was priced at $422.70 per kg, the current price represents a 115.12% increase.

The outstanding consideration for the acquisition of the mineral claims to be paid by Rapid Lithium is the issuance to Broadstone, the following subject to shareholder approval:

- 133,333,334 fully paid ordinary shares in the capital of Rapid on completion; and
- 40,000,000 options in the capital of RLL on completion each with an exercise price of AUD$0.015 and an expiry of 3 years from the date of the issue.

The consideration securities will be subject to varying escrow periods up to 10 months post-issuance to ensure alignment with long-term shareholder value.

Commenting on the signing of the agreement with Broadstone at the time, Rapid Lithium's Managing Director, Martin Holland, said:

"The Rapid Lithium Board sees this acquisition as very timely given China's recent announcement that it is banning exports of gallium, germanium and antimony to the US. China's dominant position in the global supply of these minerals, accounting for 98.8% of refined gallium and 59.2% of refined germanium production, means that sources outside China will be in high demand.

The location of the assets is also complementary to Rapid's US lithium assets as the Company seeks to become a key supplier of critical minerals in the future."

Full exploration details of the Canadian projects including relevant JORC information and Competent Persons Statement are contained within the announcement of 20 December, 2024.

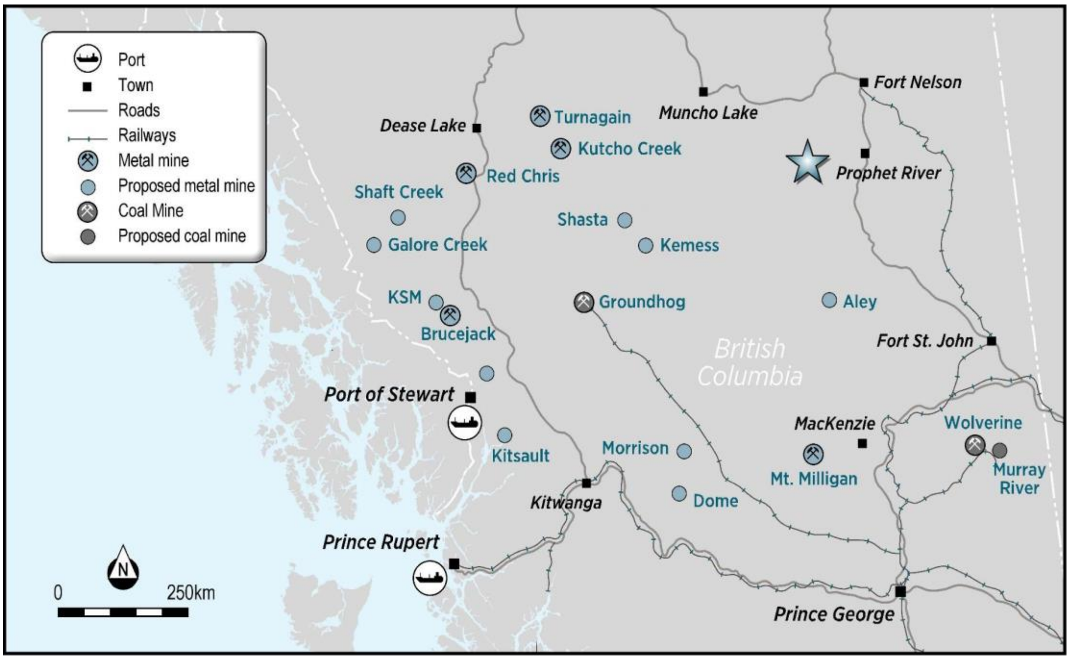
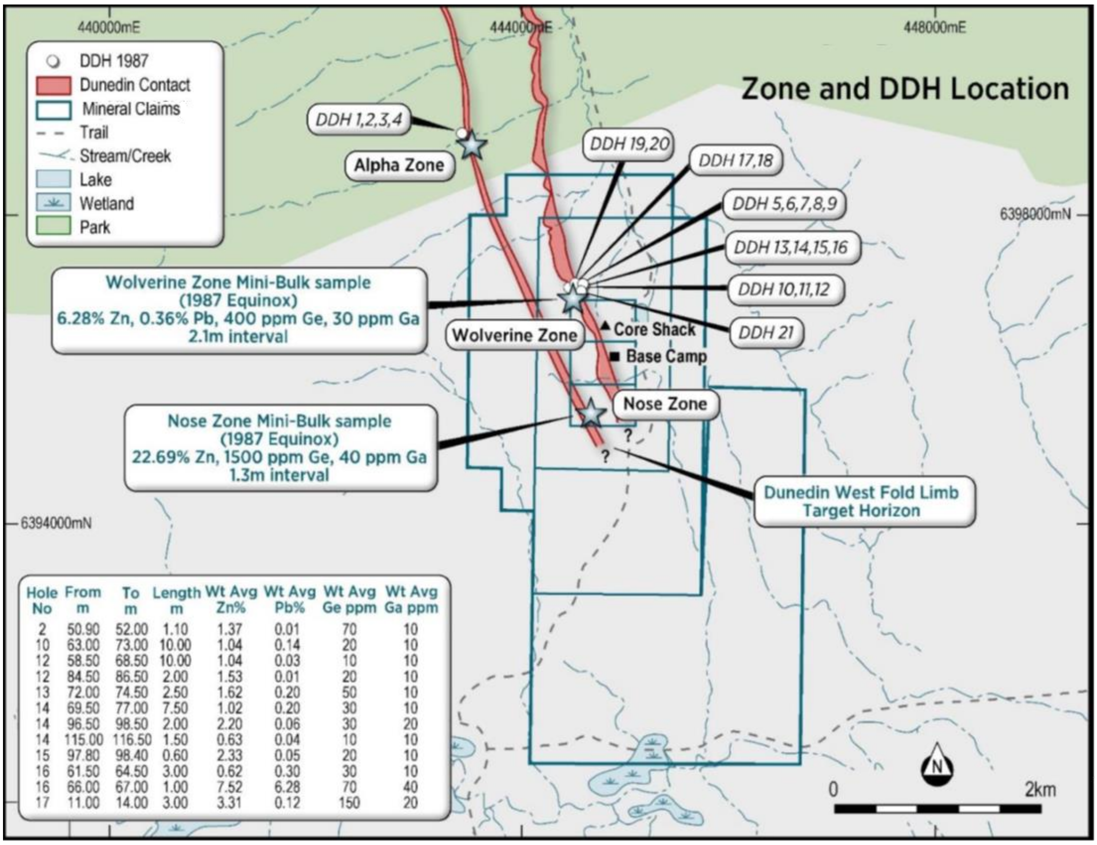


Figure 1: *Prophet River Location Map, British Columbia, Canada.*



Hole No	From m	To m	Length m	Wt Avg Zn%	Wt Avg Pb%	Wt Avg Ge ppm	Wt Avg Ga ppm
2	50.90	52.00	1.10	1.37	0.01	70	10
10	63.00	73.00	10.00	1.04	0.14	20	10
12	58.50	68.50	10.00	1.04	0.03	10	10
12	84.50	86.50	2.00	1.53	0.01	20	10
13	72.00	74.50	2.50	1.62	0.20	50	10
14	69.50	77.00	7.50	1.02	0.20	30	10
14	96.50	98.50	2.00	2.20	0.06	30	20
14	115.00	116.50	1.50	0.63	0.04	10	10
15	97.80	98.40	0.60	2.33	0.05	20	10
16	61.50	64.50	3.00	0.62	0.30	30	10
16	66.00	67.00	1.00	7.52	6.28	70	40
17	11.00	14.00	3.00	3.31	0.12	150	20

Figure 2: *Prophet River, British Columbia. Map illustrates the previous exploration work undertaken at the Prophet River project including drilling and bulk sampling. The interpreted parallel units of the Dunedin Contact are also shown with a strike of 6 km across the project claims which remains open to the south-east. Broadstone also owns the mineral claims north of the historic Cay Mine including the historic workings at the Alpha Zone.*

<u>USA:</u>

In May 2024, the Company announced that it had signed a Binding agreement signed to acquire 100% of the issued capital of Midwest Lithium Limited (**Midwest**), a mineral explorer, targeting the exploration and development of hard rock lithium projects in the USA.

On 17 October, 2024 the Company held an Extraordinary General Meeting (**EGM**) to approve, amongst other things, certain resolutions relating to the acquisition of Midwest. Following shareholder approval, the acquisition was formally completed (*refer ASX Announcement of 4 November, 2024*) with Rapid Lithium acquiring a 100% equity interest in Midwest Lithium from its various securityholders in exchange for the issue of 343,000,000 fully paid ordinary shares.

Following a review of the projects and the Company's overall strategy, the Company has relinquished some of the project, subsequent to year end, and is now focused primarily on two project being Ingersoll and Old Mike Mica. In terms of the forward work plan for the US projects, plans include the drilling of 1,000 meters of HQ diamond core and evaluation of the same for future drilling on its fully permitted land.

<u>Zimbabwe:</u>

The Bend Nickel Project (**'Bend'**) is located approximately 150km southeast of Bulawayo in Zimbabwe. The project is centred on 805600E / 7719750N (Datum ARC1950 Zone 35S).

The Bend Deposit is located within the central part of Bend Project area. Bend is a classic komatiite-style deposit associated with the interpreted base of the ultramafic Upper Reliance Formation.

The Company has previously announced the signing of a binding term sheet to acquire up to an 80% controlling interest in the Bend Nickel Project in Zimbabwe (*refer ASX announcement of 20 July 2023*) (**Agreement**). Pursuant to the Agreement, Rapid Lithium has earned a 50% interest in the project. No significant activities were undertaken in Zimbabwe during the December Quarter given the strong focus on corporate activities, in particular the completion of the Midwest Lithium acquisition.

In terms of the forward work program, as noted in the September 2024 Quarterly Activities Report, the Company plans a dual approach at the Bend Nickel Project, targeting both extensions of high-grade Ni-Cu-PGE channelised flow units with infill and step out holes, in addition to the implementation of broader exploration programs to directly detect additional mineralised units at contact zones mapped along strike in all directions from deposit.

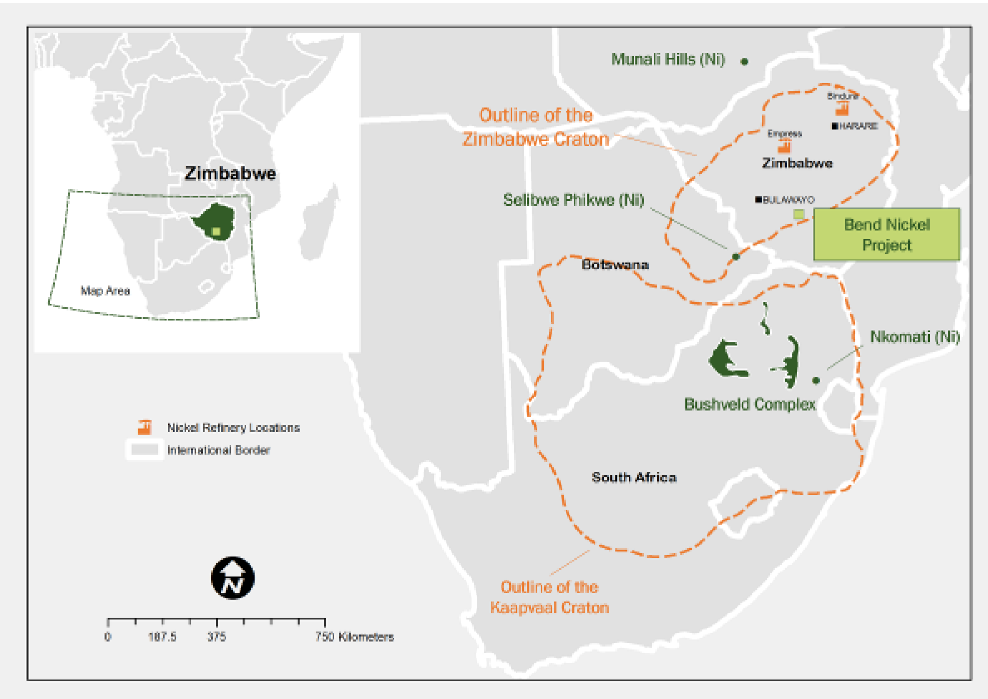


Figure 3: Location Map, Bend Nickel Project, Zimbabwe.

<u>Gabon:</u>

The Company announced to the ASX in the September quarter (*refer ASX Announcement of 11 September 2024*), that it was recording an impairment of AUD$11.5m with respect to its Gabon assets with the decision taken due to the focus on the Company's US assets. The Company is presently winding down its operations in Gabon.

<u>Corporate:</u>

On the corporate front, the Company also saw significant transformational change. The Company changed its name from 'Armada Metals Limited' to 'Rapid Lithium Limited'. The change in name coincided with the completion of the Midwest acquisition, the resignation of the Founder and Managing Director, Dr Ross McGowan, and the appointment of two new highly experienced directors, Michael Schlumpberger and Dan Smith.

Commenting on the completion of the Midwest acquisition and the Board changes at the time, newly appointed Managing Director, said:

"We are pleased to have closed the acquisition of Midwest so that our focus can now turn to exploration on the Company's prospective new assets in the USA. I would like to welcome our new directors, Daniel Smith and Michael Schlumpberger, and look forward to the contribution they will make to the Company's strategy of maximise value from these exciting new assets. I would also like to thank the Company's outgoing Managing Director, CEO and Founder, Dr Ross McGowan, for his significant contribution to Armada over the past few years and I am pleased that we will continue to benefit from Ross' depth of expertise as he transitions to supporting the Company's African asset portfolio."

During FY2024, the Company undertook two capital raisings with the first raising conducted by way of a placement in November to raise AUD$1.35m before costs and the second raise announced in December by way of a partially underwritten non-renounceable entitlement offer which was completed subsequent to the financial year which raised $2.0m before costs.

At the Company's 2024 Annual General Meeting, shareholders also voted in favour of the re-election of the Company's Chairman. Rick Anthon.

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Auditor's independence declaration to the directors of Rapid Lithium Limited

As lead auditor for the audit of the financial report of Rapid Lithium Limited for the financial year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rapid Lithium Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

James Johnson
Partner
31 March 2025

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Contents
31 December 2024

General information

The financial statements cover Rapid Lithium Limited as a Consolidated Entity consisting of Rapid Lithium Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Rapid Lithium Limited's functional and presentation currency.

Rapid Lithium Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 10, Kyle House, 27 Macquarie Place,
Sydney NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 March 2025. The directors have the power to amend and reissue the financial statements.

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 $	2023 $
Other income		16	6,605
Interest revenue calculated using the effective interest method		1,255	6,634
Expenses			
Administration expenses		(1,234,242)	(1,282,355)
Employee benefits expense		(456,219)	(574,296)
Depreciation and amortisation expense		(9,919)	(8,082)
Impairment of exploration and evaluation assets	9	(11,771,939)	-
Share based payment expense	27	(743,791)	-
Other expenses		(228,448)	(114,934)
Finance costs	4	(6,119,121)	(2,582,039)
Loss before income tax expense		(20,562,408)	(4,548,467)
Income tax expense	5	-	-
Loss after income tax expense for the year		(20,562,408)	(4,548,467)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(1,369,805)	413,048
Other comprehensive income/(loss) for the year, net of tax		(1,369,805)	413,048
Total comprehensive loss for the year		(21,932,213)	(4,135,419)
Loss for the year is attributable to:			
Non-controlling interest		(12,498)	-
Owners of Rapid Lithium Limited		(20,549,910)	(4,548,467)
		(20,562,408)	(4,548,467)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		45,082	-
Owners of Rapid Lithium Limited		(21,977,295)	(4,135,419)
		(21,932,213)	(4,135,419)
		Cents	**Cents**
Basic loss per share	26	(6.99)	(3.57)
Diluted loss per share	26	(6.99)	(3.57)

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

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Statement of financial position
As at 31 December 2024

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	7	375,995	1,858,069
Trade and other receivables		75,831	14,760
Other	8	115,884	63,818
Total current assets		567,710	1,936,647
Non-current assets			
Property, plant and equipment		15,245	3,506
Intangibles		-	2,667
Exploration and evaluation	9	9,206,765	14,002,786
Other	8	87,159	6,057
Total non-current assets		9,309,169	14,015,016
Total assets		9,876,879	15,951,663
Liabilities			
Current liabilities			
Trade and other payables	10	2,045,258	741,499
Borrowings	11	16,834,949	9,297,006
Total current liabilities		18,880,207	10,038,505
Non-current liabilities			
Trade and other payables	10	1,123,440	-
Borrowings	11	434,029	-
Total non-current liabilities		1,557,469	-
Total liabilities		20,437,676	10,038,505
Net assets/(liabilities)		(10,560,797)	5,913,158
Equity			
Issued capital	12	29,538,686	24,996,017
Reserves	13	2,087,208	2,599,004
Accumulated losses		(43,380,806)	(22,830,896)
Equity/(deficiency) attributable to the owners of Rapid Lithium Limited		(11,754,912)	4,764,125
Non-controlling interest		1,194,115	1,149,033
Total equity/(deficiency)		(10,560,797)	5,913,158

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

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non - controlling interest $	Total equity $
Balance at 1 January 2023	23,006,770	2,185,956	(18,282,429)	-	6,910,297
Loss after income tax expense for the year	-	-	(4,548,467)	-	(4,548,467)
Other comprehensive income for the year, net of tax	-	413,048	-	-	413,048
Total comprehensive income/(loss) for the year	-	413,048	(4,548,467)	-	(4,135,419)
Non-controlling interest recognised on acquisition of Bend Nickel project (note 9)	-	-	-	1,149,033	1,149,033
Contributions of equity, net of transaction costs (note 12)	1,989,247	-	-	-	1,989,247
Balance at 31 December 2023	24,996,017	2,599,004	(22,830,896)	1,149,033	5,913,158

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non - controlling interest $	Total deficiency in equity $
Balance at 1 January 2024	24,996,017	2,599,004	(22,830,896)	1,149,033	5,913,158
Loss after income tax expense for the year	-	-	(20,549,910)	(12,498)	(20,562,408)
Other comprehensive income/(loss) for the year, net of tax	-	(1,427,385)	-	57,580	(1,369,805)
Total comprehensive income/(loss) for the year	-	(1,427,385)	(20,549,910)	45,082	(21,932,213)
Contributions of equity, net of transaction costs (note 12)	4,542,669	-	-	-	4,542,669
Share-based payments (note 27)	-	915,589	-	-	915,589
Balance at 31 December 2024	29,538,686	2,087,208	(43,380,806)	1,194,115	(10,560,797)

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

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Statement of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 $	2023 $
Cash flows from operating activities			
Interest received		1,255	10,333
Other income		16	-
Payments to suppliers and employees		(1,892,093)	(1,632,056)
Net cash used in operating activities	24	(1,890,822)	(1,621,723)
Cash flows from investing activities			
Payments for exploration and evaluation		(558,285)	(1,338,789)
Transaction costs		(505,093)	-
Cash acquired upon acquiring Midwest Group		227,849	-
Net cash used in investing activities		(835,529)	(1,338,789)
Cash flows from financing activities			
Proceeds from issue of shares and options	12	1,350,000	2,080,000
Share issue transaction costs	12	(146,686)	(90,753)
Net cash from financing activities		1,203,314	1,989,247
Net decrease in cash and cash equivalents		(1,523,037)	(971,265)
Cash and cash equivalents at the beginning of the financial year		1,858,069	2,830,157
Effects of exchange rate changes on cash and cash equivalents		40,963	(823)
Cash and cash equivalents at the end of the financial year	7	375,995	1,858,069

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

Note 1. Material accounting policy information

The accounting policies that are material to the Consolidated Entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, namely amendments to *AASB 101 Presentation of Financial Statements*. The impact of their adoption has not been material.

Going concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of $20,562,408 for the period ended 31 December 2024 (2023: $4,548,467), had negative cash from operating activities of $1,890,822 (2023: $1,621,723), and had a net working capital deficiency of $18,491,557 (2023: $8,101,858) at that date.

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have reviewed the prepared cash flow forecast through to 31 March 2026 and believe that there are reasonable grounds to continue as a going concern due to the following;

- Since 31 December 2024 the company has issued 462,500,000 fully paid ordinary shares raising $1,849,998 before costs. In addition, the Company has received a commitment from Strata Investment Holding PLC to provide an additional $150,000 before costs in relation to the Company’s Entitlement Offer, which is subject to shareholder approval at the Company's annual general meeting;
- As an ASX listed entity, the Consolidated Entity has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the Directors consider appropriate, however there is no guarantee and is based on prevailing market conditions;
- Continued and ongoing support from related parties and other creditors to defer payment terms of amounts currently owing;
- Current liabilities include an amount of $16,821,054 in relation to redeemable shares. As disclosed in note 11 , the liability is current due to the presence of a change in control clause. Whilst management believe the likelihood of the change in control clause being triggered in the next 12 months is low, it is ultimately beyond the control of the Consolidated Entity. In the event this does occur the Consolidated Entity will be dependent on; ongoing support from the lender, ability to raise further equity from capital markets, or enter into alternative financing arrangements to repay the Redemption Amount;
- The loss from ordinary activities includes non-cash finance costs of $6,206,833 and impairment of $11,771,939; and
- The Consolidated Entity can defer discretionary operating and capital expenditures.

Accordingly, the Directors have reasonable grounds to believe at the date of signing this financial report that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that the Consolidated Entity is unsuccessful in managing the above-stated matters, a material uncertainty would exist that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and its ability to recover assets, and discharge liabilities in normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities, that might be necessarily incurred should the Consolidated Entity not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Note 1. Material accounting policy information (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rapid Lithium Limited ('Company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Rapid Lithium Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the carrying value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is the Consolidated Entity’s presentation currency. Armada Exploration Limited, The Midwest Group and Reliant Nickel Group all have a US dollar functional currency. Armada Exploration Gabon’s functional currency is African Franc. Armada Metals Germany’s functional currency is Euro.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Material accounting policy information (continued)

Foreign operations
The assets and liabilities of the consolidated entity are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of the consolidated entity are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

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

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and held for the purpose of meeting short-term cash commitments and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1. Material accounting policy information (continued)

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

At each reporting date management review exploration assets for indicators of impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources.*

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Financial Instruments
Financial assets and financial liabilities are recognised when the Consolidated Entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial liabilities is described below.

Financial liabilities
Initial recognition and measurement

All financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Consolidated Entity designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments which are measured at fair value through other comprehensive income).

The Consolidated Entity’s financial liabilities include trade and other payables, deferred consideration, convertible notes, and derivative financial instruments.

Note 1. Material accounting policy information (continued)

Subsequent Measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

Financial liabilities at amortised cost (Convertible notes, deferred consideration, trade and other payables)
This is the category most relevant to the Consolidated Entity. After initial recognition, convertible notes and deferred consideration are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit of loss.

Financial liabilities at fair value through profit or loss (derivatives and embedded derivatives)
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. Except for those foreign exchange gains and losses related to borrowings, foreign exchange gains and losses are recognised in the 'Other income' or 'Other losses' line items in profit or loss for financial liabilities that are not part of a designated hedging relationship. Foreign exchange gains and losses related to borrowings are recognised in the 'Finance Charges' line item in profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Share-based payments

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange and contractors for the rendering of goods and services and also those made as consideration for acquisitions and other transactions.

During the year the company issued shares as consideration for the acquisition of the Midwest Group. The fair value of the assets and liabilities could not be reliably measured and for this reason the investment was valued based on the fair value of the equity instruments issued.

The cost of equity-settled transactions are measured at fair value on grant date. The cost of equity-settled transactions are measured at the fair value of goods and services received. Where the fair value of goods and services cannot be measured, the cost of equity-settled transactions are measured at fair value of equity instruments on grant date.

Note 1. Material accounting policy information (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Rapid Lithium Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Indirect taxes
Revenues, expenses and assets are recognised net of the amount of associated indirect taxes, unless the indirect taxes incurred are not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of indirect taxes receivable or payable. The net amount of indirect taxes recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The indirect taxes components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of indirect taxes recoverable from, or payable to, the tax authority.

Note 1. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2024. Management have reviewed the accounting standards that are not yet mandatory and they are not expected to have a material impact on the financial statements. Except for AASB 18, management is still in the process of assessing the impact.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

At each reporting date management review exploration assets for indicators of impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources.* An impairment of $11,771,939 has been recognised in relation to the consolidated entity's projects in Gabon (note 9).

Redeemable shares

The subsequent measurement of the redeemable shares financial liability requires significant judgement, with key judgements being the estimation of cash outflows and the expected term. Refer to note 11 for further details.

Deferred consideration

The effective interest rate used to discount cash flows related to convertible notes is determined based on the present value of future cash flows, discounted at the market rate of interest for similar instruments. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 10 for further disclosures.

Convertible notes

The effective interest rate used to discount cash flows related to convertible notes is determined based on the present value of future cash flows, discounted at the implied effective interest rate of the convertible notes. The company exercises its judgment in selecting suitable valuation techniques and in determining the assumptions that may not be easily observable in the market. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 11 for further disclosures.

Acquisition of Midwest Lithium Group Limited (Midwest Group)

On 4 November 2024, the company completed the acquisition of the Midwest Group. It has been determined that the Midwest Group was not carrying on a business at the time of the acquisition and the transaction has been accounted for as an asset acquisition. Financial assets and financial liabilities are measured at fair value on initial recognition, then the residual transaction price is allocated to the exploration and evaluation assets, being the most significant item initially measured at cost. The shares were valued at 0.9 cents per share, being the share price on 23 October 2024 when the last the last substantive condition was met, refer to note 6.

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Notes to the financial statements
31 December 2024

Note 3. Operating segments

Identification of reportable operating segments
The Consolidated Entity is organised into three main operating segments, being the exploration and evaluation activities in the USA, Zimbabwe and Others segment.

Operating segment information

	Africa	USA	Others	Total
Consolidated - 2024	$	$	$	$
Revenue				
Other income	-	189,293	1,271	190,564
Total revenue	-	189,293	1,271	190,564
EBITDA	(644,610)	(37,706)	(1,979,113)	(2,661,429)
Depreciation and amortisation	(6,238)	(3,681)	-	(9,919)
Impairment of assets	(11,771,939)	-	-	(11,771,939)
Finance costs	(6,206,845)	70,692	17,032	(6,119,121)
Profit/(loss) before income tax expense	(18,629,632)	29,305	(1,962,081)	(20,562,408)
Income tax expense				-
Loss after income tax expense				(20,562,408)
Assets				
Segment assets	2,598,711	6,598,427	679,741	9,876,879
Total assets				9,876,879
Liabilities				
Segment liabilities	16,931,691	2,671,854	834,131	20,437,676
Total liabilities				20,437,676

	Africa	Others	Total
Consolidated - 2023	$	$	$
EBITDA	(811,018)	(1,153,692)	(1,964,710)
Depreciation and amortisation	(8,082)	-	(8,082)
Interest revenue	-	6,634	6,634
Finance costs	(2,582,309)	-	(2,582,309)
Loss before income tax expense	(3,401,409)	(1,147,058)	(4,548,467)
Income tax expense			-
Loss after income tax expense			(4,548,467)
Assets			
Segment assets	14,358,676	1,592,987	15,951,663
Total assets			15,951,663
Liabilities			
Segment liabilities	9,738,386	300,119	10,038,505
Total liabilities			10,038,505

Note 4. Finance costs

	Consolidated	
	2024	**2023**
	$	**$**
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable on borrowings	51,523	-
Remeasurement of Redeemable Shares	6,206,832	2,582,039
Remeasurement of other financial liabilities	(139,234)	-
Finance costs expensed	6,119,121	2,582,039

Note 5. Income tax expense

	Consolidated	
	2024	**2023**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(20,562,408)	(4,548,467)
Tax at the statutory tax rate of 30%	(6,168,722)	(1,364,540)
Tax losses and temporary differences not recognised	518,512	402,811
Non deductible expenses	5,650,210	961,729
Income tax expense	-	-

	Consolidated	
	2024	**2023**
	$	**$**
Australian tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	6,027,680	3,761,601
Potential tax benefit @ 30%	1,808,304	1,128,480

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

At reporting date the consolidated entity had the following unused tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statement of financial position:

- Unused tax losses in Gabon at 31 December 2024 nil (2023: $2,908,296). As disclosed in note 9, the decision has been made to discontinue operations in Gabon. Therefore, there is no prospect of these tax losses being utilised.
- Unused tax losses in Mauritius at 31 December 2024 $5,892,308 (2023: $2,539,031)

	Consolidated	
	2024	**2023**
	$	**$**
Potential benefit in Mauritius (at corporate tax rate of 15%)	883,846	380,854
Potential benefit in Gabon at (at corporate tax rate of 30%)	-	872,489
	883,846	1,253,343

Note 5. Income tax expense (continued)

Tax losses in both Gabon and Mauritius expire after five years if not utilised.

Note 6. Acquisition of Midwest Lithium Ltd (Midwest Group)

On 4 November 2024, the company completed the acquisition of 100% of issued capital of the Midwest Group ,which holds a number of lithium exploration projects in the United States. The company issued 343,000,000 fully paid ordinary shares to complete the acquisition. The shares were valued at 0.9 cents per share, being the share price on 23 October 2024 when the last substantive condition was met and had a total value of $3,087,000. In addition, transactions costs totalling $586,994 have been capitalised to exploration and evaluation assets.

The transaction was subject to the following conditions precedent:

- The Minority shareholders of the Midwest Group's collectively agreeing to the transaction
- The Company completing an equity raising of at least $1m ("Equity Raising")
- Amending certain contracts of Midwest to enable the Company to directly satisfy certain payment obligations or modified terms.
- Shareholder approval of the transaction, including approval of all renegotiated contracts.

All substantive conditions precedent were met on the 23rd of October 2024, and the Company was deemed to have taken control as the remaining conditions were administrative on that date. Legally, the transaction completed on the 4th of November 2024.

Below is a summary of the assets and liabilities acquired:-

	Acquisition date Fair Value on 23 October 2024
Cash and cash equivalents	227,849
Trade and other receivables	12,637
Property, plant and equipment	17,743
Mining bonds	60,103
Exploration and evaluation assets (note 9)	5,779,076
Trade and other payables	(114,744)
Borrowings (note 11)	(748,839)
Deferred consideration on tenement acquisitions *	(2,146,825)
Net assets acquired	3,087,000

It has been determined that the Midwest Group was not carrying on a business at the time of the acquisition and the transaction has been accounted for as an asset acquisition.

* Included in trade and other payables line item of consolidated statement of financial position, refer to note 10.

Note 7. Cash and cash equivalents

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Cash at bank and on hand	375,995	1,858,069

Note 8. Other

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Prepayments	115,884	63,818
Non-current assets		
Security deposits	-	6,057
Other non-current assets	87,159	-
	87,159	6,057

Note 9. Exploration and evaluation

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Exploration and evaluation - at cost	9,206,765	14,002,786

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & evaluation $
Balance at 1 January 2023	11,148,058
Additions	153,013
Earn-in/acquisition costs for the Bend Nickel project	2,331,954
Exchange differences	369,761
Balance at 31 December 2023	14,002,786
Additions	230,604
Acquired as part of Midwest acquisition (note 6)	6,366,070
Impairment expense *	(11,771,939)
Exchange differences	379,244
Balance at 31 December 2024	9,206,765

- During the year, the company completed the acquisition Midwest Lithium Limited (Midwest). As part of the decision to enter into the Midwest transaction, the Company has reevaluated its exploration strategy, shifting focus from the Gabon project to the Nickel and lithium under the Bend Nickel Project in Zimbabwe and the prospective Midwest Lithium Project in the USA respectively. This has resulted in the full impairment of the Gabon project's exploration and evaluation assets due to a change in strategic intent and no further plans for expenditure on the Gabon project, such that the asset will not be recovered through successful development or sale.

Note 10. Trade and other payables

	Consolidated	
	2024 $	2023 $
Current liabilities		
Trade payables	579,460	461,884
Deferred consideration on tenement acquisitions	1,078,653	-
Other payables	387,145	279,615
	2,045,258	741,499
Non-current liabilities		
Deferred consideration on tenement acquisitions	1,123,440	-

Refer to note 15 for further information on financial instruments.

Deferred payment – Ingersoll Project

On 12 January 2024, the Midwest Group exercised its option under the terms of the agreement signed with United States Mining Co. dated on 2 March 2023 to purchase the real property of Ingersoll Project. Pursuant to the agreement, the remaining balances include:

- $US300,000 to be paid by 12 January 2025, payable in 50% cash and 50% in shares of Midwest or the corporate entity holding Midwest (pending acquisition), valued at the market price on the settlement date.
- $US300,000 to be paid by 12 January 2026, to be paid in cash
- $US400,000 to be paid by 12 January 2027.

Deferred payments are measured initially at fair value, and subsequently at amortised cost. The effective interest rate used to discount cash flows is based on the market rate of interest for similar instruments held by the Company. The first payment due on 12 January 2025 has been considered to be a current financial liability classified as current liabilities on the basis that the Group does not have the right to defer payment for at least 12 months after the reporting date. The subsequent payments are considered to be non-current liabilities.

Deferred payment – Tin Mountain Project

On 6 May 2024, the Midwest Group executed Amendment to Sale Purchase Agreement (“Amendment”) with F3 Gold LLC to amend the original purchase price and timeframes set out in Transaction Agreement dated on 4 May 2023. Under the Agreement, the remaining payments to be made by the Midwest Group are:

- US$200,000 to be paid in cash on 4 May 2025
- US$325,000 to be paid in shares of the buyer parent at an issue share price which is the higher of i) market price based on the “VWAP” or ii) a 10% discount to the “IPO Price”. Payable 4 May 2025.
- US$200,000 to be paid in cash on 4 May 2026
- US$125,000 to be paid in cash on 4 May 2027

Deferred payments are measured initially at fair value, and subsequently at amortised cost. The effective interest rate used to discount cash flows is based on the market rate of interest for similar instruments held by the Company. Payments due on 4 May 2025 have been considered to be a current financial liability classified as current liabilities on the basis that the Group does not have the right to defer payment for at least 12 months after the reporting date. The other payments are considered to be non-current liabilities.

Note 11. Borrowings

	Consolidated	
	2024	**2023**
	$	**$**
Current liabilities		
Insurance premium funding	13,895	-
Redeemable shares	16,821,054	9,297,006
	16,834,949	9,297,006
Non-current liabilities		
Convertible notes payable	434,029	-

Redeemable shares

In 2019, 1,158 Class A ordinary shares held by Tremont Master Holdings (‘Tremont’) were exchanged for a number of Class A redeemable shares (‘redeemable shares’). As at reporting date, these redeemable shares remain on issue and are held by Tremont.

Following the expiry of 2 out of 3 redemption options (the ‘early redemption options’) available to the company under the terms of the arrangement, the company may redeem the redeemable shares in accordance with the third redemption option. This requires that, after 17 October 2024, the company may redeem the redeemable shares by paying Tremont the full redemption amount, being US$10,457,650. If the company exercises this right, it shall pay the full redemption amount before any dividend or other distribution is made to any other shareholder of the company.

In case of a 'change of control’ (as defined under the Share Purchase and Subscription Agreement dated 17 October 2019) of Armada Exploration Gabon, the company must exercise its redemption options as described above, failing which Tremont may, at its option, request redemption of the redeemable shares at the redemption value relevant for that date in accordance with the above.

The redeemable shares financial liability is re-measured at each reporting date to reflect expected cash outflows, discounted at the original effective interest rate. The re-measurement is recognized in the profit or loss as income or expense. The subsequent measurement of the redeemable shares financial liability is subject to significant judgement and estimation in relation to the expected timing and amount of cash outflows and the expected term.

During the year, due to changes in the operational strategy to discontinue further exploration activities in Gabon, the liability was accreted to the full amount payable of $16,821,054 (US$10,457,650). This is due to the expiry of the 2nd early redemption option in October 2024 and therefore under the terms of the arrangement US$10,457,650 will be the amount required to be paid to settle the redeemable share financial liability. The amount is recognised at its face value as it remains subject to change in control clause and there is no genuine, realistic term by which Rapid expects it will have cash flow (either through production or some alternative source of funding) to repay the loan for the foreseeable future. An expense of $6,206,832 has been recognised in current financial year.

Convertible notes

On 6 November 2023, The Midwest Group and Ontario Inc. entered into a Loan Agreement for a loan of US$500,000. Contemplating the Midwest acquisition transaction, the terms of the loan agreement were renegotiated to allow the Company to take over the obligations of Midwest post-acquisition.

On 4 November 2024, a total of 35,820,895 shares were issued at a price of $0.009 per share to settle US$240,000. The remaining balance of the loan (US$260,000) was settled through the issuance of Convertible notes, refer below for the Convertible Note terms described in the Convertible Note Deed.

Note 11. Borrowings (continued)

Convertible Note Deed terms are:

- Principal amount of US$379,500.
- The notes will be senior and unsubordinated obligations of the company.
- Maturity date: 24 months from the issue date of the notes to occur on completion of the Midwest Group acquisition, i.e. 4 November 2024
- Daily interest will be charged on the principal amount at a rate based on the 90-calendar day average Secured Overnight Financing Rate (SOFR), published by the Federal Reserve Bank of New York on the issue date.
- Conversion of the notes into shares is at the option of the Company, if the 10-trading day Volume Weighted Average Price (VWAP) exceeds the 'Conversion Price.'
- Conversion Price is defined as A$0.015, converted to USD based on the exchange rate on the day prior to the execution of the Share Purchase Agreement.
- The Company would be required to immediately redeem the convertible notes, including any unpaid interest, in cash in the event of a change in control event, at the maturity date, or in the event of default

Convertible notes are measured initially at fair value, and subsequently at amortised cost. The borrowings have been considered to be non-current liabilities as the notes are repayable at maturity, except in the event of default or a change in control event.

Note 12. Issued capital

	Consolidated			
	2024 Shares	**2023 Shares**	**2024 $**	**2023 $**
Ordinary shares - fully paid	732,110,895	208,000,000	29,538,686	24,996,017

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 January 2023	104,000,000		23,006,770
Issue of shares	27 September 2023	60,000,000	$0.0200	1,200,000
Issue of shares	27 October 2023	44,000,000	$0.0200	880,000
Less costs of capital raised		-	$0.0000	(90,753)
Balance	31 December 2023	208,000,000		24,996,017
Issue of shares	23 October 2024	135,000,000	$0.0100	1,350,000
Shares issued to settle external borrowings of Midwest Group (note 11)	4 November 2024	35,820,895	$0.0090	321,253
Shares issued to settle services and costs directly related to the acquisition of Midwest Group	4 November 2024	10,290,000	$0.0100	102,900
Shares issued as consideration for acquisition of Midwest Group (note 6)	4 November 2024	343,000,000	$0.0090	3,087,000
Less costs of capital raised		-	$0.0000	(318,484)
	31 December 2024	732,110,895		29,538,686

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 12. Issued capital (continued)

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 31 December 2023 Annual Report.

Note 13. Reserves

	Consolidated 2024 $	Consolidated 2023 $
Foreign currency reserve	(347,050)	1,080,335
Share-based payments reserve	1,656,859	741,270
Other reserves	777,399	777,399
	2,087,208	2,599,004

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of foreign operations' financial statements from their functional currency to the presentation currency of the consolidated financial statements, which is Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Other reserves
The reserve is used to recognise the value of equity financial instruments reclassified from derivative financial liabilities upon completion of the company's listing on the ASX.

Note 13. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Other $	Share based payments $	Foreign currency $	Total $
Balance at 1 January 2023	777,399	741,270	667,287	2,185,956
Foreign currency translation	-	-	413,048	413,048
Balance at 31 December 2023	777,399	741,270	1,080,335	2,599,004
Foreign currency translation	-	-	(1,427,385)	(1,427,385)
Share based payments	-	915,589	-	915,589
Balance at 31 December 2024	777,399	1,656,859	(347,050)	2,087,208

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 15. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Risk management is carried by the Board of Directors ('the Board')

Market risk

Foreign currency risk
The Consolidated Entity is not exposed to any significant foreign currency risk other than translation risk, arising from the translation of results and financial position of foreign operations in Gabon, Zimbabwe, the United States Germany and Mauritius.

Price risk
The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity is not exposed to any significant interest rate risk.

Credit risk
The consolidated entity is not exposed to significant credit risk.

Liquidity risk
Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 15. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2024	On Demand $	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing						
Trade and other payables	-	956,174	-	-	-	956,174
Redeemable shares *	16,821,054	-	-	-	-	16,821,054
Deferred consideration	-	804,246	804,246	844,459	-	2,452,951
Interest-bearing - fixed rate						
Convertible notes payable	-	-	610,423	-	-	610,423
Total non-derivatives	16,821,054	1,760,420	1,414,669	844,459	-	20,840,602

* The redeemable shares financial liability has been presented in the above tables as on demand because the ‘change of control’ event that requires redemption (see note 11) is not within the company’s control. The amount disclosed in the above table represents the undiscounted cash outflow that could be required to be paid as at reporting date (as described in note 11 to the financial statements), which differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows.

Consolidated - 2023	On Demand $	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing						
Trade and other payables	-	741,499	-	-	-	741,499
Redeemable shares *	14,491,059	-	-	-	-	14,491,059
Total non-derivatives	14,491,059	741,499	-	-	-	15,232,558

* The redeemable shares financial liability has been presented in the above tables as on demand because the ‘change of control’ event that requires redemption (see note 11) is not within the company’s control.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2024	**2023**
	$	**$**
Short-term employee benefits	559,285	460,000
Share-based payments	572,146	-
	1,131,431	460,000

Note 17. Remuneration of auditors

	Consolidated	
	2024	**2023**
	$	**$**
Audit services - Ernst and Young		
Audit or review of the financial statements	120,675	104,000
Other services - Ernst and Young		
Preparation of the tax return and tax consulting work	45,400	4,452
	166,075	108,452
Audit services - network firms		
Audit or review of the financial statements	2,300	15,803

Note 18. Contingent liabilities

Tin Mountain Project Royalties

On 4 May 2023, the Midwest Group entered into a sale purchase agreement with F3 Gold LLC (‘F3 Gold’) to acquire the Tin Mountain Projects for a total consideration of US$1.65 million. Refer to note 10.

As part of this transaction, the Midwest Group also entered into a net smelter return royalty agreement with F3 Gold, whereby the Midwest Group granted the vendor a royalty equal to 2% of revenue on products produced from the Tin Mountain Project.

The consolidated entity did not have any contingent liabilities at 31 December 2023

Note 19. Commitments

The consolidated entity had total commitment totalling $nil (2023: $2,051,279) in relation to its exploration tenements in Gabon. The decision has been made to discontinue exploration activities in Gabon, refer to note 9.

Note 20. Related party transactions

Parent entity
Rapid Lithium Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Note 20. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2024 **$**	**2023** **$**
Payment for goods and services:		
Payment for services from those related to key management personnel	-	57,914
Fees paid to Red Technical, excluding those included in KMP remuneration (an entity related to Ross McGowan)	-	101,594

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2024 **$**	**2023** **$**
Current payables:		
Total directors fees payable	161,311	82,327

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 **$**	**2023** **$**
Loss after income tax	(1,908,635)	(4,066,093)
Total comprehensive loss	(1,908,635)	(4,066,093)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	364,313	1,488,803
Total assets	9,497,874	5,019,318
Total current liabilities	752,761	257,857
Total liabilities	1,186,790	257,857
Equity		
Issued capital	15,251,842	10,709,172
Share-based payments reserve	2,146,398	453,411
Other reserves	-	777,399
Accumulated losses	(9,087,156)	(7,178,521)
Total equity	8,311,084	4,761,461

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Armada Metals Germany GmbH	Germany	100.00%	100.00%
Armada Exploration Limited	Mauritius	100.00%	100.00%
Armada Exploration Gabon	Gabon	100.00%	100.00%
Reliant Nickel	Mauritius	50.00%	-
Midwest Lithium Pty Ltd	Australia	100.00%	-
Midwest Lithium AG	Switzerland	100.00%	-
South Dakota Operation LLC	United States	100.00%	-
SDO RE LLC	United States	100.00%	-
SDO Services LLC	United States	100.00%	-

Note 23. Events after the reporting period

On 17 January 2025, 50,333,801 fully paid shares valued at US$150,000 were issued to settle deferred consideration on the acquisition of the Ingersoll project, as approved by shareholders at the EGM held on 17 October 2024.

On 6 February 2025, the Company issued 13,465,156 fully paid ordinary shares valued at 0.4 cents per share raising $53,860 before costs as a result of applicants under the Company's Entitlement Offer.

On 10 February 2025, the Company issued 235,421,585 fully paid ordinary shares valued at 0.4 cents per share raising $941,686 before costs pursuant to the underwriting of the Entitlement Offer.

On 11 February 2025, the Company issued 1,113,259 fully paid ordinary shares valued at 0.4 cents per share raising $4,453 before costs pursuant to the balance of the underwriting of the Entitlement Offer.

On 25 February 2025, the Company issued 201,534,995 fully paid ordinary shares valued at 0.4 cents per share raising $806,139 before costs pursuant to the placement of the shortfall of the Entitlement Offer.

On 27 February 2025, the Company issued 10,965,005 fully paid ordinary shares valued at 0.4 cents per share raising $43,860 before costs pursuant to the placement of the balance of the shortfall of the Entitlement Offer.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2024	2023
	$	$
Loss after income tax expense for the year	(20,562,408)	(4,548,467)
Adjustments for:		
Depreciation and amortisation	3,681	8,082
Impairment of exploration and evaluation assets	11,771,939	-
Share-based payments	743,791	-
Non cash finance costs	6,119,121	2,582,039
Unrealised foreign exchange loss	25,349	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(48,434)	467,100
Decrease/(increase) in other operating assets	(52,066)	18,191
Increase/(decrease) in trade and other payables	108,205	(148,668)
Net cash used in operating activities	(1,890,822)	(1,621,723)

Note 25. Changes in liabilities arising from financing activities

Consolidated	Borrowings $	Convertible notes $	Redeemable Shares $	Total $
Balance at 1 January 2023	-	-	6,854,069	6,854,069
Exchange differences	-	-	(139,102)	(139,102)
Accretion of liability	-	-	2,582,039	2,582,039
Balance at 31 December 2023	-	-	9,297,006	9,297,006
Recognised upon gaining control of Midwest Group (note 6)	748,839	-	-	748,839
Conversion to equity	(325,792)	-	-	(325,792)
Settlement through issue of convertible notes	(389,396)	389,396	-	-
Exchange differences	-	25,349	962,060	987,409
Remeasurement of financial liabilities	(33,651)	19,284	6,561,988	6,547,621
Balance at 31 December 2024	-	434,029	16,821,054	17,255,083

Note 26. Earnings per share

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax	(20,562,408)	(4,548,467)
Non-controlling interest	12,498	-
Loss after income tax attributable to the owners of Rapid Lithium Limited	(20,549,910)	(4,548,467)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	294,050,057	127,452,056
Weighted average number of ordinary shares used in calculating diluted earnings per share	294,050,057	127,452,056
	Cents	**Cents**
Basic loss per share	(6.99)	(3.57)
Diluted loss per share	(6.99)	(3.57)

Options that could potentially dilute basic earnings per share in the future, were not included in the calculation of diluted earnings per share because they are antidilutive.

Note 27. Share-based payments

During the year the company issued a total 95,174,416 options over ordinary share as remuneration to directors and other consultants, a total share based payment expense of $743,791 was recognised. In addition a further 28,327,588 options over ordinary shares were issued to brokers, and amount of $171,787 was recognised as a cost of capital raised.

For the options granted during the prior financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/11/2024	04/11/2029	$0.0120	$0.0170	129.000%	-	3.890%	$0.008
04/11/2024	23/10/2027	$0.0120	$0.0170	129.000%	-	3.810%	$0.060

Note 27. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.08 years (2023: 2.95 years). The weighted average exercise price at the end of the financial year was 5.8 cents (2023: 33.4 cents)

The company issued 343,000,000 fully paid ordinary shares to complete the acquisition of Midwest Lithium Pty Ltd. The shares were valued at 0.9 cents per share, being the share price on 23 October 2024 when the last the last substantive condition was met and had a total value of $3,087,000. Refer to note 6.

In addition, the company issued 10,290,000 fully paid ordinary shares for services and costs directly related to the acquisition of Midwest Group. These shares were valued at 1 cent per share which represented the fair value of the services provided.

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;

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

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

On behalf of the directors

Rick Anthon
Chairman

31 March 2025

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200 George Street
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Independent auditor's report to the members of Rapid Lithium Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Rapid Lithium Limited (the Company) and its Subsidiaries (collectively the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Consolidated Entity as at 31 December 2024 and of its consolidated financial performance for the year ended on that date; and

b. 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 Consolidated Entity 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubts about the Consolidated Entity's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying Value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
The Consolidated Entity's exploration and evaluation assets total $9.2m as at 31 December 2024 and represent 93% of the total assets of the Consolidated Entity. As disclosed in Note 9, during the financial year, the Consolidated Entity acquired $6.3m of Exploration and Evaluation Assets following the acquisition of Midwest Group and recognised $11.8m impairment expense relating to its Gabon project. Exploration assets are initially recognised at cost and any additional expenditure is capitalised to the exploration asset in accordance with the accounting policy as disclosed in Note 1. At each reporting date the Directors' assess the Consolidated Entity's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the exploration assets to be assessed for impairment in accordance with the requirements of Australian Accounting Standards involved significant judgment, including whether, the rights to tenure for the areas of interest are current, the Consolidated Entity's ability and intention to continue to evaluate and develop the area of interest and whether the results of the exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. We assessed this to be a key audit matter due to the value of the exploration assets relative to total assets and the significant judgments involved in both determining the value of the Midwest Group exploration and evaluation assets acquired, and in the assessment of indicators of impairment.	Our audit procedures included the following: ▶ Obtaining an understanding of the current exploration programs and any associated risks. ▶ Considering the Consolidated Entity's right to explore in the relevant exploration areas, which included obtaining and assessing supporting documentation such as license agreements. ▶ Evaluating the value of exploration and evaluation assets recognised on acquisition of Midwest Group, which included: ○ Validation of the consideration paid and capitalised transaction costs. ○ Evaluation of the fair value of the other net identifiable assets and liabilities acquired as part of the asset acquisition. ○ Recalculation of the resultant fair value of the exploration and evaluation assets on acquisition by deducting the relative fair value of identifiable assets and liabilities on acquisition from the total consideration paid. ▶ Assessing the Consolidated Entity's intention to carry out significant exploration and evaluation activity in the relevant areas of interest. This included an assessment of the Consolidated Entity's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Consolidated Entity. ▶ Agreeing a sample of costs capitalised for the period to supporting

Why significant	How our audit addressed the key audit matter
	documentation and assessing whether these costs meet the requirements of Australian Accounting Standards and the Consolidated Entity's accounting policy. ► Assessing whether the methodology and judgements applied by the Consolidated Entity to identify indicators of impairment and impairment expense to be recognised, met the requirements of Australian Accounting Standards. ► Evaluating the adequacy and appropriateness of the disclosures included in the Notes to the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon. We obtained the directors' report and review of operations that are to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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.

Responsibilities of the directors for the financial report

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

- 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
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- 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; and

- 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 Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Consolidated Entity audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Consolidated Entity as a basis for forming an opinion on the Consolidated Entity financial report. We are responsible

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for the direction, supervision and review of the audit work performed for the purposes of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 10 of the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Rapid Lithium Limited for the year ended 31 December 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.

Ernst & Young

Ernst & Young

James Johnson
Partner
Sydney
31 March 2025

Rapid Lithium Limited
(Formerly known as Armada Metals Limited)
Consolidated entity disclosure statement
As at 31 December 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Rapid Lithium Limited	Parent Entity	Australia	-	Australia
Armada Exploration Limited	Company	Mauritius	100.00%	Australia
Armada Exploration Gabon	Company	Gabon	100.00%	Australia
Reliant Nickel	Company	Mauritius	50.00%	Australia
Midwest Lithium Pty Ltd	Company	Australia	100.00%	Australia
Midwest Lithium AG	Company	Switzerland	100.00%	Australia
South Dakota Operation LLC	Company	United States	100.00%	Australia
SDO RE LLC	Company	United States	100.00%	Australia
SDO Services LLC	Company	United States	100.00%	Australia
Armada Metals Germany GmbH	Company	Germany	100.00%	Australia