

FIRST LITHIUM LIMITED
ACN 009 081 770

OPTIONS PROSPECTUS

For the issue of up to 7,500,000 Options exercisable at \$0.30 expiring on or before 4 September 2026 (**FL1O Options**) to all Australian and New Zealand resident holders of the FL1OB Options and FL1AL Options on the basis of 1 New Option for every 1 FL1OB Option and 1 New Option for every 1 FL1AL Option held on the Expiry Date (**Eligible Participants**) at an issue price of \$0.005 (**Offer**).

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**). Refer to Section 6.4 for the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the FL1O Options being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The FL1O Options offered by this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 28 October 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.11.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within

the target market determination (**TMD**) as set out on the Company's website (<https://firstlithium.com.au/>). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://firstlithium.com.au/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (08) 9481 0389 during office hours or by emailing the Company at info@firstlithium.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 (08) 9481 0389.

CORPORATE DIRECTORY

Directors

Lee Christensen
Non-Executive Chairman

Venkatesh Padala
Managing Director

Jason Ferris
Non-Executive Director

Andrew Law
Non-Executive Director

Company Secretary

Alan Armstrong

Registered Office

Level 8
216 St Georges Terrace
PERTH WA 6000

Telephone: + 61 8 9481 0389

Email: info@firstlithium.com.au

Website: firstlithium.com.au

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 14 QV1 Building
250 St Georges Terrace
PERTH WA 6000

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11
12-14 The Esplanade
PERTH WA 6000

Lead Manager and Underwriter

CPS Capital Group Pty Ltd
Level 45
108 St Georges Terrace
PERTH WA 6000

Share Registry*

Automic Pty Ltd
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

1. KEY OFFER INFORMATION

1.1 Timetable

ACTION	DATE*
Record Date for Offer (5:00pm AWST)	8 July 2024
Lodgement of Prospectus with ASIC and ASX	28 October 2024
Opening Date	28 October 2024
Closing Date (5:00pm AWST)	31 October 2024
Issue of FL1O Options under the Offer	1 November 2024
Expected date of Official Quotation of FL1O Options under the Offer	1 November 2024

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the FL1O Options are expected to be quoted on ASX may vary with any change in the Closing Date.

1.2 Key statistics of the Offer

Options

	FULL SUBSCRIPTION (\$37,500 ¹)
Offer Price per New Option	\$0.005
Option Entitlement Ratio	1:1
Options currently on issue	47,901,028
FL1O Options to be issued under the Offer ²	7,500,000
Options on issue Post Offer	55,401,028

Notes:

1. Based on Full Subscription of \$37,500.
2. Refer to Section 4.1 for the terms of the FL1O Options

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for FL1O Options involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the FL1O Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

2. DETAILS OF THE OFFER

2.1 Offer

On 8 July 2024, 6,000,000 of the FL1OB class of quoted Options (**FL1OB Options**) and 1,500,000 of the FL1AL class of unquoted Options (**FL1AL Options**) expired (**Expiry Date**).

The Company is proposing to issue up to 7,500,000 Options exercisable at \$0.30 expiring on or before 4 September 2026 (**FL1O Options**) to all Australian and New Zealand resident holders of the FL1OB Options and FL1AL Options on the basis of 1 New Option for every 1 FL1OB Option and 1 New Option for every 1 FL1AL Option held on the Expiry Date (together, the **Eligible Participants**) at an issue price of \$0.005 (**Offer**).

The purpose of the issue of the FL1O Options is to enable the holders of the FL1OB Options and FL1AL Options to continue to participate in the ongoing development of the Company.

2.2 Underwriting

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**CPS** or **Underwriter**) dated 3 May 2024, pursuant to which the Underwriter has agreed to fully underwrite the Offer.

Pursuant to the Underwriting Agreement, the Underwriter will receive an underwriting fee equivalent to 6% of the gross amount raised under the Offer.

Further terms of the underwriting are set out in Section 6.4.

2.3 Effect on Control

As the Securities offered under this Prospectus do not contain voting rights, the offering of the FL1O Options under the Offer will not change the voting power in the Company. In order to acquire voting rights, holders of FL1O Options will need to exercise their FL1O Options received in accordance with their terms.

2.4 Minimum subscription

There is no minimum subscription for the Offer.

2.5 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.6 Applications

Applications for FL1O Options can only be made by Eligible FL1OB or FL1AL Optionholders at the direction of the Company and must be made no later than 5.00pm (AWST) on the Closing Date using the appropriate Application Form accompanying this Prospectus. The Company reserves the right to close the Offer early.

2.7 Implications of Completing an Application Form

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

2.8 ASX Listing

Application for Official Quotation of the FL1O Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the FL1O Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options under the Offer. The fact that ASX may grant Official Quotation to the FL1O Options is not to be taken in any way as an indication of the merits of the Company or the FL1O Options now offered for subscription.

2.9 Issue of FL1O Options

All FL1O Options offered by this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

2.10 Defects in Applications

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final. The Directors reserve the right to reject any application or to allocate any Applicant fewer FL1O Options than the number applied for.

2.11 Overseas shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The Offer will not be extended and FL1O Options will not be issued to Shareholders with a registered address outside of Australia and New Zealand.

(a) New Zealand

The FL1O Options are not being offered or sold to the public within New Zealand other than to existing Shareholders who are Eligible FL1OB or FL1AL Optionholders with registered addresses in New Zealand to whom the offer of FL1O Options is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) Nominees and custodians

Nominees and custodians may not submit an Application Form on behalf of any Eligible FL1OB or FL1AL Optionholder resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.12 Enquiries

Any questions concerning the Offer should be directed to Alan Armstrong, Company Secretary, on +61 (08) 9481 0389.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the offer of FL1O Options under this Prospectus is to enable the holders of the expired FL1OB and FL1AL Options to continue participating in the ongoing development of the Company. The Company confirms that all FL1O Options offered under this Prospectus are being issued with disclosure under this Prospectus (which is a disclosure document under Part 6D.2 of the Corporations Act).

Under the Offer, an amount of approximately \$37,500 (before expenses) will be raised. The funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer. In addition, if all FL1O Options issued under this Prospectus are exercised into Shares, the Company will receive \$2,250,000.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all FL1O Options are issued, will be to:

- (a) increase the number of Options on issue from 47,901,028 Options as at the date of this Prospectus to 55,401,028 Options; and
- (b) to remove any trading restrictions attaching to the FL1O Options and to enable the on-sale of any Shares issued on exercise of the FL1O Options issued under this Prospectus.

3.3 Financial effect of the Offer

After expenses of the Offer of approximately \$36,062, there will only be residual proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$37,500 less costs of making the Offer of approximately \$36,062.

3.4 Effect of the Offer on capital structure

The effect of the Offer on the capital structure of the Company, assuming all FL1O Options are issued, is set out below.

SHARES ¹	NUMBER
Shares currently on issue	108,673,604
Shares offered pursuant to the Offer	Nil
Total Shares on completion of the Offer	108,673,604

OPTIONS	NUMBER
Options currently on issue	47,901,028
FL1O Options offered pursuant to the Offer ³	7,500,000
Total Options on completion of the Offer	55,401,028

Notes:

- 1. The rights attaching to the Shares are summarised in Section 4.2 of this Prospectus.
- 2. FL1O Options to be issued under the Offer on the terms of which are set out at Section 4.1, each exercisable at \$0.30 each on or before 4 September 2026, on the basis of one (1) New Option for every one (1) FL1OB Option one (1) New Option for every one (1) FL1AL Option held at 5:00pm (AWST) on the Record Date.

PERFORMANCE RIGHTS	NUMBER
Performance Rights currently on issue	15,000,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on completion of the Offer	15,000,000

The capital structure on a fully diluted basis as at the date of this Prospectus is 171,574,632 Shares and on completion of the Offer (assuming all FL1O Options offered under this Prospectus are issued and exercised into Shares) would be 179,074,632 Shares.

3.5 Pro-forma balance sheet

The audited balance sheet as at 30 June 2024 and the unaudited pro-forma balance sheet shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 JUNE 2024	UNAUDITED PROFORMA 30 JUNE 2024
CURRENT ASSETS		
Cash ^{1,2}	2,213,779	2,215,768
Trade and other receivables	46,769	46,769
Other current assets	26,326	26,326
TOTAL CURRENT ASSETS	2,286,874	2,288,863
NON-CURRENT ASSETS		
Exploration and evaluation assets	3,971,860	3,971,860
Property, plant and equipment	237,276	237,276
Other assets	1	1
TOTAL NON-CURRENT ASSETS	4,209,137	4,209,137
TOTAL ASSETS	6,496,011	6,498,000
CURRENT LIABILITIES		
Trade and other payables	779,748	779,748
TOTAL CURRENT LIABILITIES	779,748	779,748
TOTAL LIABILITIES	779,748	779,748
NET ASSETS (LIABILITIES)	5,716,263	5,718,252
EQUITY		
Issued capital	11,919,572	11,919,572
Reserves ¹	4,960,184	4,997,684
Accumulated losses ²	(11,163,493)	(11,199,004)
TOTAL EQUITY	5,716,263	5,718,252

Notes

1. completion of the Offer, by way of full subscription and issue of 7,500,000 FL1O Options at an issue price of \$0.005 per FL1O Option to raise up to \$37,500 (before costs); and
2. expenses of the Offer (assuming full subscription) are estimated at \$35,511 have been offset against proceeds of the Offer.

3.6 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Intermin Mines Corporation	31,428,572	28.92%

There will be no change to the substantial holders on completion of the Offers.

4. RIGHTS AND LIABILITIES ATTACHING TO OPTIONS

4.1 Terms and conditions of the FL10 Options

(a) **Entitlement**

Each FL10 Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each FL10 Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

The FL10 Options will expire at 5:00 pm (WST) on 4 September 2026 (**Expiry Date**).

An FL10 Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The FL10 Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The FL10 Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each FL10 Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each FL10 Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of FL10 Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the FL1O Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon exercise of the FL1O Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the FL1O Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the FL1O Options without exercising the FL1O Options.

(l) **Change in exercise price**

An FL1O Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the FL1O Option can be exercised.

(m) **Transferability**

The FL1O Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares that may be issued subject to exercise of the FL1O Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Members are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Members may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Members or classes of Members:

- (i) each Member entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Member or a proxy, attorney or representative of a Member has one vote; and
- (iii) on a poll, every person present who is a Member or a proxy, attorney or representative of a Member shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Member's name

as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Members and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Members entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Members any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Members in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Members or different classes of Members.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Member liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Members vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Members present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Risks specific to the Company

(a) Exploration and Operating Risk

The mineral permits comprising the Mali Lithium Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these permits, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral permits comprising the Mali Lithium Project and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Mali Lithium Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral permits comprising the Mali Lithium Project.

(b) Tenure

Mining and exploration licences are subject to periodic renewal. Two of the Company's licenses have expired and applications for their renewal have been lodged. Whilst the Company has no reason to believe that the renewals will not

be granted, there is no guarantee that current or future licences or future applications for production licences will be approved.

The mineral licences are subject to the applicable mining acts and regulations in Mali. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the licences comprising the Mali Lithium Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(c) **Sovereign Risk**

The Mali Lithium Project is subject to sovereign risks including, without limitation, changes in the terms of mining legislation including renewal and continuity of tenure of permits, transfer of ownership of acquired permits to the Company, changes to royalty arrangements, changes to taxation rates and concessions, restrictions on foreign ownership and foreign exchange, changing political conditions, changing mining and investment policies and changes in the ability to enforce legal rights.

(d) **Foreign Legal Systems**

The legal systems of Mali are less developed than those in more established countries and this could result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and courts in matters affecting the Company.

The commitment from local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that the Company will not be adversely affected by the actions of the government authorities or others. As such, the effectiveness and enforcement of such arrangements cannot be assured.

(e) **Enforcing judgments in foreign jurisdictions**

The Mali Project is located outside Australia, meaning it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Mali or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the Company's Projects are or will be located outside Australia, it may also be difficult to access those Projects to satisfy an award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

(f) **Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(g) **New Projects and Acquisitions**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(h) **Climate**

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

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

5.3 General risks

(a) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(b) **Economic and financial market risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Force majeure**

The Company's existing Projects or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(d) **Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves exploration success which leads to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian and local Malian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the West African CFA Franc and the Australian dollar as determined in international markets.

(e) **Litigation risk**

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

(f) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with is the Company's business may not always available and where available the costs can be prohibitive.

(g) **Speculative investment**

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous Disclosure Obligations

As set out in the Important Notices Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. This Prospectus is a "transaction specific prospectus" which, in general terms, is only required to contain information relating to the effect of the issue of securities on the Company and the rights attaching to the securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) the annual financial report most recently lodged by the Company it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
21 October 2024	Impressive Blakala initial metallurgical test results
9 October 2024	AGM Details & Closing Date for Nominations
7 October 2024	Response to ASX Price Query
1 October 2024	Results of Meeting
30 September 2024	Appendix 4G and Corporate Governance Statement
30 September 2024	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website at <https://firstlithium.com.au/>.

6.3 Market price of securities

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	DATE
Highest	\$0.25	17 October 2024
Lowest	\$0.086	12 August 2024
Last	\$0.18	25 October 2024

The highest, lowest and last market sale prices of the FLIO Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	DATE
Highest	\$0.026	24 October 2024
Lowest	\$0.023	20 August 2024
Last	\$0.026	25 October 2024

6.4 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**CPS** or **Underwriter**), pursuant to which the Underwriter has agreed to fully underwrite the Offer, being up to 7,500,000 FLIO Options (the **Underwritten Options**).

The Underwriter and the Company may appoint sub-underwriters to sub-underwrite the Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	The Company must pay to the Underwriter fee of 6% (plus any applicable GST) of the underwritten amount as consideration for the Underwriter underwriting the Underwritten Options pursuant to the Underwriting Agreement.
Termination events by the underwriter	The Underwriter may terminate the Underwriting Agreement upon the occurrence of any events detailed below by giving notice in writing to the Company at any time before the Closing Date, without cost or liability to itself. The Underwriter may terminate its obligations under the Underwriting Agreement in accordance with the above if: (a) (Indices fall): any of the following indexes closes on any 2 consecutive trading days before the "Shortfall Notice Deadline Date" (being 3 Business Days after the Closing Date unless otherwise agreed) 10% or more below its respective level as at the close of business on the Business Day prior to the day the Underwriting Agreement is executed: (i) ASX; (ii) Dow Jones; (iii) S&P 500; (iv) Nasdaq;

	(v)	Russell 2000;
	(vi)	FTSE;
	(vii)	Nikkei; or
	(viii)	Shanghai SE Comp;
	(b)	(Share Price): the price of ASX:FL1 falls below AUD\$0.20 per share on any 5 consecutive trading days before the Shortfall Notice Deadline Date;
	(c)	(Restriction on issue): the Company is prevented from issuing the new Options upon the take-up of the Underwritten Options under the shortfall within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
	(d)	(Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect on the Offer or Company;
	(e)	(Authorisation): any authorisation which is material to anything referred to in the Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
	(f)	(Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; or
	(g)	(Termination Events): upon the occurrence of any of the following events:
	(i)	(Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, Iran, Israel, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, or any member of the European Union, other than hostilities involving Libya, Afghanistan, Iraq, Syria, Israel or Lebanon, and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated to fall by 10% or more;
	(ii)	(Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date Valid Applications are required to be lodged in accordance with clause 6.1;
	(iii)	(Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
	(iv)	(Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
	(v)	(Adverse change): an event occurs which gives rise to a Material Adverse Effect in relation to the

	Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
(vi)	(Significant change) : a "new circumstance" as referred to in Section 719(1) of the CPS – FL1 Underwriting agreement – May 2024 Page 18 Corporations Act arises that is materially adverse from the point of view of an investor;
(vii)	(Public statements) : without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
(viii)	(Misleading information) : any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
(ix)	(Official Quotation qualified) : other than has been disclosed to the Underwriter, the official quotation is qualified or conditional;
(x)	(Change in Act or policy) : there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed at execution;
(xi)	(Prescribed Occurrence) : a Prescribed Occurrence occurs, other than with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);;
(xii)	(Suspension of debt payments) : the Company suspends payment of its debts generally;
(xiii)	(Event of Insolvency) : an event of insolvency occurs in respect of the Company or any of its subsidiaries ;
(xiv)	(Judgment against the Company) : a judgment in an amount exceeding \$50,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
(xv)	(Litigation) : litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any of its subsidiaries of a material nature;
(xvi)	(Board and senior management composition) : there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the FL10 Options upon the take-up of the Underwritten Options under the shortfall without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
(xvii)	(Change in shareholdings) : there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries, other

	than as a result of the Offer, which for the avoidance of doubt will refer to the issue of placement shares, placement options, FLIO Options upon the take-up of the Underwritten Options under the Shortfall and adviser options) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries; (xviii) (Timetable): there is a delay in any specified date in the timetable which is greater than 5 Business Days; (xix) (Force Majeure): a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; (xx) (Certain resolutions passed): the Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; (xxi) (Capital Structure): the Company or any of its subsidiaries materially alters its capital structure in any; (xxii) (Breach of Material Contracts): any material contracts the Company or a subsidiary has entered into are terminated or substantially modified as a result of a default or breach by the Company or a subsidiary; (xxiii) (Investigation): ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer, or publicly foreshadows that it may do so; or (xxiv) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.
Termination by the company	The Company may, without cost or liability to itself and without prejudice to any rights for damages arising out of any breach by the Underwriter of its representations, warranties or obligations under the Underwriting Agreement, by notice in writing given upon or at any time prior to the issue of all FLIO Options upon the take-up of the Underwritten Options under the Shortfall, terminate its obligations under the Underwriting Agreement if the Underwriter defaults under the Underwriting Agreement or any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

6.5.1 Security Holdings

Directors are not required under the Company's Constitution to hold any Securities to be eligible to act as a director. The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus and following completion of the Offer are set out in the tables below:

Date of this Prospectus

DIRECTOR	SHARES	OPTIONS
Lee Christensen	228,574	514,288
Venkatesh Padala	Nil	3,500,000
Jason Ferris	468,573	529,287
Andrew Law	Nil	500,000

Completion of the Offer

DIRECTOR	SHARES	OPTIONS
Lee Christensen	228,574	514,288
Venkatesh Padala	Nil	3,500,000
Jason Ferris	468,573	529,287
Andrew Law	Nil	500,000

Notes:

1. The directors are not Eligible Participants and hence will not be entitled to participate in the Offer.

6.5.2 Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the

respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report.

DIRECTOR	FY ENDING 30 JUNE 2023	FY ENDING 30 JUNE 2024
Lee Christensen ¹	Nil	85,136 ⁶
Venkatesh Padala ²	Nil	205,953 ⁷
Jason Ferris ³	Nil	75,136 ⁸
Andrew Law ⁴	56,731 ⁵	68,327 ⁹

Notes:

1. Appointed on 4 September 2023.
2. Appointed on 4 September 2023.
3. Appointed on 4 September 2023.
4. Appointed on 21 April 2022.
5. Comprising a salary-based fee of \$48,000 and a share based payment of \$8,731.
6. Comprising a salary-based fee of \$75,000 and a share based payment of \$10,136.
7. Comprising a salary-based fee of \$135,000 and a share based payment of \$70,953.
8. Comprising a salary-based fee of \$65,000 and a share based payment of \$10,136.
9. Comprising a salary-based fee of \$58,000 and a share based payment of \$10,327.

6.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$429,743.62 (excluding GST and disbursements) for legal services provided to the Company.

CPS Capital Group Pty Ltd has acted as Underwriter to the Offer. The Company will pay the Underwriter the fees set out in Section 2.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Underwriter been paid fees totalling \$142,588.76 (excluding GST) for services provided to the Company.

Pitcher Partners BA&A Pty Ltd has been paid \$47,207.69 (excluding GST) for auditing the Company's 30 June 2024 financial results (inclusive of both the full-year audit and half-year reporting review). During the 24 months preceding lodgement of this Prospectus with the ASIC, Pitcher Partners BA&A Pty Ltd has received \$114,469.69 (excluding GST) in fees from the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CPS Capital Group Pty Ltd has given its written consent to being named as the Underwriter to the Offer in this Prospectus. The Underwriter (including its related entities) is not a Securityholder of the Company and currently has no relevant interest in any of the Company's securities.

Pitcher Partners BA&A Pty Ltd has given its written consent to being named as the auditor to the Company in this Prospectus. Pitcher Partners BA&A Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.8 Estimated Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$36,062 (excluding GST) and are expected to be applied towards the items set out in the table below:

ITEM	AMOUNT
ASIC fees	\$3,206
ASX fees	\$10,606
Legal fees	\$15,000
Underwriter fee ¹	\$2,250
Miscellaneous (including printing and distribution)	\$5,000
Total	\$36,062

Notes:

- 1. Assumes that the entire Offer is taken up by the Underwriter.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for FL1O Options pursuant to the Offer.

Application Form means the application form attached to or accompanying this Prospectus.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors as constituted from time to time.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is Section 1 not a business day.

Closing Date means the date specified in the timetable in the (unless extended or closed earlier).

Company means First Lithium Limited (ACN 009 081 770).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Eligible FL1OB and FL1AL Optionholders has the meaning given in Section 2.1 and includes all Australian and New Zealand based holders of the Company's expired FL1OB and FL1AL Class of Options.

Eligible Participants has the meaning given in Section 2.1.

FL1O Option means an Option issued on the terms set out in Section 4.1.

Offer means the offer of FL1O Options pursuant to this Prospectus and as set out in Section 2.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in Section 1.

Option means an option to acquire a Share, including where the context requires, a New Option.

Optionholder means a holder of an Option, including where the context requires, a New Option.

Offer means the offer of FL1O Options to Eligible FL1OB and FL1AL Optionholders under this Prospectus.

Performance Right means a right to acquire a Share.

Prospectus means this prospectus.

Record Date has the meaning given in Section 1.1.

Section means a section of this Prospectus.

Securities means Shares and/or Option as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Underwriter means CPS Capital and has the meaning given in Section 2.2.

Underwritten Options has the meaning given in Section 6.4.