



**Unaudited Interim Report and Condensed Consolidated Interim Financial Statements
For the nine-month period ended 30 November 2023**

Notice of No Auditor Review

These unaudited condensed consolidated interim financial statements of Bradda Head Lithium Limited (the "Company") have not been reviewed by the auditors of the Company

Bradda Head Lithium Limited

Condensed Interim Consolidated Statement of Comprehensive Income

for the period ended 30 November 2023

	Notes	Nine-month period ended 30 November 2023 (unaudited)	Nine-month period ended 30 November 2022 (unaudited)	Three-month period ended 30 November 2023 (unaudited)	Three-month period ended 30 November 2022 (unaudited)
Operating expenses					
General and administrative	2	(3,479,824)	(4,242,520)	(885,896)	(1,690,543)
Share based payment and warrant expense	11	(180,622)	(1,285,743)	-	(91,539)
Foreign exchange gain/(loss)		161,649	(1,255,343)	(34,142)	(944,005)
Operating loss		(3,498,797)	(6,783,606)	(920,038)	(2,726,087)
Other income					
Other income	3	2,370,127	-	2,370,127	-
Warrant fair value re-measurement	12	210,061	3,711,264	-	880,920
Unrealised gain/(loss) on investment		(15,497)	(2,520)	(63,471)	-
Finance income		114,529	-	23,657	-
(Loss)/profit before income tax		(819,577)	(3,074,862)	1,410,275	(1,845,167)
Income tax expense		-	-	-	-
(Loss)/profit for the period		(819,577)	(3,074,862)	1,410,275	(1,845,167)
Other comprehensive income - foreign currency translation reserve		-	-	-	-
Total comprehensive (loss)/profit for the period		(819,577)	(3,074,862)	1,410,275	(1,845,167)
Basic and diluted (loss)/profit per share (US cents)	13	(0.21)	(0.81)	0.36	(0.49)

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements.

Bradda Head Lithium Limited

Condensed Interim Consolidated Statement of Financial Position

as at 30 November 2023

	Notes	30 November 2023 (unaudited) US\$	28 February 2023 (audited) US\$
Non-Current assets			
Deferred mining and exploration costs	4	10,474,918	7,461,851
Exploration permits and licences	5	2,772,765	2,112,415
Plant and equipment	9	91,282	79,602
Advances and deposits	8	190,183	104,192
Investment		76,264	91,761
Total non-current assets		13,605,412	9,849,821
Current assets			
Cash and cash equivalents		1,399,914	7,746,519
Cash deposits		1,506,090	-
Advances and deposits	8	-	385,624
Trade and other receivables	8	118,200	216,595
Total current assets		3,024,205	8,348,738
Total assets		16,629,616	18,198,559
Equity			
Share premium	10	30,616,373	30,616,373
Retained deficit		(14,270,388)	(13,631,433)
Total equity		16,345,985	16,984,940
Current liabilities			
Trade and other payables	7	263,491	983,418
Warrant liability	12	20,140	230,201
Total current liabilities		283,631	1,213,619
Total equity and liabilities		16,629,616	18,198,559

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements.

These financial statements were approved by the Board of Directors on 22 January 2024 and were signed on their behalf by:

Denham Eke
Director

Bradda Head Lithium Limited

Condensed Interim Consolidated Statement of Changes in Equity

for the period ended 30 November 2023

	Share premium US\$	Retained deficit US\$	Total US\$
Balance at 1 March 2023 (audited)	30,616,373	(13,631,433)	16,984,940
Total comprehensive loss for the period			
Loss for the period	-	(819,577)	(819,577)
Total comprehensive loss for the period	-	(819,577)	(819,577)
Transactions with owners of the Company			
Equity settled share-based payments (note 11)	-	180,622	180,622
Total transactions with owners of the Company	-	180,622	180,622
Balance at 30 November 2023 (unaudited)	30,616,373	(14,270,388)	16,345,985

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements.

Bradda Head Lithium Limited

Condensed Interim Consolidated Statement of Changes in Equity

for the period ended 30 November 2023 (continued)

	Share premium US\$	Retained deficit US\$	Total US\$
Balance at March 1, 2022 (audited)	23,434,385	(11,177,220)	12,257,165
Total comprehensive loss for the period			
Loss for the period	-	(3,074,862)	(3,074,862)
Total comprehensive loss for the period	-	(3,074,862)	(3,074,862)
Transactions with owners of the Company			
Issue of ordinary shares (note 10 and note 12)	7,581,351	-	7,581,351
Share issue costs capitalised (note 10)	(547,916)	-	(547,916)
Equity settled share-based payments (note 11)	-	1,285,743	1,285,743
Total transactions with owners of the Company	7,033,435	1,285,743	8,319,178
Balance at November 30, 2022 (unaudited)	<u>30,467,820</u>	<u>(12,966,339)</u>	<u>17,501,481</u>

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements.

Bradda Head Lithium Limited

Condensed Interim Consolidated Statement of Cash Flows

for the period ended 30 November 2023

Notes	Nine-month period ended 30 November 2023 (unaudited)		Nine-month period ended 30 November 2022 (unaudited)		Three-month period ended 30 November 2023 (unaudited)		Three-month period ended 30 November 2022 (unaudited)	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Cash flows from operating activities								
(Loss)/profit before income tax		(819,577)		(3,074,862)		1,410,275		(1,845,167)
<i>Adjusted for non-cash and non-operating items:</i>								
Depreciation	9	38,320		23,708		13,699		9,532
Unrealised fair value gain on investment		15,497		2,520		63,471		-
Equity settled share based payments expense	11, 12	180,622		1,285,743		-		91,539
Warrant fair value re-measurement	12	(210,061)		(3,711,264)		-		(880,920)
Unrealised FX on cash balances		-		1,255,343		-		944,005
Cash interest income		(114,529)		-		(23,657)		-
		<hr/>		<hr/>		<hr/>		<hr/>
		(909,728)		(4,218,812)		1,463,788		(1,681,011)
Change in trade and other receivables		98,393		(487,103)		40,868		(26,609)
Change in trade and other payables		(719,926)		(26,070)		(248,168)		717,835
Net cash flows from operating activities		<hr/>	(1,531,261)	<hr/>	(4,731,985)	<hr/>	1,256,488	<hr/>
Cash flows from investing activities								
Amounts paid for deferred mining and exploration costs	4	(3,013,066)		(1,728,158)		(1,312,038)		(1,452,815)
Amounts paid for licences and permits	5	(660,350)		(706,292)		(54,511)		(16,495)
Cash received for bonding deposits		299,633		-		61,679		-
Equipment purchased	9	(50,000)		(58,672)		-		-
		<hr/>		<hr/>		<hr/>		<hr/>
Net cash flows from investing activities		<hr/>	(3,423,783)	<hr/>	(2,493,122)	<hr/>	(1,304,870)	<hr/>
Cash flows from financing activities								
Cash received from shares and warrants issued	10	-		12,304,100		-		-
Share issue costs paid	10	-		(547,916)		-		-
Cash interest income		114,529		-		23,657		-
Short term deposits (placed)/returned		(1,506,090)		-		(79,502)		-
Net cash flows from financing activities		<hr/>	(1,391,561)	<hr/>	11,756,184	<hr/>	(55,845)	<hr/>
(Decrease) / increase in cash and cash equivalents		<hr/>	(6,346,605)	<hr/>	4,531,077	<hr/>	(104,227)	<hr/>
Cash and cash equivalents at beginning of period		<hr/>	7,746,519	<hr/>	7,327,303	<hr/>	1,504,141	<hr/>
Effect of foreign exchange on cash balances		<hr/>	-	<hr/>	(1,255,343)	<hr/>	-	<hr/>
Cash and cash equivalents at end of period		<hr/>	1,399,914	<hr/>	10,603,037	<hr/>	1,399,914	<hr/>
		<hr/>		<hr/>		<hr/>		<hr/>

The notes on pages 12 to 19 form an integral part of these condensed consolidated interim financial statements.

Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 30 November 2023
(continued)

1 Reporting Entity

The Company is a lithium exploration Group focused on developing its projects in the USA.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the last annual consolidated financial statements as at and for the year ended 28 February 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The financial information in this report has been prepared in accordance with the Company's accounting policies and in consistency with the last annual financial statements. Full details of the accounting policies adopted by the Company are contained in the financial statements included in the Company's annual report for the year ended 28 February 2023, which is available on the Group's website: www.braddheadltd.com. These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended 28 February 2023.

2 General and administrative

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

	Nine-month period ended 30 November 2023 (unaudited) US\$	Nine-month period ended 30 November 2022 (unaudited) US\$	Three-month period ended 30 November 2023 (unaudited) US\$	Three-month period ended 30 November 2022 (unaudited) US\$
Auditors' fees	36,040	114,508	19,600	13,067
Directors and management fees and salaries	437,083	402,231	145,926	132,955
Legal and accounting	261,987	422,228	60,403	247,291
Contractor costs	1,460,641	1,979,619	246,663	719,097
Professional and marketing costs	565,428	942,495	160,876	332,928
Other administrative costs	718,645	381,439	252,428	245,205
Total	3,479,824	4,242,520	885,896	1,690,543

3 Other income

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

- LRC will pay to the Company upon closing the sum of US\$ 2.5 million for granting of the Royalty. LRC will pay to the Company an additional US\$ 2.5 million upon the Company publicly reporting a 1 million tonne lithium carbonate equivalent (LCE) Mineral Resource with a minimum lithium grade of 800 parts per million (ppm). LRC will pay to the Company an additional US\$ 3 million upon the Company publicly reporting a 2.5 million tonne LCE Mineral Resource with a minimum lithium grade of 800ppm.

On 28 September 2023, the Company announced an updated MRE at its Basin East project, hitting the next 1 million tonne LCE. This triggered the next milestone payment of US\$ 2.5 million from LRC, with the cash funds being received on 24 October 2023.

Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 30 November 2023
(continued)

3 Other income (continued)

Reconciliation of gain on sale

	Period ended 30 November 2023 (unaudited) US\$
Initial proceeds received from royalty milestone payment	2,500,000
Less: Deferred mine exploration costs disposal (note 7)	(105,273)
Less: Exploration permits and licences disposal (note 8)	(24,600)
Net amount recognised in profit and loss	2,370,127

4 Deferred mine exploration costs

The schedule below details the exploration costs capitalised to date:

	Total US\$
Cost and net book value	
At 28 February 2022 (audited)	4,183,744
Capitalised during the year	3,278,107
At 28 February 2023 (audited)	7,461,851
Capitalised during the period	3,118,340
Disposal under royalty agreement *	(105,273)
At 30 November 2023 (unaudited)	10,474,918
Cost and net book value	
At 30 November 2023 (unaudited)	10,474,918
At 28 February 2023 (audited)	7,461,851

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest, as well as maintaining the assets in good standing. The Group assessed the DMEC relating to areas for which licenses and permits are held, for impairment as at 30 November 2023. The Board concluded that no facts and circumstances have been identified which suggest the recoverable amount of these assets would not exceed the carrying amount and, as such, no impairment was recognised during the period.

During the year ended 28 February 2023, an impairment charge of US\$ Nil was recognised.

5 Exploration permits and licences

The schedule below details the exploration permit and licence costs capitalised to date:

	Total US\$
Cost and net book value	
At 28 February 2022 (audited)	1,549,076
Capitalised during the year	582,809
At 28 February 2023 (audited)	2,112,415
Capitalised during the period	684,950
Disposal under royalty agreement *	(24,600)
At 30 November 2023 (unaudited)	2,772,765

Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 30 November 2023
(continued)

5 Exploration permits and licences (continued)

Cost and net book value

At 30 November 2023 (unaudited)	2,772,765
At 28 February 2023 (audited)	2,112,415

The Group assessed the carrying amount of the licences and permits held for impairment as at 30 November 2023. The Board concluded that no facts and circumstances have been identified which suggest the recoverable amount of these assets would not exceed the carrying amount and, as such, no impairment was recognised during the period.

During the year ended 28 February 2023, an impairment charge of US\$ 19,470 was recognised as a result of project licences and permits that were not renewed.

6 Investment in subsidiary undertakings

As at 30 November 2023, the Group had the following subsidiaries:

Name of company	Place of incorporation	Ownership interest	Principal activity
Bradda Head Limited*	BVI	100%	Holding company of entities below
Zenolith (USA) LLC	USA	100%	Holds USA lithium licences and permits
Verde Grande LLC	USA	100%	Holds USA lithium licences and permits
Gray Wash LLC	USA	100%	Holds USA lithium licences and permits
San Domingo LLC **	USA	100%	Holds USA lithium licences and permits

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

** Formed on 8 May 2023

As at 28 February 2023, the Group had the following subsidiaries:

Name of company	Place of incorporation	Ownership interest	Principal activity
Bradda Head Limited*	BVI	100%	Holding company of entities below
Zenolith (USA) LLC	USA	100%	Holds USA lithium licences and permits
Verde Grande LLC	USA	100%	Holds USA lithium licences and permits
Gray Wash LLC	USA	100%	Holds USA lithium licences and permits

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

The condensed interim consolidated financial statements include the results of the subsidiaries for the full interim period from 1 March 2023 to 30 November 2023, and up to the date that control ceases.

7 Trade and other payables

	30 November 2023 (unaudited)	28 February 2023 (audited)
	US\$	US\$
Trade payables	233,092	904,944
Accrued expenses and other payables	50,539	78,474
	<hr/>	<hr/>
	283,631	983,418
	<hr/>	<hr/>

Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 30 November 2023
(continued)

8 Trade and other receivables and advances and deposits

Non-current

	30 November 2023 (unaudited) US\$	28 February 2023 (audited) US\$
Advances and deposits	190,183	104,192
	=====	=====
<i>Current</i>		
Trade and other receivables	118,200	216,595
Advances and deposits	-	385,624
	=====	=====

9 Plant and equipment

	Motor vehicle US\$	Total US\$
<i>Cost</i>		
As at 28 February 2022 (audited)	55,718	55,718
Additions during the period	58,672	58,672
	=====	=====
As at 28 February 2023 (audited)	114,390	114,390
Additions during the period	50,000	50,000
	=====	=====
As at 30 November 2023 (unaudited)	164,390	164,390
	=====	=====
	Motor vehicle US\$	Total US\$
<i>Accumulated depreciation</i>		
As at 28 February 2022 (audited)	(1,548)	(1,548)
Depreciation charge for the period	(33,240)	(33,240)
	=====	=====
As at 28 February 2023 (audited)	(34,788)	(34,788)
Depreciation during the period	(38,320)	(38,320)
	=====	=====
As at 30 November 2023 (unaudited)	(73,108)	(73,108)
	=====	=====
	Carrying amount	
As at 30 November 2023 (unaudited)	91,282	91,282
As at 28 February 2023 (audited)	79,602	79,602
	=====	=====

10 Share premium

Authorised

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

	Shares	Share capital US\$	Share premium US\$
Issued ordinary shares of US\$0.00 each			
At 28 February 2022 (audited)	317,413,879	-	23,434,385
	=====	=====	=====
Shares issued for cash (note 12)	73,195,560	-	7,729,904
Share issue costs capitalised	-	-	(547,916)
	=====	=====	=====
At 28 February 2023 (audited)	390,609,439	-	30,467,820
	=====	=====	=====
30 November 2023 (unaudited)	390,609,439	-	30,467,820
	=====	=====	=====

Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 30 November 2023 (continued)

11 Equity settled share based payments

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

Options and warrants

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

Recipient	Grant Date	Term in years	Exercise Price	Number at 1 March 2023 (audited)	Number Issued	Number Lapsed/ cancelled/expired	Number Exercised	Number at 30 November 2023 (unaudited)	Fair value
<i>Options</i>									
Directors and Participants	April 2018	5	US\$ 0.15668	1,606,304	-	(1,460,252)	-	146,052	24,028
Directors and Participants	June 2021	5	US\$ 0.048	18,000,000	-	-	-	18,000,000	1,110,556
Directors and Participants	September 2021	5	£0.09	3,500,000	-	(500,000)	-	3,000,000	314,962
Directors and Participants	April 2022	5	£0.18	8,925,000	-	(550,000)	-	8,375,000	1,022,183
Directors and Participants	December 2022	5	£0.105	1,000,000	-	-	-	1,000,000	273,727
Directors and Participants	April 2023	5	£0.18	-	4,800,000	(300,000)	-	4,500,000	174,978
<i>Warrants</i>									
Supplier warrants	July 2021	5	£0.0550	1,818,182	-	-	-	1,818,182	124,482
Supplier warrants	July 2021	3	£0.0825	2,254,545	-	-	-	2,254,545	8,275
Shareholder warrants	December 2021	2	£0.0885	1,185,687	-	-	-	1,185,687	44,858
Supplier warrants	April 2022	2	£0.1350	3,244,331	-	-	-	3,244,331	284,918
				41,534,049	4,800,000	(2,810,252)	-	43,523,797	3,382,967

Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 30 November 2023
(continued)

11 Equity settled share based payments (continued)

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

	Nine-month period ended 30 November 2023 (unaudited) US\$	Nine-month period ended 30 November 2022 (unaudited) US\$	Three-month period ended 30 November 2023 (unaudited) US\$	Three-month period ended 30 November 2022 (unaudited) US\$
Share based payments charge	180,622	1,285,743	-	91,539

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

April 2023 options

	Award date and exercise price
Fair value at grant date	£0.0303
Exercise price	£0.06
Weight average expected volatility	78.50%
Weighted average expected life (years)	5
Risk-free interest rate (based on comparable companies)	3.82%

Terms of the issued options are as follows:

- 4,800,000 options have been granted that vest fully on grant date. All un-exercised options expire after a period of 5 years from admission date. It is assumed that options are exercised within 5 years from date of grant. The applied volatility is based on historical volatility.

Bradda Head Lithium Limited

Notes to the condensed consolidated interim financial statements for the period ended 30 November 2023 (continued)

12 Warrants

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

During the nine-month period ended 30 November 2023, no new warrants were issued (period ended 30 November 2022: 73,195,560 warrants).

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

Recipient	Grant Date	Term in years	Exercise Price	Warrants at 1 March 2023 (audited)	Number of Warrants Issued	Number of Warrants Lapsed/ cancelled/expired	Number of Warrants Exercised	Number of Warrants at 30 November 2023 (unaudited)	Fair value
Warrants									
Shareholder warrants	April 2022	2	£0.2100	73,195,560	-	-	-	73,195,560	20,140
				73,195,560	—	—	—	73,195,560	20,140

Guidance as per IAS 32: Financial Instruments has been applied in classifying these as a financial liability. This is due to the exercise price and the Company's functional currency being different. As a result, the fair value applied to the shareholder warrants has been classified as a financial liability. At period end, the warrant liability has been re-measured to fair value, with a corresponding entry to profit and loss of US\$ 210,061 (period ended 30 November 2022: US\$ 3,711,264) within Warrant Fair Value Re-Measurement.

Reconciliation of warrant liability fair value:

	Fair value
	US\$
Balance at 1 March 2023	230,201
Fair value re-measurement	(210,061)
Balance at 30 November 2023	20,140

Bradda Head Lithium Limited

*Notes to the condensed consolidated interim financial statements for the period ended 30 November 2023
(continued)*

13 Basic and diluted loss per share

The calculation of basic profit per share of the Company is based on the loss for the period of US\$ 819,577 (nine-month period to 30 November 2022: loss of US\$ 3,074,862) and the weighted average number of shares of 390,609,439 (at 30 November 2022: 379,122,544) in issue during the period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares such as warrants and options. An adjustment for the dilutive effect of share options and warrants in the current period has not been reflected in the calculation of the diluted loss per share, as the effect would have been anti-dilutive, due the Company recognising a loss for the period.

14 Related party transactions and balances

Edgewater Associates Limited ("Edgewater")

During the nine-month period ended 30 November 2023, Directors and Officers insurance was obtained through Edgewater, which is a 100% subsidiary of Manx Financial Group ("MFG"). James Mellon and Denham Eke are Directors of MFG and Denham Eke is a Director of Edgewater.

During the period, the premium payable on the policy was US\$ 88,824 (year ended 28 February 2023: US\$ 49,318), of which US\$ 22,325 was prepaid as at the period end (28 February 2023: US\$ 14,497).

15 Commitments and contingent liabilities

The Group has certain obligations to expend minimum amounts on exploration works on mining tenements in order to retain an interest in them, which would be approximately US\$ 350,000 during the next 12 months. This includes annual fees in respect of licence renewals. These obligations may be varied from time to time, subject to approval and are expected to be filled in the normal course of exploration and development activities of the Company.

16 Events after the reporting date

No post balance sheet events have occurred that require disclosure.