



**Unaudited Condensed Consolidated Quarterly Financial Statements
For the three-month period ended May 31, 2024**

Notice of No Auditor Review

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

Bradda Head Lithium Limited

Condensed Consolidated Statement of Comprehensive Income

for the three-month period ended May 31, 2024

		Three-month period ended May 31, 2024 (unaudited)	Three-month period ended May 31, 2023 (unaudited)
	Notes	US\$	US\$
Expenses			
General and administrative	2	(595,622)	(1,258,841)
Share based payment and warrant expense	10	-	(180,622)
Foreign exchange gain/(loss)		(1,005)	136,475
Operating loss		(596,627)	(1,302,988)
Other income			
Warrant fair value re-measurement	11	-	146,585
Unrealised gain on Investment at fair value through profit or loss		20,034	13,109
(Loss)/profit before finance income		(576,593)	(1,143,294)
Finance income		7,185	59,102
(Loss)/profit before income tax		(569,408)	(1,084,192)
Income tax expense		-	-
Total comprehensive (loss)/profit for the period		(569,408)	(1,084,192)
Basic and diluted (loss)/profit per share (US cents)	12	(0.146)	(0.278)

The accompanying notes are an integral part of these consolidated quarterly financial statements.

Bradda Head Lithium Limited

Condensed Consolidated Statement of Financial Position

as at May 31, 2024

	Notes	May 31, 2024 (unaudited) US\$	February 28, 2024 (audited) US\$
Non-Current assets			
Deferred mining and exploration costs	3	12,207,531	11,025,423
Exploration permits and licences	4	2,791,558	2,781,735
Plant and equipment	8	65,273	78,972
Advances and deposits	6	106,811	106,812
Investment at fair value through profit or loss		87,225	67,191
Total non-current assets		15,258,398	14,060,133
Current assets			
Cash and cash equivalents		534,437	1,664,662
Trade and other receivables	6	110,706	123,268
Total current assets		645,143	1,787,930
Total assets		15,903,541	15,848,063
Equity			
Share premium	9	30,616,373	30,616,373
Retained deficit		(15,524,077)	(14,954,669)
Total equity		15,092,296	15,661,704
Current liabilities			
Trade and other payables	7	811,245	186,359
Total current liabilities		811,245	186,359
Total equity and liabilities		15,903,541	15,848,063

The accompanying notes are an integral part of these consolidated quarterly financial statements.

These condensed quarterly consolidated financial statements were approved by the Board of Directors on July 23, 2024 and were signed on their behalf by:

Denham Eke
Director

Bradda Head Lithium Limited

Condensed Consolidated Statement of Changes in Equity

for the three-month period ended May 31, 2024

	Share premium US\$	Retained deficit US\$	Total US\$
Balance at March 1, 2024 (audited)	30,616,373	(14,954,669)	15,661,704
Total comprehensive loss for the period			
Loss for the period	-	(569,408)	(569,408)
Total comprehensive loss for the period	-	(569,408)	(569,408)
Quarter ended May 31, 2024 (unaudited)	<u>30,616,373</u>	<u>(15,524,077)</u>	<u>15,092,296</u>

The accompanying notes are an integral part of these consolidated quarterly financial statements.

Bradda Head Lithium Limited

Condensed Consolidated Statement of Changes in Equity

for the three month-period ended May 31, 2024 (continued)

	Share premium US\$	Retained deficit US\$	Total US\$
Balance at March 1, 2023 (audited)	30,616,373	(13,631,433)	16,984,940
Total comprehensive loss for the period			
Loss for the period	-	(1,084,192)	(1,084,192)
Total comprehensive loss for the period	-	(1,084,192)	(1,084,192)
Transactions with owners of the Company			
Equity settled share-based payments (note 10)	-	180,622	180,622
Total transactions with owners of the Company	-	180,622	180,622
Quarter ended May 31, 2023 (unaudited)	<u>30,616,373</u>	<u>(14,535,003)</u>	<u>16,081,370</u>

The accompanying notes are an integral part of these consolidated quarterly financial statements.

Bradda Head Lithium Limited

Condensed Consolidated Statement of Cash Flows

for the three-month period ended May 31, 2024

	Notes	Three-month period ended May 31, 2024 (unaudited)	Three-month period ended May 31, 2023 (unaudited)
		US\$	US\$
Cash flows from operating activities			
Loss before income tax		(569,408)	(1,084,192)
<i>Adjusted for non-cash and non-operating items:</i>			
Depreciation	8	13,699	10,921
Unrealised (gain)/loss on investment		(20,034)	(13,109)
Interest income		(7,185)	(59,102)
Equity settled share based payments expense	10, 11	-	180,622
Warrant fair value re-measurement	11	-	(146,585)
		<hr/>	<hr/>
		(582,928)	(1,111,445)
Change in trade and other receivables		38,212	47,727
Change in trade and other payables		599,237	(517,974)
		<hr/>	<hr/>
Net cash flows used by operating activities		54,521	(1,581,692)
Cash flows from investing activities			
Amounts paid for deferred mining and exploration costs	3	(1,182,108)	(948,445)
Amounts paid for licences and permits	4	(9,823)	(280,294)
Equipment purchased	8	-	(50,000)
Advances and deposits – cash returned		-	53,250
		<hr/>	<hr/>
Net cash flows used by investing activities		(1,191,931)	(1,225,489)
Cash flows from financing activities			
Interest income received		7,185	59,102
Bank deposits not considered cash and cash equivalents (net)		-	(3,905,582)
		<hr/>	<hr/>
Net cash flows from financing activities		7,185	(3,846,480)
Decrease in cash and cash equivalents		(1,130,225)	(6,653,661)
Cash and cash equivalents at beginning of period		1,664,662	7,746,519
Effect of foreign exchange on cash balances		-	-
Cash and cash equivalents at end of period		534,437	1,092,858
		<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated quarterly financial statements.

Bradda Head Lithium Limited

Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024

1 Reporting Entity and basis of preparation

Bradda Head Lithium Limited (the "Company") is a company domiciled in the British Virgin Islands. The address of the Company's registered office is Craigmuir Chambers, Road Town, Tortola, British Virgin Islands. The Company and its subsidiaries together are referred to as the "Group".

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

These quarterly 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 February 28, 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 February 28, 2024, which is available on the Group's website: www.braddheadltd.com, and on SEDARplus (www.sedarplus.ca/landingpage). These unaudited condensed consolidated quarterly financial statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended February 28, 2024.

2 General and administrative

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

	Three-month period ended May 31, 2024 (unaudited) US\$	Three-month period ended May 31, 2023 (unaudited) US\$
Auditors' fees	19,600	19,600
Directors and management fees and salaries	114,675	137,541
Legal and accounting	12,414	83,613
Contractor costs	164,278	551,868
Professional and marketing costs	66,456	204,203
Other administrative costs	218,199	262,016
Total	595,622	1,258,841

Bradda Head Lithium Limited

Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024
(continued)

3 Deferred mine exploration costs

The schedule below details the exploration costs capitalised to date:

	Total US\$
Cost and net book value	
At February 28, 2023 (audited)	7,461,851
Capitalised during the year	3,668,845
Disposal under royalty agreement	(105,273)
At February 28, 2024 (audited)	11,025,423
Capitalised during the period	1,182,108
At May 31, 2024 (unaudited)	12,207,531
Cost and net book value	
At May 31, 2024 (unaudited)	12,207,531
At February 28, 2024 (audited)	11,025,423

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 May 31, 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 February 28, 2024, an impairment charge of US\$ Nil was recognised.

4 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 February 28, 2023 (audited)	2,112,415
Capitalised during the year	693,920
Disposal under royalty agreement	(24,600)
At February 28, 2024 (audited)	2,781,735
Capitalised during the period	9,823
At May 31, 2024 (unaudited)	2,791,558
Cost and net book value	
At May 31, 2024 (unaudited)	2,791,558
At February 28, 2024 (audited)	2,781,735

The Group assessed the carrying amount of the licences and permits held for impairment as at May 31, 2024. 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 February 28, 2024, an impairment charge of US\$ Nil was recognised.

Bradda Head Lithium Limited

Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024
(continued)

5 Investment in subsidiary undertakings

As at May 31, 2024, 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

The condensed consolidated quarterly financial statements include the results of the subsidiaries for the full quarterly period from March 1, 2024 to May 31, 2024, and up to the date that control ceases.

6 Trade and other receivables and advances and deposits

Non-current

	May 31, 2024 (unaudited) US\$	February 28, 2024 (audited) US\$
Advances and deposits	106,811	106,812

7 Trade and other payables

	May 31, 2024 (unaudited) US\$	February 28, 2024 (audited) US\$
Trade payables	805,215	161,648
Accrued expenses and other payables	6,030	24,711
	811,245	186,359

8 Plant and equipment

	Motor vehicle US\$	Other equipment US\$	Total US\$
Cost			
As at March 1, 2023 (audited)	114,390	-	114,390
Additions during the year	-	50,000	50,000
As at February 28, 2024 (audited)	114,390	50,000	164,390
Additions during the period	-	-	-
As at May 31, 2024 (unaudited)	114,390	50,000	164,390

Bradda Head Lithium Limited

Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024
(continued)

8 Plant and equipment (continued)

	Motor vehicle US\$	Other equipment US\$	Total US\$
<i>Accumulated depreciation</i>			
As at March 1, 2024 (audited)	(34,788)	-	(34,788)
Depreciation charge for the year	(38,130)	(12,500)	(50,630)
 As at February 28, 2024 (audited)	 (72,918)	 (12,500)	 (85,418)
Depreciation charge for the period	(9,532)	(4,167)	(13,699)
 As at May 31, 2024 (unaudited)	 <u>(82,450)</u>	 <u>(16,667)</u>	 <u>(99,117)</u>
Carrying amount			
As at May 31, 2024 (unaudited)	31,940	33,333	65,273
As at February 28, 2024 (audited)	41,472	37,500	78,972

9 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 February 28, 2023 and February 28, 2024 (audited)	<u>390,609,439</u>	<u>-</u>	<u>30,616,373</u>
 At May 31, 2024 (unaudited)	 <u>390,609,439</u>	 <u>-</u>	 <u>30,616,373</u>

Bradda Head Lithium Limited

Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024 (continued)

10 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 March 1, 2024 (audited)	Number Issued	Number Lapsed/cancelled/expired	Number Exercised	31 May 2024 (unaudited)	Fair value
<i>Options</i>									
Directors and Participants	April 2018	5	US\$ 0.15668	146,052	-	-	-	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	3,000,000	-	-	-	3,000,000	314,962
Directors and Participants	April 2022	5	£0.18	8,375,000	-	-	-	8,375,000	1,089,312
Directors and Participants	December 2022	5	£0.105	1,000,000	-	-	-	1,000,000	273,727
Directors and Participants	April 2023	5	£0.03025	4,500,000	-	-	-	4,500,000	180,622
Directors and Participants	February 2024	5	£0.00867	2,850,000	-	-	-	2,850,000	262,833
<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)	-	-	-
Shareholder warrants	December 2021	2	£0.0885	1,185,687	-	(1,185,687)	-	-	-
Supplier warrants	April 2022	2	£0.1350	3,244,331	-	(3,244,331)	-	-	-
				<u><u>46,373,797</u></u>	<u><u>-</u></u>	<u><u>(6,684,563)</u></u>	<u><u>-</u></u>	<u><u>39,689,234</u></u>	<u><u>3,380,522</u></u>

Bradda Head Lithium Limited

Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024
(continued)

10 Equity settled share based payments (continued)

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

	Three-month period ended May 31, 2024 (unaudited) US\$	Three-month period ended May 31, 2023 (unaudited) US\$
Share based payments charge	-	180,622

During the period ended May 31, 2024, no options were granted.

During the period ended May 31, 2024, total unexercised supplier warrants of 6,684,563 expired.

11 Warrants

As part of the fundraise completed during April 2022, all participating shareholders received a warrant on 1:1 basis for shares acquired. As a result, 73,195,560 warrants have been issued. All un-exercised warrants expire after a period of 2 years from grant date. During April 2024, all unexercised warrants issued in April 2022 expired.

12 Basic and diluted loss per share

The calculation of the basic loss per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive share options.

An adjustment for the dilutive effect of share options in the current year 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 year.

	May 31, 2024 (unaudited) US\$	May 31, 2023 (unaudited) US\$
Loss for the period	(569,408)	(1,084,192)

	No.	No.
Weighted average number of ordinary shares in issue	390,609,439	342,690,043
Dilutive element of share options if exercised (note 10)	37,871,052	37,831,304
Diluted number of ordinary shares	428,480,491	428,440,743
Basic loss per share (cents)	(0.146)	(0.278)
Diluted loss per share (cents)	(0.146)	(0.278)

For the period ended May 31, 2024, the earnings applied are the same for both basic and diluted earnings calculations per share as there are no dilutive effects to be applied.

Bradda Head Lithium Limited

*Notes to the condensed consolidated quarterly financial statements for the three-month period ended May 31, 2024
(continued)*

13 Related party transactions and balances

Edgewater Associates Limited ("Edgewater")

During the three-month period ended May 31, 2024, Directors' and Officers' insurance was obtained on an arms-length basis through Edgewater, which is a 100% subsidiary of Manx Financial Group ("MFG"). James Mellon and Denham Eke are Directors of both the Company and MFG.

During the period, the premium payable on the policy was US\$ Nil (year ended February 28, 2024: US\$ 43,061). A total of US\$ 794 was prepaid as at the period end (February 28, 2024: US\$ 11,560).

14 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, equating to approximately US\$ 434,704 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.

15 Events after the reporting date

On 1 July 2024, the Company announced a new Mineral Resource Estimate ("MRE") at the Company's 100% owned Basin Project in Arizona, USA. The new MRE consists of 99kt of lithium carbonate equivalent ("LCE") at an average grade of 929 ppm lithium in Measured classification, 560kt of LCE at 860ppm Li in the Indicated classification; and 2,175kt of LCE at 808ppm Li in the Inferred classification following the completion of drilling, reception and analysis of geochemical results, and new modeling of the Basin project. As per the Gross Overriding Royalty Agreement ("Royalty Agreement") with the Lithium Royalty Company ("LRC"), the new contained LCE Tonnage surpassed the contracted threshold of 2.5Mt and has enabled the Company to trigger the payment of US\$3.0 million from LRC to Bradda Head, with funds being received on 8 July 2024.