



**Unaudited Interim Report and Condensed Consolidated Interim Financial Statements  
For the six-month period ended 31 August 2023**

# Bradda Head Lithium Limited

<i>Contents</i>	<i>Page</i>
Chairman's statement	3
Condensed interim consolidated statement of comprehensive income	7
Condensed interim consolidated statement of financial position	8
Condensed interim consolidated statement of changes in equity	9
Condensed interim consolidated statement of cash flows	11
Notes to the condensed interim consolidated financial statements	12

# Bradda Head Lithium Limited

## Chairman's statement

### Introduction

I am pleased to present the unaudited Interim Results for Bradda Head Lithium Limited (the "Company" or "Bradda Head") for the six-month period ended 31 August 2023.

### Operational review

The six-month period to 31 August 2023 has been both exciting and extremely busy for the Company, focussing on our key projects.

### Basin Project

Drilling continued at our Basin clay project in Arizona, with the third drill programme in the area finishing the fourteenth and final hole on August 10, 2023 for a total drilled meterage of 2,355. The programme encountered better-than-expected thicknesses of clay, further confirming that lithium-bearing clays continue and appear to thicken to the north into the Company's Basin North ("BN") claims, and likely west into the Basin West ("BW") claims. The highest single interval grade to date was encountered during the programme, with assay results identifying a grade of 2,791ppm Li over 0.40m and a separate sample of 641 ppm Li over 1.22m.

### Highlights from the 2023 Basin East ("BE") and Basin East Extension ("BEE") drill programme

Hole ID	Total hole depth	Upper Clay zone mean grade (Li ppm)	Upper Clay zone interval thickness, in meters	High-grade Interval grade in Upper zone over 1,000 ppm cut-off (ppm)	High-grade Interval Intersection length in meters	Lower Clay zone interval mean grade (Li ppm)	Lower Clay zone interval thickness, in meters
BES-23-01	77.72	N/A	N/A	N/A	N/A	484	31.97
BES-23-02	102.87	826	46.24	1,005	13.38	596	17.49
BES-23-03	137.92	954	63.12	1,327	24.32	729	34.24
BES-23-04	111.25	1,077	66.92	1,602	18.30	686	15.23
BES-23-05	191.11	944	63.71	1,029	32.93	701	32.92
BES-23-06	181.97	867	81.98	1,363	20.73	657	32.33
BES-23-07	221.28	906	82.30	1,324	20.87	642	21.96
BES-23-08	205.13	838	71.94	1,221	8.99	686	9.14
BES-23-09	139.29	812	74.21	1,262	11.89	Not drilled	NA
BES-23-10	211.23	944	81.60	1,325	19.79	Not drilled	NA
BES-23-11	197.21	903	88.7	1,427	12.51	Not drilled	NA
BES-23-12	172.82	983	75.13	1,339	27.6	742	11.12

*Note: all lengths represent true thickness as sedimentary sequence is horizontal and holes are vertical (90 degrees to stratigraphy)*

The high-grade unit previously found in BE has similar grades and maintains strong continuity across all of BEE and now confirmed into BN, likely extending into BW. This is positive for any future mining operation, as the high-grade unit sits in the upper clay unit which forms the shallowest part of the deposit and cropping out at BE. The remarkable continuity and consistency of the lithium intercepts in the upper clay suggest the presence of extensive lithium mineralisation throughout the project area, indicating the potential for a sizeable lithium deposit.

# Bradda Head Lithium Limited

## Chairman’s statement (continued)

Following completion of the drill programme, the results were fed into an updated Mineral Resource Estimate conducted by SRK Consulting (UK) Ltd (“SRK”), an independent mining consultancy, released post quarter-end on 28 September 2023. Based on 2,355.20m of sonic drilling completed as part of the 2023 Basin drill programme, Bradda Head added 729 kt of Lithium Carbonate Equivalent (“LCE”) to the Inferred Mineral Resource, for an updated total Inferred LCE content of 1.0 Mt. The total new Mineral Resource now comprises 17.0 million tonnes in the Indicated category at 940 ppm carrying 85kt LCE, and 210 million tonnes in the Inferred category at 900 ppm, carrying 1,000 kt LCE.

### Mineral Resource Statement for Basin East, Basin East Extension and Basin North effective 1 September 2023

Classification	Domain	Tonnes	Mean Grade		Contained Metal	
		Mt	Li (ppm)	K (%)	LCE (kt)	K (kt)
<b>Indicated</b>	Upper Clay	11	720	3.5	42	380
	Upper Clay HG	6	1350	3.2	43	190
	Lower Clay	-	-	-	-	-
	<b>SubTotal</b>	<b>17</b>	<b>940</b>	<b>3.4</b>	<b>85</b>	<b>570</b>
<b>Inferred</b>	Upper Clay	143	790	2.7	600	3,800
	Upper Clay HG	48	1290	3.1	330	1,500
	Lower Clay	19	690	2.8	70	530
	<b>SubTotal</b>	<b>210</b>	<b>900</b>	<b>2.8</b>	<b>1,000</b>	<b>5,800</b>

- Mineral Resource statement has an effective date of 1 September 2023.
- The Mineral Resource is reported using a cut-off grade of 550 ppm Li and is constrained to an optimised open pit shell, which was generated using the following assumptions: lithium carbonate metal prices of 22,000 USD/tLCE; State of Arizona royalty (selling cost) of 6%; operating costs of 40 USD/ tonne; Li recovery of 72%; mining dilution and recovery of 0% and 100%; and pit slope angle of 45°.
- Tonnages are reported in metric units.
- Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content which are not considered material.
- Conversion factor of Li metal to LCE = 5.323
- The figures above are reported on a gross basis given Bradda’s 100% interest in the property

The average in situ grade of the Inferred Basin East Mineral Resource has increased from 694 to 900 ppm Li, a 30% increase.

Following the release of the updated Mineral Resource Estimate (“MRE”), which included a contained LCE tonnage of over 1Mt LCE, and as per the Royalty Agreement with the Lithium Royalty Corporation (“LRC”), Bradda Head formally requested payment of US\$ 2.5 million from LRC, with funds being received during October 2023.

SRK were selected to complete the Mineral Resource Update analysis and applied a stringent approach to both the in-situ density measurement and the cut-off grade utilised. A lower in situ density and higher cut-off grade than previously reported resulted in a more robust estimate. A significant and pragmatic building block to develop the on-going test-work plan.

The recent drill results on BEE and BN solidify Bradda Head’s belief in a widespread and continuous lithium-rich stratigraphic sequence, with potential further into BN and across to BW that the Company believes will lead to significant resource growth and opportunity to become a Tier 1 lithium deposit. More drilling is being planned at BN where a low impact Notice of Intent level exploration permit is in place and BW upon receipt of the Environmental Assessment (“EA”) from the Bureau of Land Management, expected during in H2 2024. The area being permitted is over 11km<sup>2</sup>, which is considerably larger than BE, BEE, and BN combined (c.6km<sup>2</sup>).

# Bradda Head Lithium Limited

## Chairman's statement (continued)

### *San Domingo Project*

On 10 August 2023, the Company mobilised a drill rig for its Phase 3 drill programme at the San Domingo pegmatite district in Arizona, with drilling commencing later in the month. This represents the second large-scale drill programme conducted in less than one year at San Domingo, which underscores the Company's commitment to exploring and unlocking the potential of the 23km<sup>2</sup> land package held within this highly prospective pegmatite district.

Bradda Head was granted an exploration permit to drill at its Northern claim block in the San Domingo pegmatite district. The Phase 3 drill programme has been rigorously designed, benefiting from a comprehensive array of data and analyses. Bradda Head's team of geologists conducted an extensive soil geochemistry survey, undertook a thorough structural mapping programme, reviewed previous GPR geophysical data, and carried out additional ground truthing to optimize the locations and potential effectiveness of this exploration campaign. The results of this identified several new high priority targets, which the Company is excited about and anticipates making new discoveries and extending known lithium mineralization from the previous programme, completed during March 2023.

Following positive results of soil sampling completed in February 2023 that identified further spodumene in outcrops at San Domingo, and in order to strengthen our land holding position, Bradda Head staked just under 8km<sup>2</sup> of new lode claims at its San Domingo asset. This is the 4th round of claim expansion at San Domingo, and the land holding has grown from c.13km<sup>2</sup> to now c.31km<sup>2</sup> since July 2021.

The soil sampling survey conducted in February 2023 highlighted specific areas within the existing claim block that displayed highly prospective indicators for lithium exploration. Follow-up field work on select geochemical anomalies positively identified lithium bearing minerals at nearly all anomalies, dominated by the presence of spodumene. By expanding the current claim block to trace these areas along strike, the Company aims to maximise the potential for significant lithium resources and solidify its position in the region's rapidly evolving lithium market. Additionally, the newly staked claims provide a buffer zone, ensuring effective management and protection of the Company's interests in the area.

The Company looks forward to keeping shareholders updated on the progress of ongoing drill programme at San Domingo.

### *Financial Review*

During the six-month period ended 31 August 2023, the Company recorded a loss for the period of US\$ 2,229,852 (period ended 31 August 2022: US\$ 1,165,319). As at period end, cash and cash deposit balances stood at US\$ 2,930,730 (28 February 2023: US\$ 7,746,519), capitalised deferred mining, exploration, licence and permit costs stood at US\$ 11,881,133 (28 February 2023: US\$ 9,574,266), and total assets were US\$ 15,467,509 at 31 August 2023 (28 February 2023: US\$ 18,198,559).

Post period end on 28 September 2023, the Company announced an updated Mineral Resource Estimate ("MRE") at the Company's Basin Project, Arizona. As per the Gross Overriding Royalty Agreement with the Lithium Royalty Company ("LRC"), this new contained LCE Tonnage, which was well over the contracted threshold of 1 million tonnes LCE, enabled the Company to trigger the payment of US\$2.5 million from LRC, which was received by the Company in October 2023.

The Board are in ongoing discussions with legal advisors regarding the options available to recover the fraudulent option exercise payment, as communicated to shareholders on 29 March 2022. Updates will be provided when available.

### *Approach to Risk and Corporate Governance*

The Company's general risk appetite is a moderate, balanced one that allows it to maintain appropriate growth, profitability and scalability, whilst ensuring full corporate compliance.

The Group's primary risk drivers include:

- Strategic, Reputational, Credit, Operational, Market, Liquidity, Foreign Exchange, Capital and Funding, Compliance and Conduct.

# Bradda Head Lithium Limited

## Chairman's statement (continued)

Our risk appetite has been classified as high under an "impact" matrix defined as Zero, Low, Medium and High. Appropriate steps have been taken and adequate controls implemented to monitor the risks of the Company, and the appropriate committees and reporting structures have been established, which under the Chairmanship of the Chairman, will monitor risks facing the Company.

### *Corporate*

During June 2023, the Company appointed PKF Littlejohn LLP as new auditors of the Company, replacing KPMG Audit LLC. As the Company is listed on the TSX Venture Exchange, the Company is required to retain an auditor recognised by the Canadian Public Accountability Board ("CPAB"). KPMG Audit LLC, who has been the Company's auditor since 2009, is not a participating auditor firm with CPAB and therefore resigned at the request of the Company. Bradda Head appointed PKF Littlejohn LLP, a CPAB-recognised auditor, to audit the Company's financial statements as at and for the year ended February 28, 2023.

On 29 August 2023, the Company announced the resignation of Charles FitzRoy as CEO of the Company. During the previous 30 months, Charles was a key figure in a number of milestones, most notably listing the Company on AIM in Summer 2021 where £6.2 million was raised, securing a royalty partnership later that same year, and in raising approximately £10 million of fresh equity-capital in the Spring of 2022. The search for a new CEO is ongoing.

### *Strategy and Outlook*

Global demand for lithium is estimated to increase significantly. A report published by Popular Mechanics during January 2023, and prepared based on data from the International Energy Agency, shows that the electrified economy in 2030 is estimated to need anywhere from 250,000 to 450,000 tonnes of lithium. During 2021, only 105 tonnes of lithium was produced. Lithium is an important building block for many components of renewable energy technology and infrastructure. In the clean energy race, the United States has been lagging behind in recent years. Under the Biden Administration, the United States is determined to break away from the dependence of China for production and manufacturing of lithium.

We believe that Bradda Head, with its diversified portfolio of projects located in the USA, is in a unique position to take advantage of this significant growth in US-based lithium demand, and in turn create value for shareholders.

**John 'Ian' Stalker**  
**Chairman**  
**25 October 2023**

# Bradda Head Lithium Limited

## Condensed Interim Consolidated Statement of Comprehensive Income

for the period ended 31 August 2023

		Six-month period ended 31 August 2023 (unaudited)	Six-month period ended 31 August 2022 (unaudited)	Three-month period ended 31 August 2023 (unaudited)	Three-month period ended 31 August 2022 (unaudited)
	Notes	US\$	US\$	US\$	US\$
<b>Expenses</b>					
General and administrative	2	(2,593,928)	(2,551,978)	(1,335,087)	(1,346,449)
Share based payment and warrant expense	10	(180,622)	(1,285,743)	-	(91,539)
Foreign exchange gain/(loss)		195,791	(1,004,583)	59,316	(694,061)
<b>Operating loss</b>		<b>(2,578,759)</b>	<b>(4,842,304)</b>	<b>(1,275,771)</b>	<b>(2,132,049)</b>
<b>Other income</b>					
Warrant fair value re-measurement	11	210,061	3,679,505	63,476	849,161
Unrealised gain/(loss) on investment		47,974	(2,520)	34,866	(2,520)
Finance income		90,872	-	31,770	-
<b>Loss before income tax</b>		<b>(2,229,852)</b>	<b>(1,165,319)</b>	<b>(1,145,659)</b>	<b>(1,285,408)</b>
Income tax expense		-	-	-	-
<b>Loss for the period</b>		<b>(2,229,852)</b>	<b>(1,165,319)</b>	<b>(1,145,659)</b>	<b>(1,285,408)</b>
Other comprehensive income - foreign currency translation reserve		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(2,229,852)</b>	<b>(1,165,319)</b>	<b>(1,145,659)</b>	<b>(1,285,408)</b>
Basic and diluted loss per share (US cents)	12	(0.57)	(0.33)	(0.29)	(0.33)

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 31 August 2023

	Notes	31 August 2023 (unaudited) US\$	28 February 2023 (audited) US\$
<b>Non-Current assets</b>			
Deferred mining and exploration costs	3	9,162,879	7,461,851
Exploration permits and licences	4	2,718,254	2,112,415
Plant and equipment	8	104,982	79,602
Advances and deposits	6	190,482	104,192
Investment		139,735	91,761
<b>Total non-current assets</b>		<b>12,316,332</b>	<b>9,849,821</b>
<b>Current assets</b>			
Cash and cash equivalents		1,504,141	7,746,519
Cash deposits		1,426,589	-
Advances and deposits	6	61,379	385,624
Trade and other receivables	6	159,068	216,595
<b>Total current assets</b>		<b>3,151,177</b>	<b>8,348,738</b>
<b>Total assets</b>		<b>15,467,509</b>	<b>18,198,559</b>
<b>Equity</b>			
Share premium	9	30,616,373	30,616,373
Retained deficit		(15,680,663)	(13,631,433)
<b>Total equity</b>		<b>14,935,710</b>	<b>16,984,940</b>
<b>Current liabilities</b>			
Trade and other payables	7	511,659	983,418
Warrant liability	11	20,140	230,201
<b>Total current liabilities</b>		<b>531,799</b>	<b>1,213,619</b>
<b>Total equity and liabilities</b>		<b>15,467,509</b>	<b>18,198,559</b>

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 25 October 2023 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 31 August 2023

	Share premium US\$	Retained deficit US\$	Total US\$
Balance at 1 March 2023 (audited)	30,616,373	(13,631,433)	16,984,940
<b>Total comprehensive loss for the period</b>			
Loss for the period	-	(2,229,852)	(2,229,852)
<b>Total comprehensive loss for the period</b>	-	(2,229,852)	(2,229,852)
<b>Transactions with owners of the Company</b>			
Equity settled share-based payments (note 10)	-	180,622	180,622
<b>Total transactions with owners of the Company</b>	-	180,622	180,622
<b>Balance at 31 August 2023 (unaudited)</b>	<b>30,616,373</b>	<b>(15,680,663)</b>	<b>14,935,710</b>

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 31 August 2023 (continued)

	Share premium US\$	Retained deficit US\$	Total US\$
Balance at 1 March 2022 (audited)	23,434,385	(11,177,220)	12,257,165
<b>Total comprehensive loss for the period</b>			
Loss for the period	-	(1,165,319)	(1,165,319)
<b>Total comprehensive loss for the period</b>	-	(1,165,319)	(1,165,319)
<b>Transactions with owners of the Company</b>			
Issue of ordinary shares (note 9 and note 11)	7,581,351	-	7,581,351
Share issue costs capitalised (note 9)	(547,916)	-	(547,916)
Equity settled share-based payments (note 10)	-	1,285,743	1,285,743
<b>Total transactions with owners of the Company</b>	7,033,435	1,285,743	8,319,178
<b>Balance at 31 August 2022 (unaudited)</b>	<b>30,467,820</b>	<b>(11,056,796)</b>	<b>19,411,024</b>

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 31 August 2023

		Six-month period ended 31 August 2023 (unaudited)	Six-month period ended 31 August 2022 (unaudited)	Three-month period ended 31 August 2023 (unaudited)	Three-month period ended 31 August 2022 (unaudited)
	Notes	US\$	US\$	US\$	US\$
<b>Cash flows from operating activities</b>					
Loss before income tax		(2,229,852)	(1,165,319)	(1,145,659)	(1,285,408)
<i>Adjusted for non-cash and non-operating items:</i>					
Depreciation	8	24,620	14,176	13,699	9,532
Unrealised fair value gain on investment		(47,974)	2,520	(34,866)	2,520
Equity settled share based payments expense	10, 11	180,622	1,285,743	-	91,539
Warrant fair value re-measurement	11	(210,061)	(3,679,505)	(63,476)	(849,161)
Unrealised FX on cash balances		-	1,004,583	-	694,061
Cash interest income		(90,872)	-	(31,770)	-
		<b>(2,373,517)</b>	<b>(2,537,802)</b>	<b>(1,262,072)</b>	<b>(1,336,917)</b>
Change in trade and other receivables		57,525	(460,495)	9,800	(171,491)
Change in trade and other payables		(471,756)	(743,903)	46,216	7,723
Net cash flows used by operating activities		<b>(2,787,748)</b>	<b>(3,742,200)</b>	<b>(1,206,056)</b>	<b>(1,500,685)</b>
<b>Cash flows from investing activities</b>					
Amounts paid for deferred mining and exploration costs	3	(1,701,028)	(275,343)	(752,583)	(262,582)
Amounts paid for licences and permits	4	(605,839)	(689,797)	(325,545)	(395,374)
Cash paid for bonding deposit received		237,954	-	184,704	-
Equipment purchased	8	(50,000)	(58,672)	-	-
Net cash flows used by investing activities		<b>(2,118,913)</b>	<b>(1,023,812)</b>	<b>(893,424)</b>	<b>(657,956)</b>
<b>Cash flows from financing activities</b>					
Cash received from shares and warrants issued	9	-	12,304,100	-	-
Share issue costs paid	9	-	(547,916)	-	-
Cash interest income		90,872	-	31,770	-
Short term deposits placed/(returned)		(1,426,589)	-	2,478,993	-
Net cash flows from financing activities		<b>(1,335,717)</b>	<b>11,756,184</b>	<b>2,510,763</b>	<b>-</b>
(Decrease) / increase in cash and cash equivalents		<b>(6,242,378)</b>	<b>6,990,172</b>	<b>411,283</b>	<b>(2,158,641)</b>
Cash and cash equivalents at beginning of period		<b>7,746,519</b>	<b>7,327,303</b>	<b>1,092,858</b>	<b>16,165,594</b>
Effect of foreign exchange on cash balances		-	(1,004,583)	-	(694,061)
Cash and cash equivalents at end of period		<b>1,504,141</b>	<b>13,312,892</b>	<b>1,504,141</b>	<b>13,312,892</b>

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 31 August 2023

## 1 Reporting Entity

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 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](http://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:

	<b>Six-month period ended 31 August 2023 (unaudited) US\$</b>	Six-month period ended 31 August 2022 (unaudited) US\$	<b>Three-month period ended 31 August 2023 (unaudited) US\$</b>	Three-month period ended 31 August 2022 (unaudited) US\$
Auditors' fees	<b>16,440</b>	101,441	<b>(3,160)</b>	19,600
Directors and management fees and salaries	<b>291,157</b>	269,276	<b>153,616</b>	136,602
Legal and accounting	<b>201,584</b>	174,937	<b>117,971</b>	74,631
Contractor costs	<b>1,213,978</b>	1,260,523	<b>662,111</b>	694,697
Professional and marketing costs	<b>404,552</b>	609,567	<b>200,350</b>	302,239
Other administrative costs	<b>466,217</b>	136,234	<b>204,199</b>	118,680
<b>Total</b>	<b>2,593,928</b>	2,551,978	<b>1,335,087</b>	1,346,449

## Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 31 August 2023  
(continued)

### 3 Deferred mine exploration costs

The schedule below details the exploration costs capitalised to date:

	Total US\$
<b>Cost and net book value</b>	
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	1,701,028
At 31 August 2023 (unaudited)	<b>9,162,879</b>
<b>Cost and net book value</b>	
At 31 August 2023 (unaudited)	<b>9,162,879</b>
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 31 August 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.

### 4 Exploration permits and licences

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

	Total US\$
<b>Cost and net book value</b>	
At 28 February 2022 (audited)	1,549,076
Capitalised during the year	<b>582,809</b>
Impairment	<b>(19,470)</b>
At 28 February 2023 (audited)	2,112,415
Capitalised during the period	<b>605,839</b>
At 31 August 2023 (unaudited)	<b>2,718,254</b>
<b>Cost and net book value</b>	
At 31 August 2023 (unaudited)	<b>2,718,254</b>
At 28 February 2023 (audited)	2,112,415

The Group assessed the carrying amount of the licences and permits held for impairment as at 31 August 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.

## Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 31 August 2023  
(continued)

### 5 Investment in subsidiary undertakings

As at 31 August 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 31 August 2023, and up to the date that control ceases.

### 6 Trade and other receivables and advances and deposits

*Non-current*

	31 August 2023 (unaudited) US\$	28 February 2023 (audited) US\$
Advances and deposits	190,482	104,192

*Current*

	US\$	US\$
Trade and other receivables	159,068	216,595
Advances and deposits	61,379	385,624

### 7 Trade and other payables

	31 August 2023 (unaudited) US\$	28 February 2023 (audited) US\$
Trade payables	500,859	904,944
Accrued expenses and other payables	10,800	78,474
	511,659	983,418

## Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 31 August 2023  
(continued)

### 8 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
	<hr/>	<hr/>
As at 28 February 2023 (audited)	<b>114,390</b>	<b>114,390</b>
Additions during the period	<b>50,000</b>	<b>50,000</b>
	<hr/>	<hr/>
As at 31 August 2023 (unaudited)	<b>164,390</b>	<b>164,390</b>
	<hr/> <hr/>	<hr/> <hr/>
<i>Accumulated depreciation</i>		
As at 28 February 2022 (audited)	(1,548)	(1,548)
Depreciation charge for the period	(33,240)	(33,240)
	<hr/>	<hr/>
As at 28 February 2023 (audited)	<b>(34,788)</b>	<b>(34,788)</b>
Additions during the period	<b>(24,620)</b>	<b>(24,620)</b>
	<hr/>	<hr/>
As at 31 August 2023 (unaudited)	<b>(59,408)</b>	<b>(59,408)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Carrying amount</b>		
As at 31 August 2023 (unaudited)	<b>104,982</b>	<b>104,982</b>
As at 28 February 2023 (audited)	79,602	79,602
	<hr/> <hr/>	<hr/> <hr/>

### 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 28 February 2022 (audited)	317,413,879	-	23,434,385
	<hr/>	<hr/>	<hr/>
Shares issued for cash (note 11)	73,195,560	-	7,729,904
Share issue costs capitalised	-	-	(547,916)
	<hr/>	<hr/>	<hr/>
<b>At 28 February 2023 (audited)</b>	<b>390,609,439</b>	<b>-</b>	<b>30,467,820</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>31 August 2023 (unaudited)</b>	<b>390,609,439</b>	<b>-</b>	<b>30,467,820</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 31 August 2023 (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.

<i>Recipient</i>	<i>Grant Date</i>	<i>Term in years</i>	<i>Exercise Price</i>	<i>Number at 1 March 2023 (audited)</i>	<i>Number Issued</i>	<i>Number Lapsed/cancelled/expired</i>	<i>Number Exercised</i>	<i>Number at 31 August 2023 (unaudited)</i>	<i>Fair value</i>
<i>Options</i>									US\$
Directors and Participants	April 2018	5	US\$ 0.15668	1,606,304	-	-	-	1,606,304	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	-	-	-	3,500,000	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	(150,000)	-	4,650,000	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
				<b>41,534,049</b>	<b>4,800,000</b>	<b>(700,000)</b>	<b>-</b>	<b>45,634,049</b>	<b>3,382,967</b>

## Bradda Head Lithium Limited

Notes to the condensed interim consolidated financial statements for the period ended 31 August 2023  
(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 grant date of the equity instrument and the estimated number of equity instruments to vest after the vesting period.

	<b>Six-month period ended 31 August 2023 (unaudited) US\$</b>	Six-month period ended 31 August 2022 (unaudited) US\$	<b>Three-month period ended 31 August 2023 (unaudited) US\$</b>	Three-month period ended 31 August 2022 (unaudited) US\$
Share based payments charge	<b><u>(180,622)</u></b>	<b><u>(1,285,743)</u></b>	<b><u>-</u></b>	<b><u>(91,539)</u></b>

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

	<i>Award date and exercise price</i>
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 31 August 2023 (continued)

### 11 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 six-month period ended 31 August 2023, no new warrants were issued (period ended 31 August 2022: 73,195,560 warrants).

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

<i>Recipient</i>	<i>Grant Date</i>	<i>Term in years</i>	<i>Exercise Price</i>	<i>Warrants at 1 March 2023 (audited)</i>	<i>Number of Warrants Issued</i>	<i>Number of Warrants Lapsed/ cancelled/expired</i>	<i>Number of Warrants Exercised</i>	<i>Number of Warrants at 31 August 2022 (unaudited)</i>	<i>Fair value</i>
<i>Warrants</i>									<b>US\$</b>
Shareholder warrants	April 2022	2	£0.2100	<b>73,195,560</b>	-	-	-	<b>73,195,560</b>	<b>20,140</b>
				<b>73,195,560</b>	-	-	-	<b>73,195,560</b>	<b>20,140</b>

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 31 August 2022: Nil) within Warrant Fair Value Re-Measurement.

Reconciliation of warrant liability fair value:

Balance at 1 March 2023	<b>Fair value US\$ 230,201</b>
Fair value re-measurement	<b>(210,061)</b>
Balance at 31 August 2023	<b>20,140</b>

# Bradda Head Lithium Limited

Notes to the condensed consolidated interim financial statements for the period ended 31 August 2023  
(continued)

## 12 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\$ 2,229,852 (six-month period to 31 August 2022: loss of US\$ 1,165,319) and the weighted average number of shares of 390,609,439 (at 31 August 2022: 349,139,509) 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.

## 13 Related party transactions and balances

### *Edgewater Associates Limited ("Edgewater")*

During the six-month period ended 31 August 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\$ 96,724 (year ended 28 February 2023: US\$ 49,318), of which US\$ 33,424 was prepaid as at the period end (28 February 2023: US\$ 14,497).

## 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, which would be approximately US\$ 405,000 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.

## 15 Events after the reporting date

On 28 September 2023, the Company announced an updated Mineral Resource Estimate ("MRE") at the Company's Basin Project, Arizona. As per the Gross Overriding Royalty Agreement with the Lithium Royalty Company ("LRC"), this new contained LCE Tonnage, which was well over the contracted threshold of 1 million tonnes LCE, enabled the Company to trigger the payment of US\$2.5 million from LRC, which was received by the Company in October 2023.