DELTA LITHIUM

ANNUAL REPORT 2023

CORPORATE DIRECTORY

DIRECTORS

Chris Ellison
Non-Executive Chairman

James Croser
Managing Director

Nader El Sayed
Non-Executive Director

Tim Manners
Non-Executive Director

Steve Kovac
Non-Executive Director

Joshua Thurlow
Non-Executive Director

COMPANY SECRETARY

Peter Gilford

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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SHARE REGISTRY

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AUDITORS

KPMG

235 St Georges Terrace
Perth WA 6000

SOLICITORS

Thomson Geer

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152-158 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE LISTING

Delta Lithium Limited securities are listed on the Australian Securities Exchange (ASX)

ASX Code: DLI

WEBSITE AND CORPORATE GOVERNANCE STATEMENT

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CONTENTS PAGE

CHAIRMAN'S LETTER

I am pleased to present my first letter to shareholders as Non-Executive Chairman of Delta Lithium.

I am pleased to present my first letter to shareholders as Non-Executive Chairman of Delta Lithium.

I would like to start by acknowledging my predecessor, David Flanagan, who recently stepped down as Executive Chairman.

With David's departure, Delta Director James Croser has agreed to serve in an interim executive capacity while a comprehensive search for a Managing Director is undertaken.

Mineral Resources Limited (MinRes) recently became the largest shareholder of Delta with a 17.44% interest because we believe in the enormous potential of this company and its assets.

I founded MinRes in 1992 and, as Managing Director, I today lead an ASX 50 company with extensive operations in lithium, iron ore, energy and mining services across Western Australia.

As announced in September 2023, my colleague Joshua Thurlow, Chief Executive of MinRes' Lithium division, has also joined the Delta Board as Non-Executive Director.

Together, we bring a track record of successfully operating two of the world's largest hard rock lithium mines, at Wodgina in the Pilbara and Mt Marion in the Goldfields of Western Australia.

We have joined the Delta Board because we believe this company will play an important role in producing the lithium that is needed for the clean energy transition.

FY23 was a transformational year for Delta as it changed its name from Red Dirt Metals, reflecting the shift in focus to the Mt Ida Lithium Project in

CHAIRMAN'S LETTER (CONT'D)

the Goldfields region and the Yinnetharra Lithium Project in the Gascoyne region.

The Delta exploration team delivered a maiden Mineral Resource Estimate of 12.7Mt @ 1.2% Li_2O at Mt Ida in October 2022 and significant progress has since been made on approvals, technical work and drilling to support project development.

In September 2022, Delta acquired the highly prospective Yinnetharra project, which has the potential to develop into a world-class asset. An extensive drill campaign is ongoing, with rapid progress being made toward a Maiden Resource Estimate.

The Company is in a strong financial position, having completed a well-supported $55 million capital raise in December 2022, followed by a $46.4 million strategic placement to Idemitsu Australia in June 2023.

Idemitsu Australia is a wholly owned subsidiary of Idemitsu Kosan Co Ltd, a Japanese conglomerate with a market capitalisation of ~$9 billion which has been an active investor in the Australian resource sector since 1978.

As part of this strategic placement, Delta and Idemitsu Australia agreed to a strategic co-operation agreement to explore and leverage Idemitsu's financial and technical capabilities and key Japanese and international relationships to maximise the value of Mt Ida and Yinnetharra.

The Company has met with a wide range of potential customers across the global lithium supply chain throughout the year, in addition to the conclusion of a non-binding Memorandum of Understanding for product offtake and broader co-operation with VinES Energy Solutions Joint Stock Company.

VinES is part of Vingroup, one of Vietnam's leading private conglomerates, and specialises in research and development and the manufacturing of advanced batteries for mobility and energy applications.

Over the coming year, the Delta Board will look for opportunities to leverage its broadened skills and experience – including those from MinRes – to unlock the full potential of Mt Ida and Yinnetharra.

MinRes brings an enormous level of expertise across exploration, approvals, mine optimisation, supply chain logistics, project design and construction and process engineering, as well as product marketing and export pathways.

I'm looking forward to bringing that expertise to the table to get maximum value for all Delta shareholders.

As we transition Mt Ida to production and continue to define Yinnetharra, I want to thank Delta shareholders for their support.

Chris Ellison
Non-Executive Chairman

REVIEW OF OPERATIONS

$84.3M

CASH BALANCE FOR FY23

266,529

METRES DRILLED ACROSS OUR PROJECTS

170km²

TENURE AT THE MT IDA PROJECT

520km²

TENURE AT THE YINNETHARRA PROJECT

A maiden JORC Mineral Resource Estimate of 12.7Mt @ 1.2% Li_2O at the Mt Ida Project was announced in October 2022, and work for much of this past year has subsequently focused on approvals, progressing technical work and further extensive drilling to support development of this resource, ultimately into a producer of lithium concentrate.

In addition, a second lithium exploration project, the Yinnetharra Project in the Gascoyne Region of WA, was acquired in September 2022. Drilling commenced in early November 2022 and is ongoing, producing many exciting results, with the project shaping up to be something of significance.

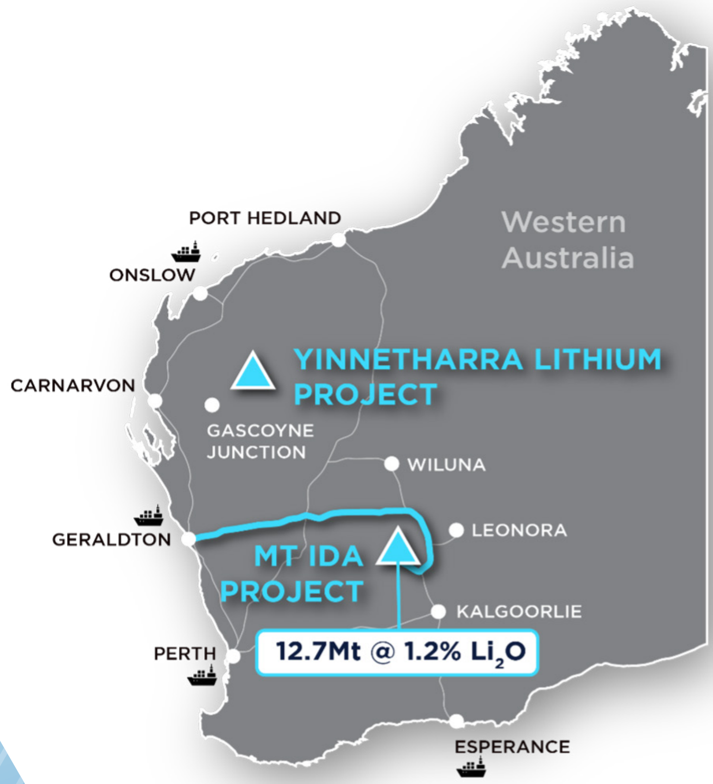

FIGURE 1: LOCATION OF THE COMPANY'S PROJECTS

REVIEW OF OPERATIONS (CONT'D)

MT IDA

The Mt Ida Project is located approximately 100km west of Menzies in the Goldfields region of Western Australia. The Mt Ida Project is located on granted Mining Leases, adjacent to infrastructure. In September 2021, the Company acquired a 100% interest in Mt Ida Gold Pty Ltd, the holder of the Mt Ida Gold Project comprising 29 tenements and located approximately 100km north-west of Menzies in the WA Goldfields. The release of a Maiden Mineral Resource estimate for lithium in September 2022 was the catalyst to start work on various elements of project development for Mt Ida. The Company's key objective for Mt Ida is to export lithium concentrates (the **Concentrate Project**) as soon as possible.

		Li_2O			Ta_2O_5
Resource Category	**Cut-off grade (Li_2O%)**	**Tonnes (Mt)**	**Grade (Li_2O%)**	**Li_2O (Kt)**	**Grade (Ta_2O_5 ppm)**
Indicated		3.3	1.4	46	246
Inferred	**0.55**	9.3	1.1	102	193
Total		**12.7**	**1.2**	**148**	**207**

TABLE 1: MINERAL RESOURCE ESTIMATE DETAILS FOR THE MT IDA LITHIUM PROJECT (published in September 2022)

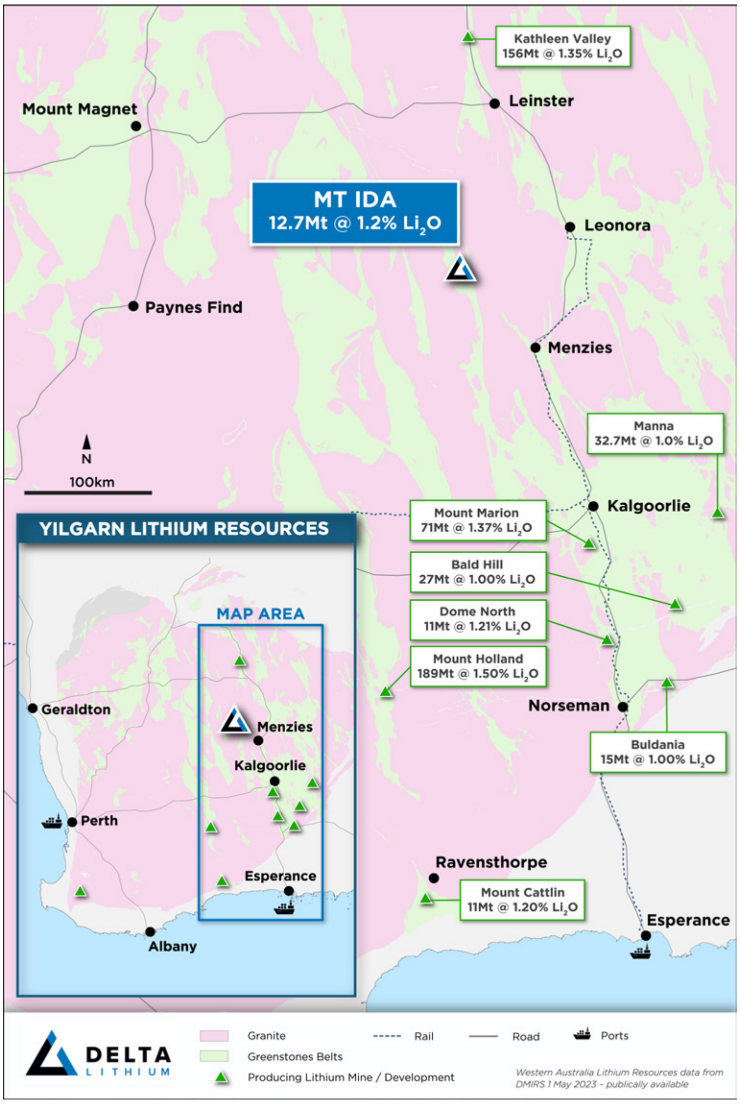

FIGURE 2: LOCATION OF THE MT IDA LITHIUM PROJECT

REVIEW OF OPERATIONS (CONT'D)

PROJECT DEVELOPMENT

The Company has recognised that alongside the development pathway for the Concentrate Project, an opportunity exists to commence early works and create an opportunity for the export of a Direct Shipping Ore ("DSO") product (the **Early Works/ DSO Project**). The benefit of two (2) granted mining leases in combination with the shorter development timeline of a DSO lithium project strongly supports an accelerated path to production.

In executing the Early Works/DSO Project strategy, a number of work packages required for the Concentrate Project will be completed ahead of time. Incremental capital investment and a phased development approach that establishes a supply chain for DSO from mine to market, ahead of Concentrate Project FID (Final Investment Decision), provides a significant opportunity to de-risk and accelerate execution of the Concentrate Project.

Multiple work streams commenced in 2023 on both the Concentrate Project and the Eary Works/ DSO Project, and have been progressed to enable commencement of mining by December 2023, all of which will benefit the longer-term Mt Ida Lithium Concentrate Project:

- Completion of all relevant baseline studies and mine planning work to support key submissions relevant to achieve approval to commence mining
- Preparation and lodging of Mining Proposal and Native Vegetation Clearing Permit (NVCP)
- NVCP approval in May 2023
- Mt Ida Road Diversion; proposed re-alignment endorsed by the Shire of Menzies, heritage and flora and fauna surveys completed, NVCP submitted, 50% design completed, and necessary approval in progress with Department of Planning, Lands and Heritage (DPLH)
- Water exploration program completed for Early Works/DSO, while also providing valuable water supply information for the longer-term Concentrate Project
- Early works/DSO Project planning commenced and progressing in terms of definition, budgeting and tenders
- Consultants appointed for geotechnical, metallurgy, hydrogeology and mine planning related to development of the Concentrate Project
- Early stage mine planning work completed for both Early Works/DSO and the Concentrate Project. In particular, this mine planning work is being used to guide site general layouts, along with infill drilling, and planning for a more significant metallurgical testwork program
- Product logistics (road transport) desktop study completed
- Cooperation Agreement signed with the Midwest Port Authority for DSO and concentrate shipments.

202,346m

OF DRILLING HAS BEEN COMPLETED BY DELTA LITHIUM AT THE MT IDA PROJECT.

EXPLORATION AND INFILL DRILLING

Since acquiring the project in September 2021, 202,346m of drilling has been completed by the Company at the Mt Ida Project.

Reverse Circulation (RC), diamond drilling (DD) and Aircore (AC) drilling have been undertaken in the reporting period. AC drilling has targeted regional exploration along strike of lithium (Li) resources at Sparrow, Timoni and Sister Sam. RC drilling has targeted Li exploration, Li resource infill drilling and water bore drilling. Diamond Drilling has targeted resource infill and extension, exploration drilling, metallurgical drilling and engineering/geotechnical drilling.

The main focus with drilling at Mt Ida has been to support the development of the lithium resource with a particular emphasis on infill resource drilling to increase the confidence and categorisation of the 2022 Mineral Resource Estimate (MRE).

Assay highlights from the Mt Ida Project during the year include:

HoleID	From	To	Length	Li_2O %	Ta_2O_5 ppm	Fe_2O_3 %
IDRD077W2	387.5	437.0	49.5	1.4	183.0	0.5
IDRD178	357.3	401.8	44.5	1.2	203.0	0.3
IDRD162	276.8	318.0	41.2	1.8	383.0	1.0
IDRD077	398.3	433.2	34.9	1.3	143.0	0.4
IDRD033	318.5	349.0	30.5	1.8	182.0	0.7
IDRD031	183.1	205.3	22.8	1.8	190.0	1.5
IDRD229W1	703.2	731.3	28.0	1.3	116.0	1.1
IDRD077W1	430.4	457.5	27.2	1.2	141.0	1.3
IDRD245	848.0	874.9	26.9	1.3	107.0	0.8
IDRCD204W1	367.0	392.6	25.5	1.3	187.0	0.6
IDRD141	488.2	512.3	24.1	1.8	284.0	0.4
IDRD036N2	675.4	696.3	20.9	1.4	96.0	0.5

TABLE 2: MT IDA PROJECT ASSAY RESULTS

REVIEW OF OPERATIONS (CONT'D)

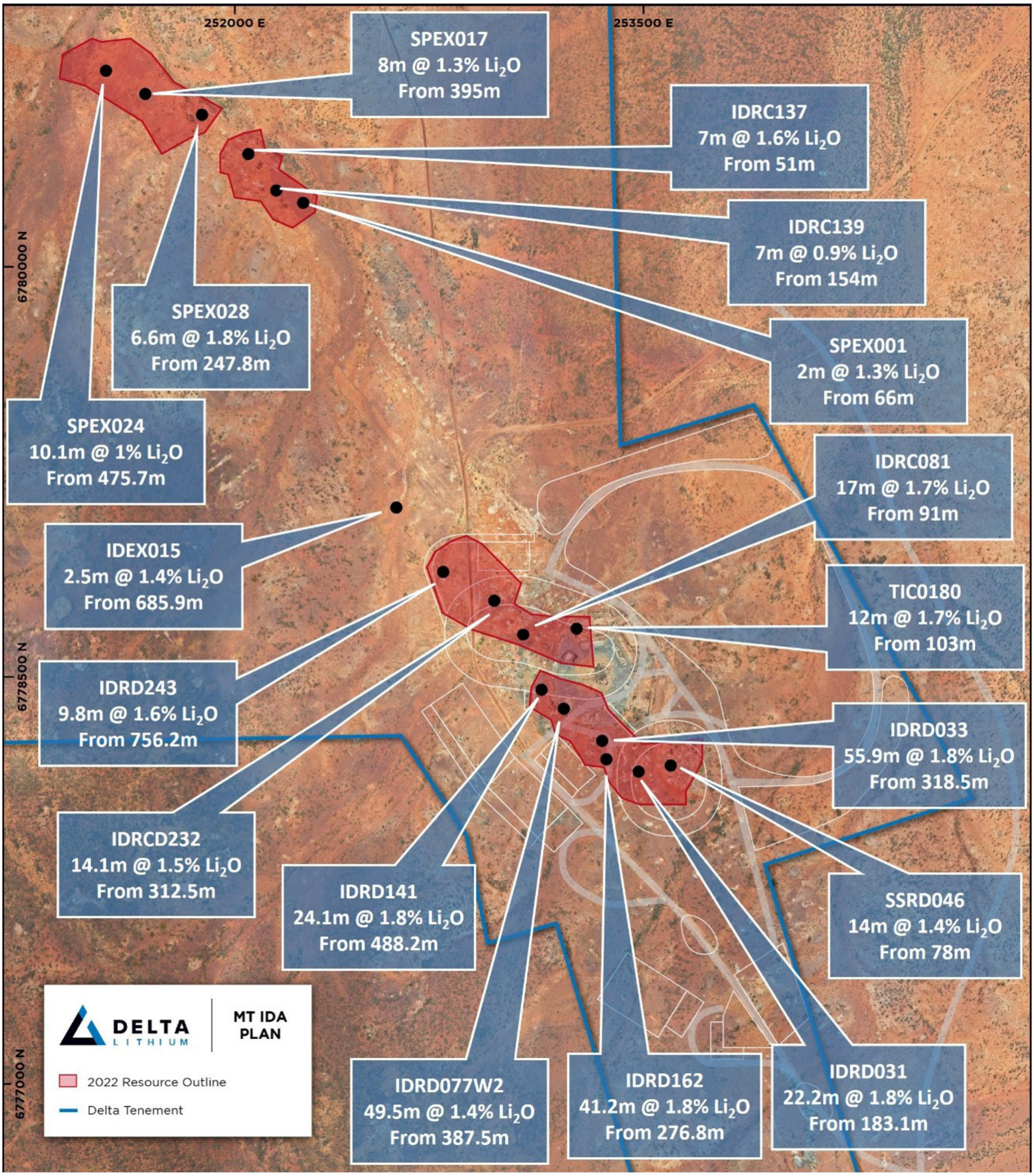

FIGURE 3: PLAN VIEW OF CENTRAL MT IDA AREA WITH RESOURCE OUTLINES AND SIGNIFICANT DRILL INTERCEPTS FOR LITHIUM

REVIEW OF OPERATIONS (CONT'D)

YINNETHARRA

In September 2022 the Company acquired Electrostate Pty Limited, the ultimate holder of the Yinnetharra Project. The Yinnetharra Project covers ~520km^2 in the central Gascoyne region proximal to established infrastructure in that area. The project is highly prospective for Lithium mineralisation.

At the time of acquisition 32 drill holes had been completed at the Yinnetharra Project, targeting lithium mineralisation at the Malinda Prospect with some exciting early intercepts.

Delta started drilling at the project in early November 2022, and to date has drilled 64,183m in 212 holes, with targeted drilling ongoing.

Several quality mineralised pegmatites have been defined at the Malinda Prospect with drilling rapidly progressing towards a Maiden Resource Estimate. High grade Li mineralisation has been discovered outcropping at the Jamesons Prospect, with drilling scheduled to commence in early Q2 2024.

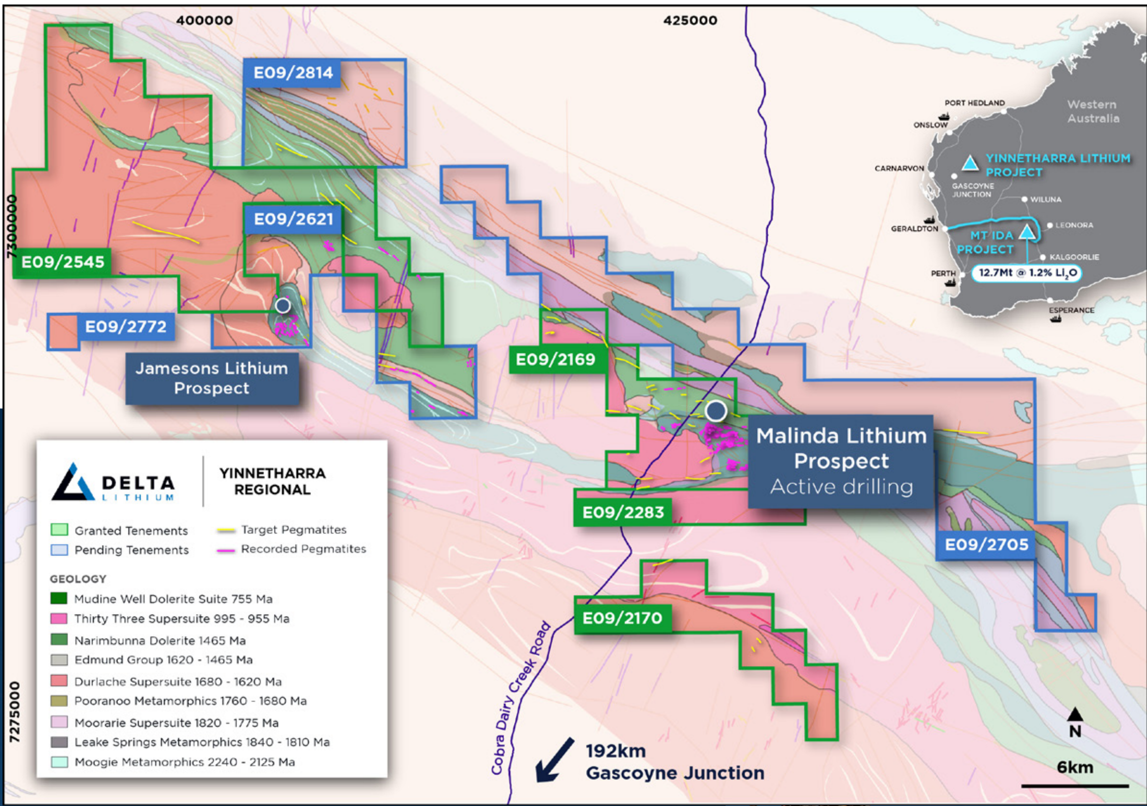

FIGURE 4: YINNETHARRA LITHIUM PROJECT LOCATION

REVIEW OF OPERATIONS (CONT'D)

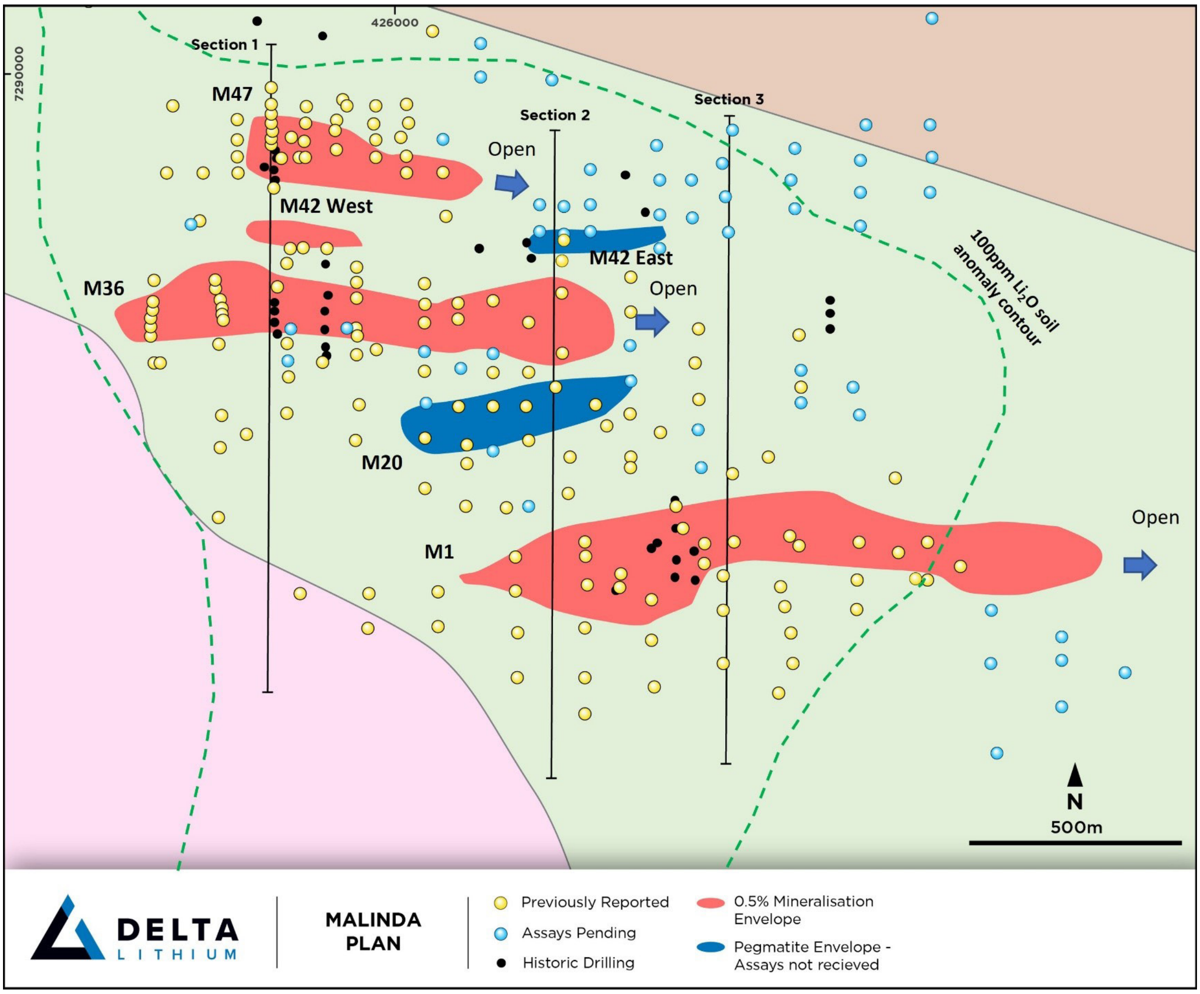

FIGURE 5: MALINDA PROSPECT PLAN SHOWING MINERALISED PEGMATITES PROJECTED TO SURFACE.

Assay highlights from the Yinnetharra Project for the year include:

HoleID	From	To	Length	Li_2O %	Ta_2O_5 ppm	Fe_2O_3 %
YNRD005	94.0	149.6	55.6	1.1	48.0	0.7
YRRD082	66.0	109.0	43.0	1.2	63.0	4.2
YRRD095	254.0	290.0	36.0	1.1	84.0	6.0
YNEX004	5.0	40.0	35.2	1.0	51.0	1.6
YRRD118	218.0	251.0	33.0	1.9	87.0	3.0
YRRD071	291.0	321.0	30.0	1.2	128.0	3.9
YRRD120	203.0	232.0	29.0	1.5	79.0	6.6
YRRD003	121.0	150.0	29.0	1.4	58.0	1.0
YNEX003	121.0	149.9	28.9	1.1	54.0	0.8
YNRD025	71.0	92.0	21.0	1.1	52.0	0.9
YRRD011	28.0	48.0	20.0	1.3	54.0	0.8
YRRD114	190.0	209.0	19.0	1.6	76.0	0.9

TABLE 3: YINNETHARRA PROJECT ASSAY RESULTS

REVIEW OF OPERATIONS (CONT'D)

EUREKA GOLD PROJECT

The Eureka Gold Project is located roughly 50km north of Kalgoorlie. Access is via the Goldfields Highway from Kalgoorlie then via a 2km unsealed road. Eureka is a gold asset on granted Mining Leases with strong potential for walk-up drill targets. The strike and depth potential of the Eureka gold mineralisation has not been fully tested, and hosts potential for additional shallow mineralisation in a strongly endowed mineral terrain.

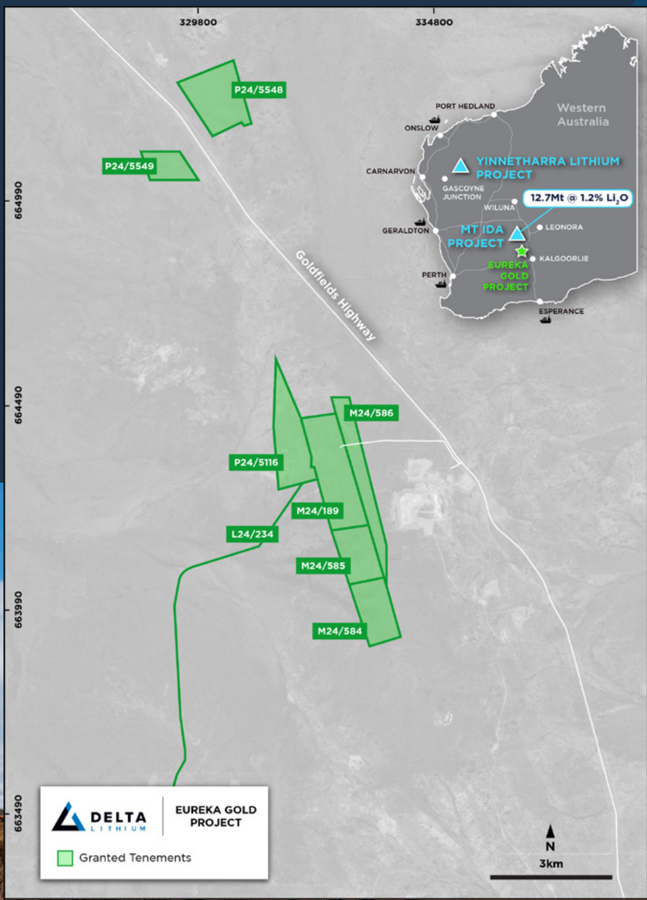

FIGURE 6: EUREKA GOLD PROJECT LOCATION

The Eureka Project has a JORC Mineral Resource Estimate of:

Resource Category	Cut-off Grade	Tonnes (t)	Grade (g/t Au)	Contained Metal (Oz Au)
Indicated	0.3	1,437,000	1.4	65,000
	0.5	**1,269,000**	**1.5**	**62,000**
	0.8	983,000	1.8	56,000
	1.0	811,000	2.0	52,000
Inferred	**0.3**	1,341,000	1.2	52,000
	0.5	**1,183,000**	**1.3**	**50,000**
	0.8	887,000	1.5	43,000
	1.0	666,000	1.7	37,000
All Resources	0.3	2,778,000	1.3	116,000
	0.5	**2,452,000**	**1.4**	**112,000**
	0.8	1,870,000	1.7	100,000
	1.0	1,477,000	1.9	88,000

TABLE 4: EUREKA PROJECT ASSAY RESULTS

Exploration rehabilitation work was undertaken at Eureka in the reporting period.

The current focus of the Company has been with the Mt Ida Project and the Yinnetharra Project. The Eureka Project continues to meet minimum expenditure requirements.

REVIEW OF OPERATIONS (CONT'D)

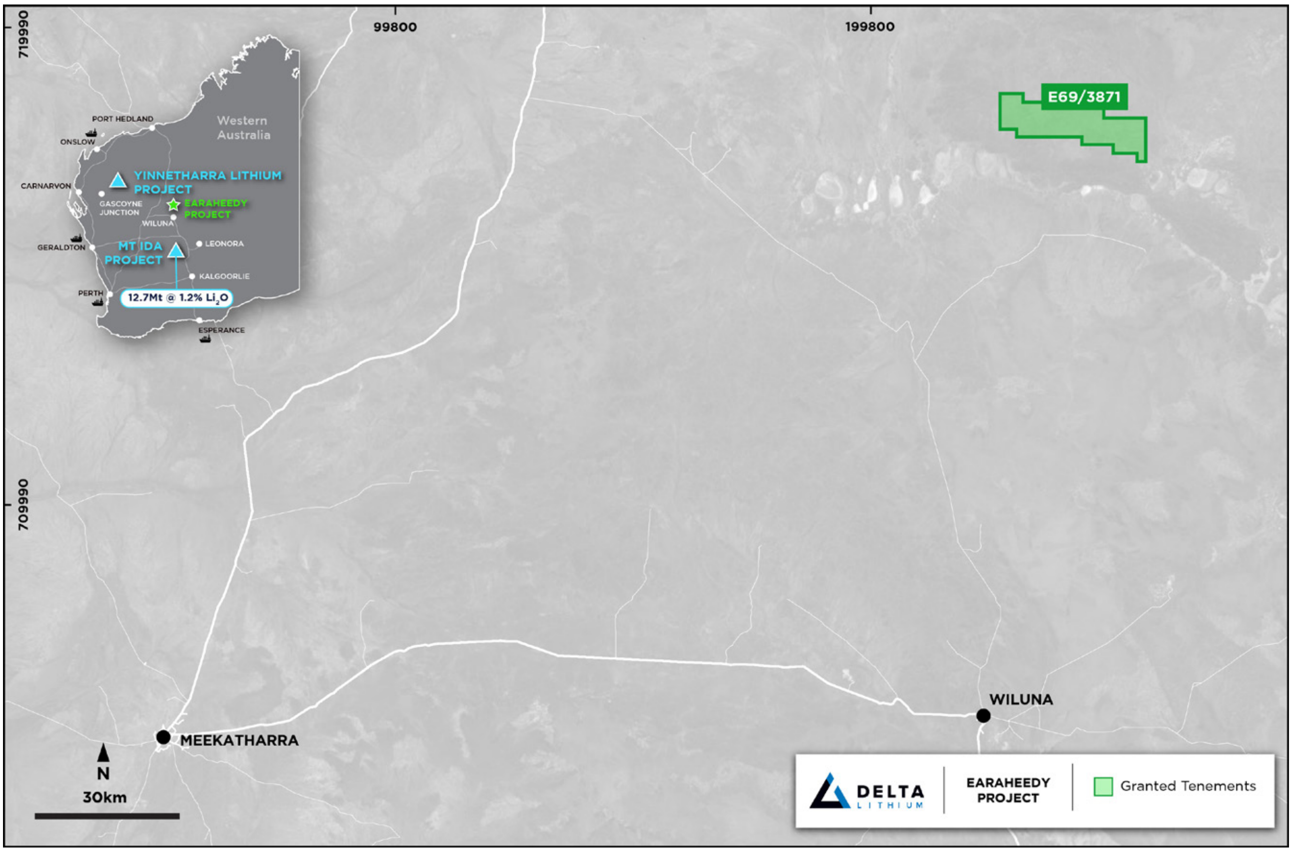

FIGURE 7: EARAHEEDY LOCATION MAP

EARAHEEDY BASIN PROJECT

The Company owns an exploration licence covering 930km^2 adjacent to the Rumble Resources Ltd Chinook zinc-lead discovery at their Earaheedy Project.

No significant exploration work was undertaken by the Company in the reporting period.

REIDS RIDGE - WARRIEDAR PROJECT AREA

During the year, the Company completed the divestment of its Warriedar Gold Project to Anova Metals Limited (ASX:AWV) which comprises of 7 tenements over a combined area of (6711 Hectares) 68km^2. The Company has executed a binding agreement for the consideration of 100 million Anova shares (ASX:AMV), which has a value of $0.8M at 30 June 2023.

CORPORATE

FINANCING

In December 2022, the Company received firm commitments for a $55 million capital raising at $0.50 per share. The Placement comprised two tranches:

- Tranche 1: completed in December 2022 to raise $41.5 million via the issue of 83 million new shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A.
- Tranche 2: completed in January 2023 to raise $13.5 million via the issue of 27 million new shares, following shareholder approval received at a General Meeting held on 16 January 2023.

The Company welcomed the support of new and existing shareholders as part of the $55 million placement. New shareholders included Idemitsu Australia, a subsidiary of Idemitsu Kosan Co Ltd. Existing shareholders Waratah Capital Advisors Ltd increased it's holding from 10.15% to 12.10%.

REVIEW OF OPERATIONS (CONT'D)

On 14 June 2023, the Company completed a $46.4 million strategic placement to Idemitsu Australia, issuing 65,636,000 new shares in the Company at an issue price of $0.7075 per share. The placement was conducted at a 7.5% premium to the 10 day VWAP and an 8% premium to the most recent closing price.

During the year, $2,743,260 was received for the exercise of 10,973,040 unlisted $0.25 options. A further $84,583 was received for the exercise of 338,333 options that were converted to shares post year end.

DIVESTMENT OF WARRIEDAR PROJECT

On 21 September 2022, the Company completed the divestment of its Warriedar Gold Project to Anova Metals Limited (ASX: AWV) to concentrate expenditure and resources on advancing the Mt Ida and Yinnetharra Projects.

As consideration for the sale, the Company was issued with 100 million AWV shares subject to a 6 month escrow. Anova also has an obligation to pay a milestone payment of $100,000 in the event of definition of a JORC compliant Mineral Resource estimate at Warriedar in excess of 150koz gold (calculated at a 0.8 g/t lower cut-off grade) prior to 3 July 2025.

CHANGE OF COMPANY NAME

To align the Company name with the Company's lithium focussed strategy, the Board, subject to shareholder approval, resolved to change the name of the Company from Red Dirt Metals Limited to Delta Lithium Limited. The name change was approved by shareholders at a General Meeting held on 27 April 2023.

The Company's ASX ticker changed from RDT to DLI from May 2023.

BUSINESS RISKS ASSOCIATED WITH THE COMPANY

The Company's' risk management framework is embedded within existing processes and is aligned to the Group's strategic business objectives. Set out below is an overview of the more significant business risks facing Delta and the approach taken to managing those risks. The factors identified below are not necessarily listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with Delta.

FUTURE REQUIREMENTS FOR FUNDING

The Company's funding requirements depend on numerous factors including the Company's future exploration, project evaluation, project development and work programs. Additional funding may be raised (for example) through debt or equity funding. If required funding is not available, including because appropriate commercial terms cannot be negotiated, this may limit the capacity of the Company to execute on its business strategy and exploration programs.

Additional equity funding, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt funding, if available, may involve restrictions on financing and operating activities and be subject to risks relating to movements in interest rates.

An increase in interest rates will make it more expensive for the Company to fund its operations and may constrain the ability to execute on business strategies and exploration programs.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NEGATIVE CASHFLOWS FROM OPERATIONS

The Company has no recent history of earnings and does not have any producing mining operations. The Company has experienced losses from exploration activities and expects to continue to incur losses. No assurance can be given that the Company will be able to economically exploit any mineral deposit or enter into production.

The Company expects to continue to incur losses from exploration, studies and development activities in the foreseeable future.

REVIEW OF OPERATIONS (CONT'D)

TENURE, ACCESS AND GRANT OF APPLICATIONS

The Company's activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the license conditions imposed by relevant authorities including compliance with the Company's work program requirements, which in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. There are risks that tenements will not be renewed, or may be forfeited during their term if there is non-compliance with legal or regulatory requirements.

DRILLING RISKS

The Company's future drilling operations may be curtailed, delayed or cancelled due to a number of factors including lack of funding, weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with Heritage and governmental requirements. While drilling may yield some resources there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

RESOURCE AND RESERVE ESTIMATES

Ore Reserve and Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. As such, Ore Reserve and Mineral Resource are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare Ore Reserve and Mineral Resource estimates, such estimates may nevertheless prove to be inaccurate.

Estimates which are valid when made may change substantially when new information becomes available. Mineral Resource and Ore Reserve estimation is an interpretive process based on available data and interpretations and thus, as noted above, estimations may be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and, consequently, any actual Ore Reserves and Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations (or should any other material assumptions prove to be inaccurate), any Ore Reserve and Mineral Resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

NATIVE TITLE

The Native Title Act 1993 (Cth) (Native Title Act) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

The Company must also comply with Aboriginal heritage legislation requirements, which require certain due diligence investigations to be undertaken ahead of the commencement of exploration and mining. This due diligence may include, in certain circumstances, the conduct of Aboriginal heritage surveys. The risks may also include the following:

- the Company may have to seek consent or permits to access the land the subject of an Aboriginal heritage or land right claim. There is no guarantee that any such consent or permits will be granted;
- the Company may have to comply with restrictions or conditions on accessing land the subject of an Aboriginal heritage or land right claim. This may result in the Company facing

REVIEW OF OPERATIONS (CONT'D)

unplanned expenditure or delays. Failure to comply with any conditions on the permits may result in the Company losing its title to its tenements or forfeiting its permits; and

- in the event the Company discovers evidence of Aboriginal heritage on land accessed by the Company, the Company must comply with regulations.

PROJECT DELIVERY RISK

The execution and delivery of projects involves judgment regarding the planning, development and operation of complex operating facilities and equipment that may occur over extended time periods. As a result, the Group's operations, cash flows and liquidity could be affected if the Company miscalculates the resources or time needed to complete a project, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. The Company maintains a strict project monitoring regime, proactive management and decision making to mitigate project delivery risks.

LABOUR COSTS AND AVAILABILITY

Labour represents a significant portion of operating expenditure and exploration activities. In order to realise business objectives, the Group needs to be able to continue to attract and retain skilled employees. Consequently, the Group is exposed to increased labour costs in markets where the demand for labour is strong. The group manages labour costs through various remuneration schemes that include short and long-term incentives to employees to align with shareholder value accretion and mitigate against the impact of rising labour costs.

NEW PROJECTS AND ACQUISITIONS

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that the Directors consider are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

CYBER SECURITY

The potential for malicious cyber security attacks resulting in the misuse and release of sensitive information poses an ongoing and real risk to the operations of the company. Delta continues to progress its Information and Communications Technology Strategy ("ICT"), of which one initiative includes the continual review of our cyber security and ICT maturity. Gaps and vulnerabilities are addressed on an ongoing basis.

OTHER MATERIAL RISKS

Other material risks that could affect the Company include:

- Changing government regulation including tax, occupational health and safety, and changes in policy and spending;
- Loss of reputation through poor project outcomes, unsafe work practices, unethical business practices, and not meeting the market's expectation regarding exploration targets and financial performance;
- Increases in oil prices and inflationary pressures;
- Decreases in commodity prices;
- Equipment and consumable availability;
- Commitments and policies on climate and carbon emissions by governments;
- Technological changes and innovation;
- Legislative and regulatory changes; and
- Loss of Key Management Personnel and/or operating personnel.

REVIEW OF OPERATIONS (CONT'D)

EXECUTIVE CHANGES

During the year the Company has also bolstered its executive management team with the addition of Mr Jeremy Sinclair as Chief Operating Officer. Mr Sinclair brings 28 years of experience commissioning many mining projects throughout Western Australia. Mr Sinclair will lead all elements of the Company's feasibility studies, environmental approvals, process engineering and design, mine execution, commissioning and ramp up. Mr Daniel Taylor was appointed Chief Marketing Officer.

Mr Taylor will lead the delivery of key customer relationships, offtake agreements and market leading product strategies. He brings 25 years of experience in all facets of product marketing, customer related project financing, ocean freight and product logistics. In June 2023, the Company appointed Mr Peter Gilford as Chief Financial Officer and Company Secretary following the departure of Mr Daniel Kendall. Peter is an experienced finance professional and brings a depth of mining operational experience to the finance function.

REVIEW OF OPERATIONS (CONT'D)

TABLE (A) TENEMENTS HELD AS AT THE END OF THE REPORTING PERIOD BY DELTA LITHIUM LIMITED AND ITS SUBSIDIARIES

Project	Tenement	Holder	Location	Status	Beneficial Interest
MT IDA	E29/0640	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	E29/0771	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	E29/0895	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	E29/0944	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	E29/0964	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	M29/0002	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	M29/0094	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	M29/0165	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	M29/0422	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	M29/0429	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	M29/0444	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
MT IDA	P29/2394	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2397	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2398	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2399	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2400	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2401	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2402	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2403	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2404	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2405	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2406	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2407	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2487	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2529	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2666	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2667	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2668	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	P29/2669	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	L29/0166	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	L29/0171	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
MT IDA	L29/0174	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
MT IDA	L29/0175	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
MT IDA	L29/0176	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
MT IDA	L29/0177	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
MT IDA	L30/0094	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2169	Electrostate Malinda Pty Ltd	Western Australia	Granted	100%
YINNETHARRA	E09/2170	Electrostate Malinda Pty Ltd	Western Australia	Granted	100%
YINNETHARRA	E09/2283	Electrostate Malinda Pty Ltd	Western Australia	Granted	100%
YINNETHARRA	E09/2545	Electrostate Pty Ltd	Western Australia	Granted	100%
YINNETHARRA	E09/2621	Electrostate Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2705	Electrostate Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2716	Electrostate Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2772	Electrostate Malinda Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2806*	Electrostate Malinda Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2808*	Electrostate Malinda Pty Ltd	Western Australia	Application	100%
YINNETHARRA	E09/2814	Electrostate Malinda Pty Ltd	Western Australia	Application	100%
EUREKA GOLD	M24/0189	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	M24/0584	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	M24/0585	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	M24/0586	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	L24/0234	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	P24/5116	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	P24/5548	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EUREKA GOLD	P24/5549	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
EARAHEEDY BASIN	E69/3871	Mt Lockeridge Holdings Pty Ltd	Western Australia	Granted	100%

* Application remains in ballot.

REVIEW OF OPERATIONS (CONT'D)

ENVIRONMENTAL SOCIAL AND GOVERNANCE

Delta is focused on progressing approvals documentation for Mt Ida during the reporting period.

During the reporting period Groundwater licences (GWL), Native Vegetation Clearing Permit (NVCP) Mining Proposals were all submitted. The Mining Proposal is currently in final stages of assessment.

The NVCP was approved in May 2023. Groundwater licence (5C) was approved the first quarter of 2023. During the reporting period 26D licences were applied to assist with water exploration, activities undertaken to support future mining operations. Heritage and biological surveys were completed as part of the proposed road diversion.

For the Yinnetharra Project, during the reporting period the Company has commenced baseline surveys for vegetation, flora and terrestrial and subterranean fauna. Additional baseline surveys are currently underway including hydrology, hydrogeology and materials characterisation. Groundwater licences to assist with groundwater exploration also commenced during reporting period.

Heritage surveys and stakeholder meetings have commenced Shire of Upper Gascoyne, pastoralists and Native Title groups. Surveys were undertaken over the tenement areas with both Native Title groups and sites of cultural significance were identified during the survey.

Delta continued to support several charities and organisations throughout the reporting period including: West Perth Female WAFL team, WASM Alumni, Ride for Youth Family, Gascoyne Junction and Menzies Primary Schools.

MARKET COMMENTARY AND OFFTAKE INTEREST

THE LITHIUM MARKET IN 2023: A YEAR OF GROWTH AND TRANSFORMATION

2023 saw continued record growth in the lithium-ion battery supply chain with the lithium raw materials industry experiencing demand and realised pricing for lithium concentrates and lithium chemicals that reached and far exceeded historical highs, driven by the increasing demand for lithium-ion batteries across various industries. Lithium concentrates and lithium chemicals as the most crucial components in the production of batteries for electric vehicles (EVs), consumer electronics, and renewable energy storage systems, witnessed a surge in demand. The tight market drove an increase in lithium concentrate prices from US$2,500/dmt SC6.0 basis (CIF China) as reported by Price Reporting Agencies (PRA's) in January 2022, to as high as ~$8,300 on auction trading platforms. Pricing retreated from these record highs in the first quarter of calendar year 2023, albeit remaining at unprecedented levels. With existing producers challenged in achieving higher levels of production, the pricing outlook for 2024 remains historically strong, with growing evidence that the global lithium deficit will continue to widen as demand outstrips supply. Forecasts from some of the largest and most experienced global lithium

REVIEW OF OPERATIONS (CONT'D)

groups point to Demand growth from circa 1.8Mt LCE in 2025 to > 3.7Mt LCE (equivalent to almost 30Mt of lithium concentrates) by 2030. The consequent forecast supply shortage by 2030 is in the order of 1Mt LCE's (the equivalent of ~8Mt of lithium concentrates), underpinning the need for new lithium development projects to bring concentrates to market. It is worth noting that whilst lithium demand from the Electric Vehicle sector garners most attention, demand for Lithium to service applications in grid-scale energy storage solutions (ESS), caters to the needs of renewable energy integration and grid stabilisation is also growing in significance. The deployment of solar and wind energy systems necessitates efficient energy storage options, further boosting the demand for lithium.

Soaring demand and an ever-more competitive landscape prompted several mergers, acquisitions, and collaborations within the lithium industry along with several multi-billion dollar investments. Lithium producers, battery manufacturers, and automotive companies sought strategic alliances to ensure a stable supply chain and improve market positioning.

Potential customers across the global battery supply chain, from China, Japan, Korea, South-East Asia to India, North America, the UK and Europe have engaged with Delta throughout the course of the year, expressing significant interest in both the near-term Mt Ida project and the exciting development asset - Yinnetharra. This activity highlights the moves by globally significant chemical producers, automotive manufacturers, and others in the battery supply chain to secure access to lithium offtake, as well as the strategic value of near-term development assets located in mining-friendly, politically stable geographies in the current market environment.

COMPETENT PERSONS STATEMENT

Information in this Announcement that relates to exploration results is based upon work undertaken by Mr. Charles Hughes, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr. Hughes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. Hughes is an employee of Delta Lithium Limited and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Refer to www.deltalithium.com.au for past ASX announcements.

Past Exploration results and Mineral Resource Estimates reported in this announcement have been previously prepared and disclosed by Delta Lithium in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement, and all material assumptions and technical parameters underpinning Mineral Resource Estimates in the relevant market announcement continue to apply and have not materially changed. Refer to www.deltalithium.com.au for details on past exploration results and Mineral Resource Estimates.

CORPORATE GOVERNANCE

Delta and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Delta has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. The 2023 Corporate Governance Statement was approved by the Board on 25 September 2023 and is current as at 25 September 2023.

A description of Delta's current corporate governance practices is set out in Delta's Corporate Governance Statement which can be viewed at: https://deltalithium.com.au/corporate-governance/

“Fast-tracking development of our West Australian lithium assets

FINANCIAL CONTENTS

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the "Consolidated Entity" or the "Group") consisting of Delta Lithium Limited ("Delta Lithium" or the "Company") and the entities it controlled at the end of, or during the year ended 30 June 2023.

DIRECTORS

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

Director	Title	Appointment Date	Resignation Date
Chris Ellison	Non-Executive Chairman	12-Sep-23	-
James Croser[1]	Managing Director	4-Dec-20	-
Nader El Sayed	Non-Executive Director	1-Mar-21	-
Tim Manners	Non-Executive Director	1-Mar-22	-
Steven Kovac	Non-Executive Director	1-Aug-23	-
Joshua Thurlow	Non-Executive Director	12-Sep-23	-
David Flanagan[2]	Executive Chairman	29-Aug-22	12-Sep-23
Alexander Hewlett	Non-Executive Chairman	4-Dec-20	29-Aug-22
Matthew Boyes	Managing Director and Chief Executive Officer	1-Nov-21	3-Nov-22
Jiahe (Gower) He	Executive Director - Corporate Development	20-Jun-22	1-Nov-22

[1] *Appointed 4 December 2020 as Non-Executive Director, transitioned to Managing Director on 12 September 2023*
[2] *Appointed 29 August 2022 as Non-Executive Chairman, transitioned to Executive Chairman on 3 November 2022.*

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Consolidated Entity consisted of the exploration and evaluation of the Consolidated Entity's tenements predominantly situated in Western Australia, Australia.

FINANCIAL REVIEW

Delta Lithium has recorded an operating loss after income tax from continuing operations for the year ended 30 June 2023 of $8,538,367 (2022: $8,055,242) and net operating cash outflows of $4,356,422 (2022: $1,208,400).

The Consolidated Entity invested $36,044,029 in exploration throughout the year including acquisition costs (2022: $12,445,476), raised $101,682,470 in capital during the year via share placements, excluding issue costs (2022: $42,250,000) and received $2,827,843 from the exercise of convertible securities (2022: $7,417,243).

DIVIDENDS

No dividend has been declared or paid by the Company since the start of the financial period and the Directors do not at present recommend a dividend.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting ("AGM") was held on 25 November 2022 with all resolutions passed on a poll without ammendment.

DIRECTORS' REPORT (CONT'D)

MATTERS SUBSEQUENT TO REPORTING DATE

On 2 August 2023, the Company announced the appointment of Mr Steven Kovac effective 1 August 2023, the current Chief Executive Officer of Idemitsu Australia, as a Non-Executive Director. As part of the strategic investment in the Company completed in June 2023, Idemitsu Australia was granted the right to nominate a Director to the Board.

On 12 September, the Company announced the appointments of Mr Chris Ellison as Non-Executive Chairman and Mr Joshua Thurlow as Non-Executive Director as well as the resignation of Executive Chairman, Mr David Flanagan. Mr Ellison is the founder and Managing Director of Mineral Resources Limited, which in August 2023 increased its shareholding in Delta Lithium to 17.44%, becoming the Company's largest shareholder. Mr Thurlow is the current Chief Executive – Lithium for Mineral Resources Limited.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS

Other than as referred to in this report, further information as to likely developments in the operations of the Company and likely results of those operations would, in the opinion of Directors, be speculative.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed elsewhere in this Directors' Report, there have been no significant changes in the state of affairs of the Consolidated Entity during the year ended 30 June 2023.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any breaches to environmental laws and regulations.

NGER ACT

The Directors considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current nor subsequent financial year. The Directors will reassess this position as and when the need arises.

CONVERTIBLE SECURITIES

OPTIONS

At the date of this report, unissued shares of the Group under option are:

Number of Securities	Grant Date	Fair Value at Grant Date	Exercise Price	Number vested	Expiry Date
6,272,330	30 Nov 20	$0.170	$0.25	6,272,330	1 Oct 24
3,000,000	16 Sep 21	$0.179	$0.25	3,000,000	21 Sep 25
9,000,483	18 Nov 21	$Nil	$0.25	9,000,483	18 Nov 24
1,000,000	7 Jul 22	$0.240	$0.77	1,000,000	26 Jul 25
2,666,666	28 Sep 22	$0.283	$0.75	2,666,666	27 Mar 24
5,000,000	28 Sep 22	$0.048	$0.85	5,000,000	30 Sep 25
26,939,479				**26,939,479**	

DIRECTORS' REPORT (CONT'D)

PERFORMANCE RIGHTS

At the date of this report, unissued shares of the Group pursuant to performance rights issued to incentivise its Directors, employees and other vendors are:

Number of Securities	Grant Date	Fair Value at Grant Date	Number vested	Expiry Date
265,000	22 May 22	$0.590	265,000	31 Dec 23
1,000,000	7 Jul 22	$0.221-$0.243	-	31 Dec 23
400,000	28 Aug 23	$0.775	-	29 Dec 25
25,000	15 Nov 22	$0.585	-	18 Nov 27
4,500,000	22 Dec 22	$0.455	-	23 Jan 28
1,500,000	16 Jan 23	$0.475	-	23 Jan 28
2,700,000	18 Jan 23	$0.470	-	23 Jan 28
1,000,000	24 Mar 23	$0.305	-	27 Mar 28
1,500,000	27 Apr 23	$0.354-$0.465	-	8 May 28
1,750,000	12 Jun 23	$0.655	-	13 Jun 28
1,050,000	16 Aug 23	$0.895	-	16 Aug 28
15,690,000			**265,000**	

PERFORMANCE SHARES

At the date of this report there are no unissued shares of the Company under Performance Shares (2022: 6,750,000). During the period, Delta Lithium decided to discontinue with the Pelley Ridge Project, as part of its strategy to prioritise funds and management time on its lithium projects at Mt Ida and Yinnetharra. The subsidiary and previous holding Company for the Pelley Ridge Project, Metals of America LLC was sold for nominal cash consideration of $US350. All Performance Shares were cancelled.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreements with each of the Directors and Officers of the Company in office at the date of this report and former Directors indemnifying them to the extent permitted by law against all liabilities incurred in their capacity as officers of the Company and its controlled entities and all reasonable legal costs incurred by any of them in the defence of an action for a liability incurred by that officer. The indemnity continues to have effect when the Directors and Officers cease to hold office.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability as such disclosures are prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

DIRECTORS' REPORT (CONT'D)

DIRECTOR INFORMATION

Name:	**Chris Ellison**
Title:	Non-Executive Chairman (Appointed 12 September 2023)
Experience and expertise:	Mr Ellison is the founding shareholder of each of the three original subsidiary companies of Mineral Resources Limited (Crushing Services International Pty Ltd, PIHA Pty Ltd and Process Minerals International Pty Ltd). He has over 40 years of experience in the mining contracting, engineering and resource processing industries within Australia. Since 2013, Mr Ellison has also served as Honorary Consul for New Zealand within Western Australia.
Other current ASX Directorships:	Mineral Resources Limited (MIN)
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of this report	Nil

Name:	**James Croser**
Title:	Managing Director (Appointed 12 September 2023, having previously held the position of Non-Executive Director from 4 December 2020)
Qualifications:	Bachelor's degree from the Western Australian School of Mines and is a holder of a Western Australian First Class Mine Managers' Certificate
Experience and expertise:	Mr Croser is a qualified mining engineer, with 20 years of operations, technical and management experience in the Australian mining sector. Mr Croser is currently Director of Vaportrail Pty Ltd, a privately-owned mining consultancy business. Mr Croser has served previously on the Board for ASX-listed mining companies Kalgoorlie Mining Company Ltd and Resources & Energy Group Ltd, while also founding and developing several private mining companies across Western Australia in recent years. Mr Croser has held statutory mine management positions for Perilya Ltd and La Mancha Resources Ltd, including as inaugural underground manager for the definitive feasibility study & construction of the one-million-ounce Frog's Leg Gold Mine.
Other current ASX Directorships:	Hammer Metals Ltd (HMX), Greenstone Resources Limited (GSR)
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of this report	**Mrs Amanda Jane Croser <Croser Family A/C>** 5,980,377 Ordinary Shares 500,000 Unlisted performance rights expiring 31 December 2023 500,000 Unlisted performance rights expiring 8 May 2028 3,183,008 Unlisted options exercisable at $0.25 expiring 1 October 2024 1,000,000 Unlisted options exercisable at $0.25 expiring 21 September 2025

DIRECTORS' REPORT (CONT'D)

DIRECTOR INFORMATION (CONT'D)

Name:	**Nader El Sayed**
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce (Banking & Finance), Masters (Accounting) and has completed the Australian Institute of Chartered Accountants program.
Experience and expertise:	Mr El Sayed is currently the Chief Executive Officer of Multiplant Holdings, a mining and civil services business in Western Australia. His previous roles include a senior management position with KPMG providing assurance, capital markets and other advisory services to key Australian and international resource companies. Mr El Sayed brings a wealth of risk management, corporate governance, strategic and financial experience to the Board.
Other current ASX Directorships:	None
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of this report	**Nameo Pty Ltd** 2,533,893 Ordinary Shares 500,000 Unlisted Performance rights expiring 8 May 2028 1,342,233 Unlisted options exercisable at $0.25 expiring 1 October 2024 1,000,000 Unlisted options exercisable at $0.25 expiring 21 September 2025

Name:	**Tim Manners**
Title:	Non-Executive Director
Qualifications:	Bachelor of Business (Accounting), FCA, AGIA, MAICD
Experience and expertise:	Mr Manners is a finance professional with over 25 years' experience in corporate finance, accounting, financial management and business development functions within the resources industry. Mr Manners has been involved in exploration, developing, and producing companies both in Australia and overseas. Mr Manners has held senior financial positions in various sectors including precious and base metals, industrial minerals, (including lithium and tantalum experience at the Greenbushes and Wodgina operations) and in bulk commodities. Mr Manners is currently the Chief Financial Officer of ASX 200 Ramelius Resources Ltd.
Other current ASX Directorships:	Breaker Resources NL (BRB) Musgrave Minerals Ltd (MGV)
Former ASX Directorships (last 3 years):	Mr Manners was appointed as a Director of Spectrum Metals Limited (25 February 2020 to 23 June 2020) and Apollo Consolidated Limited (19 November 2021 to 16 December 2021) from the time Ramelius Resources Ltd took control of these entities until they were delisted.
Interests in shares and convertible securities held as at the date of this report	**Mr Timothy Peter Manners** 425,874 Ordinary Shares 500,000 Unlisted performance rights expiring 8 May 2028 41,667 Unlisted options exercisable at $0.25 expiring 18 November 2024 1,000,000 Unlisted options exercisable at $0.77 expiring 26 July 2025

DIRECTORS' REPORT (CONT'D)

DIRECTOR INFORMATION (CONT'D)

Name:	**Joshua Thurlow**
Title:	Non-Executive Director (Appointed 12 September 2023)
Qualifications:	Bachelor of Engineering, (Mining) (Hons), MBA
Experience and expertise:	Mr Thurlow commenced in the role of Chief Executive – Lithium with Mineral Resources in September 2022, and is responsible for the continued growth of their world class lithium assets and partnerships. With over 20 years' experience in the mining and resources sectors across Asia Pacific, Africa and North America, Mr Thurlow's expertise spans corporate strategy, social responsibility, business development and growth, and operations leadership. He was previously the Executive General Manager Project Development – overseeing all aspects of planning, development, and social responsibility for mining projects – and prior to joining MinRes held key leadership roles with Newcrest Mining, Aeris Resources Limited, and BHP. Mr Thurlow is a qualified mining engineer and holds a Master of Business Administration from Melbourne Business School.
Other current ASX Directorships:	None
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of this report	Nil

Name:	**Steven Kovac**
Title:	Non-Executive Director (Appointed 1 August 2023)
Qualifications:	Bachelor of Engineering, (Mining), MBA
Experience and expertise:	Mr Kovac is the current Chief Executive Officer of Idemitsu Australia. Mr Kovac holds a Bachelor of Engineering (Mining), an MBA and is a Graduate of the Australian Institute of Company Directors. Over his 23-year career in the mining sector he has had extensive technical and operational experience at a site level, holding senior management and executive level roles for the past 14 years. Mr Kovac is also a Non-Executive Director of Critical Minerals Group Ltd (ASX:CMG), a Non-Executive Director of Vecco Group Pty Ltd, a Director of Low Emission Technology Australia and an Executive Committee member of New South Wales Minerals Council. He is a member of the Australian Institute of Mining and Metallurgy and the Mine Managers Association of Australia.
Other current ASX Directorships:	Critical Minerals Group Ltd (CMG)
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of this report	<**S&J Kovac Family Trust**> 25,316 Ordinary Shares

DIRECTORS' REPORT (CONT'D)

DIRECTOR INFORMATION (CONT'D)

Name:	**Matthew Boyes**
Title:	Managing Director & Chief Executive Officer (resigned 3 November 2022)
Qualifications:	BSc in Mining & Minerals Exploration Geology, WASM, MAusIMM (fellow)
Experience and expertise:	Mr Boyes is a qualified Geologist and Fellow of the Australasian Institute of Mining and Metallurgy with 25 years industry experience with a strong background in minerals resources, project development, construction and operations management. Mr Boyes has recently served as COO for AIM listed Patagonia Gold successfully overseeing the development and construction of two standalone Gold-Silver heap leach projects in southern Argentina. Mr Boyes has significant experience is product evaluations and financing with a focus on the junior market sector.
Other current ASX Directorships:	None
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of resignation	**Mr Matthew Garfield Boyes** 1,521,788 Ordinary Shares 862,864 Unlisted options exercisable at $0.25 expiring 1 October 2024 **Mrs Tiziana Marras** 50,000 Ordinary Shares 750,000 Unlisted performance rights expiring 31 December 2023

Name:	**Alexander Hewlett**
Title:	Non-Executive Chairman (resigned 29 August 2022)
Qualifications:	Bachelor's degree (Geology) from the University of Western Australia
Experience and expertise:	Mr Hewlett is a qualified Geologist, highly skilled at project identification and acquisition with a flair for Company and investor communications. He has raised significant funds for both domestic and international projects in the mining and exploration sector and has served on several boards on the ASX.
Other current Directorships:	Wildcat Resources Ltd (WC8)
Former Directorships (last 3 years):	Spectrum Metals Limited (resigned 6 May 2020), Black Cat Syndicate Limited (resigned 28 February 2021).
Interests in shares and convertible securities held at the date of resignation	**Elefantino Pty Ltd <Talula A/C>** 5,095,761 Ordinary Shares 1,000,000 Unlisted performance rights expiring 31 December 2023 3,183,008 Unlisted options exercisable at $0.25 expiring 1 October 2024 1,000,000 Unlisted options exercisable at $0.25 expiring 21 September 2025 **Mazza Resources Pty Ltd** 307,693 Ordinary Shares

DIRECTORS' REPORT (CONT'D)

DIRECTOR INFORMATION (CONT'D)

Name:	**Jiahe (Gower) He**
Title:	Executive Director - Corporate development (resigned 1 November 2022)
Qualifications:	**Bcom (Accounting and Finance), CPA**
Experience and expertise:	Mr He is a highly regarded finance and commercial professional with over 20 years' experience in the resource sector. He has a strong track record in business development, marketing, and commercial strategy execution. Prior to joining Delta Lithium, Mr He held various senior positions working for Mitsui & Co (Aust) executing various Lithium related, trading, off-take and strategic marketing initiatives across Australia, Japan and China.
Other current ASX Directorships:	None
Former ASX Directorships (last 3 years):	None
Interests in shares and convertible securities held at the date of resignation	**Daman International Investments Pty Ltd** 40,000 Ordinary Shares

Name:	**David Flanagan**
Title:	Executive Chairman (Appointed 3 November 2022, having previously held the position of Non-Executive Chairman from 29 August 2022, Resigned 12 September 2023)
Qualifications:	BSc in Mining & Minerals Exploration Geology, WASM, MAusIMM, FAICD
Experience and expertise:	Mr Flanagan is a geologist with more than 30 years' experience in mining operations and resource development in Australia, Indonesia and Africa. David completed his studies at Curtin's Western Australian School of Mines in Kalgoorlie. He is a Fellow of the Australian Institute of Company Directors and was the founding Managing Director of Atlas Iron Limited, during which he oversaw its growth from a junior explorer to an ASX top 50 Company.
Other current ASX Directorships:	None
Former ASX Directorships (last 3 years):	Non-Executive Chairman, CZR Resources Limited (resigned 10 September 2021) Non-Executive Director, Magmatic Resources Limited (resigned 4 February 2021) Non-Executive Director, MACA Limited (resigned 28 October 2022) Executive Chairman, Battery Minerals Limited (resigned 4 September 2023)
Interests in shares and convertible securities held at the date of resignation	**Mr David Nathan Flanagan <the Flanagan Family a/c>** 1,500,000 Unlisted performance rights expiring 23 January 2028

COMPANY SECRETARY

Mr Peter Gilford was appointed Chief Financial Officer and Company Secretary 12th June 2023. Mr Gilford is a finance professional with over 20 years-experience in the areas of financial management, mergers and acquisition, debt and equity funding, accounting, treasury, insurance, taxation, ASX compliance and Investor relations. Mr Gilford most recently served as the CFO and Company Secretary of MACA Limited. He is a Chartered Accountant and a member of the Governance Institute of Australia.

Mr Steven Wood acted as the Company Secretary from the beginning of the period until 17th March 2023. Mr Daniel Kendall acted as the Chief Financial Officer and Company Secretary from 28 September 2022 until his resignation 9th June 2023.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' MEETINGS

The number of board meetings held during the year and for the period to the date of this Annual Report that each Director was entitled to attend, and the number of meetings attended by each Director was as follows:

			Meeting of Committees			
	Full meetings of Directors		Audit Risk Committee		Nomination & Remuneration Committee	
Director	A	B	A	B	A	B
Chris Ellison[1]	-	-	-	-	-	-
James Croser[2]	14	14	1	1	1	1
Nader El Sayed	14	14	1	1	1	1
Tim Manners	13	14	1	1	1	1
Steven Kovac[7]	-	-	-	-	-	-
Josh Thurlow[1]	-	-	-	-	-	-
David Flanagan[3]	13	13	1	1	1	1
Alexander Hewlett[4]	1	1	-	-	-	-
Matthew Boyes[5]	3	3	-	-	-	-
Jiahe Gower He[6]	2	2	-	-	-	-

A = Number of meeting attended; B = Number of meetings held during the time the Director held office or was a member of the Committee during the year.
[1] Appointed 12 September 2023.
[2] Appointed 4 December 2020 as Non-Executive Director, transitioned to Managing Director on 12 September 2023.
[3] Appointed 29 August 2022 as Non-Executive Chairman, transitioned to Executive Chairman on 3 November 2022. Resigned 12 September 2023.
[4] Resigned 29 August 2022.
[5] Resigned 3 November 2022.
[6] Resigned 1 November 2022.
[7] Appointed 1 August 2023.

REMUNERATION REPORT (AUDITED)

The Remuneration Report details the Key Management Personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service Agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to Key Management Personnel

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation, and
- Transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Consolidated Entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- Having economic profit as a core component of plan design
- Focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value, and
- Attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- Rewarding capability and experience
- Reflecting competitive reward for contribution to growth in shareholder wealth, and
- Providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. No external advice was received during the year.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Maximum aggregate amount

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a General Meeting. The most recent determination was at the Annual General Meeting ("AGM") held on 25 November 2022, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Executive remuneration

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

- Base pay and non-monetary benefits
- Short-term performance incentives
- Share-based payments, and
- Other remuneration such as superannuation and long service leave

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

Fixed remuneration, consisting of base salary, fees, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business performance, the overall performance of the Consolidated Entity and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved within a 12-month period.

The long-term incentives ('LTI') share-based payments are issued under the rights and options plan(s) approved by shareholders on 2 July 2019 and 7 July 2022 which were re-adopted at the AGM held 25 November 2022. Shares are awarded to Directors and other Key Management Personnel over various period lengths determined by long-term incentive measures. These include increase in shareholder value relative to the entire market and the meeting of key project milestones which carry both performance and service conditions. Details of share-based compensation to Directors is detailed below. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2023.

The Chairman's fees are determined independently to the fees of other Executive Directors based on comparative roles in the external market. The Executive Chairman is not present at any discussions relating to the determination of his own remuneration.

Consolidated Entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Consolidated Entity. Cash bonus and incentive payments are dependent on progression towards defined milestones within the business with assessment of progression against the milestones for the cash bonus and incentive payments being made at the discretion of the Board. Cash bonuses are awarded as a % of Total and Fixed Remuneration ("TFR") capped at 50% TFR for the Executive Chairman and 25% TFR for other Key Management Personnel. 100% of the award was recognised for the period (2022: 0%). Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Use of remuneration consultants

During the financial year ended 30 June 2023, the Consolidated Entity, through the Nomination and Remuneration Committee, engaged Yellow Folder Research Pty Ltd, remuneration consultants, to review its existing remuneration policies and provide recommendations as they relate to remuneration for Key Management Personnel. This has resulted in STI cash bonuses being implemented for the period and salary revisions effective 1 July 2023. Yellow Folder Research Pty Ltd was paid $38,000 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from Key Management Personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected Key Management Personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the Company's 2022 AGM

At the 2022 AGM, held 25 November 2022, 96.59% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration policies.

DETAILS OF REMUNERATION

Details of the remuneration of Key Management Personnel of the Consolidated Entity are set out in the following tables. The Key Management Personnel of the Consolidated Entity consisted of the following Directors and persons of Delta Lithium Limited are:

Name	Title	Appointment Date	Resignation Date
Chris Ellison	Non-Executive Chairman	12 Sep 23	-
James Croser[1]	Managing Director	4 Dec 20	-
Nader El Sayed	Non-Executive Director	1 Mar 21	-
Tim Manners	Non-Executive Director	1 Mar 22	-
Steven Kovac	Non-Executive Director	1 Aug 23	-
Joshua Thurlow	Non-Executive Director	12 Sep 23	-
David Flanagan[2]	Executive Chairman	29 Aug 22	12 Sep 23
Alexander Hewlett	Non-Executive Chairman	4 Dec 20	29 Aug 22
Matthew Boyes	Managing Director and Chief Executive Officer	1 Nov 21	3 Nov 22
Jiahe (Gower) He	Executive Director - Corporate Development	20 Jun 22	1 Nov 22
Jeremy Sinclair	Chief Operations Officer	19 Dec 22	-
Daniel Taylor	Chief Marketing Officer	21 Nov 22	-
Charles Hughes	Chief Geologist	1 Dec 22	-
Daniel Kendall	Chief Financial Officer and Company Secretary	1 Dec 22	9 Jun 23
Peter Gilford	Chief Financial Officer and Company Secretary	12 Jun 23	-

[1] Appointed 4 December 2020 as Non-Executive Director, transitioned to Managing Director on 12 September 2023
[2] Appointed 29 August 2022 as Non-Executive Chairman, transitioned to Executive Chairman on 3 November 2022.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	Short-Term benefits		Post-employment benefits		Share-based payments			
2023	Salary & Fees	Cash Bonus	Superannuation	Termination benefits[7]	Performance Rights	Options	Total	% Performance Based
Non-Executive Directors								
James Croser	100,865	-	5,027	-	206,488	-	312,380	66%
Nader El Sayed	54,676	-	5,741	-	13,389	-	73,805	18%
Tim Manners	54,676	-	5,741	-	13,389	160,026	233,832	6%
Alexander Hewlett[1]	26,115	-	345	-	221,134	-	247,594	89%
Executive Directors								
David Flanagan[2]	252,644	169,389	24,613	-	2,113,072	-	2,559,718	89%
Matthew Boyes[3]	111,264	-	19,414	110,356	154,188	-	395,222	39%
Jiahe Gower He [4]	111,170	-	13,066	20,588	(33,840)	-	110,985	N/A[4]
Other Key Management Personnel								
Jeremy Sinclair [5]	196,127	95,434	19,046	-	280,122	-	590,728	64%
Daniel Taylor [5]	187,769	82,934	33,385	-	218,011	-	522,098	58%
Charles Hughes[5]	145,173	64,182	19,812	-	128,572	-	357,739	54%
Daniel Kendall [5,6]	133,715	-	27,216	124,434	385,000	-	670,365	57%
Peter Gilford [5]	7,713	-	810	-	36,636	-	45,159	81%
Total	**1,381,906**	**411,938**	**174,215**	**255,379**	**3,736,160**	**160,026**	**6,119,624**	

[1] Resigned 29 August 2022.
[2] Appointed 29 August 2022 as Non-Executive Chairman, transitioned to Executive Chairman on 3 November 2022. Resigned 12 September 2023.
[3] Resigned 3 November 2022.
[4] Resigned 1 November 2022. All performance rights granted to Mr He were forfeited on resignation. No remuneration was tied to performance for the period.
[5] Key management appointment. Remuneration recognised during the period is from the commencement date of each executive agreement: Messer's Sinclair (19 December 2022), Taylor (21 November 2022), Kendall & Hughes (1 December 2022) & Gilford (12 June 2023).
[6] Resigned 9 June 2023.
[7] Termination benefits represent payments in lieu of notice.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONT'D)

	Short-Term benefits		Post-employment benefits		Share-based payments			
2022	Salary & Fees	Cash Bonus	Superannuation	Termination benefits	Performance Rights[5]	Options	Total	% Performance Based
Non-Executive Directors								
James Croser	124,992	-	4,000	-	84,966	179,119	393,077	22%
Nader El Sayed	40,000	-	4,000	-	-	179,119	223,119	-
Tim Manners [1]	13,333	-	1,333	-	-	80,013[5]	94,679	-
Alexander Hewlett	175,159	-	4,000	-	84,966	179,119	443,244	19%
Brett Mitchell [2]	52,667	-	2,667	-	-	179,119	234,453	-
Executive Directors								
Matthew Boyes [3]	244,405	-	23,261	-	107,299	-	374,965	29%
Jiahe Gower He [4]	9,308	-	931	-	33,840	-	44,079	77%
Total	**659,864**	**-**	**40,192**	**-**	**311,071**	**796,489**	**1,807,616**	

[1] Appointed 1 March 2022.
[2] Resigned 1 March 2022.
[3] Appointed as Managing Director 1 December 2021 - Includes remuneration for the period Mr Boyes acted in his capacity as Key Management Personnel.
[4] Appointed 20 June 2022.
[5]Represents prorated expense for options and performance rights which were granted by shareholders, 7 July 2022 and unissued at 30 June 2022.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONT'D)

The proportion of remuneration at risk and the fixed proportion is as follows:

	Fixed Remuneration		At risk – STI		At risk - LTI	
Name	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Non-Executive Directors						
James Croser	34%	33%	-	46%	66%	22%
Nader El Sayed	82%	-	-	-	18%	-
Tim Manners	26%	15%	68%	85%	6%	-
Alexander Hewlett	11%	40%	-	40%	89%	19%
Brett Mitchell	-	24%	-	76%	-	-
Executive Directors						
David Flanagan	11%	-	7%	-	82%	-
Matthew Boyes	61%	71%	-	-	39%	29%
Jiahe Gower He	100%	23%	-	-	N/A	77%
Other Key Management Personnel						
Jeremy Sinclair	36%	-	16%	-	48%	-
Daniel Taylor	42%	-	16%	-	42%	-
Charles Hughes	46%	-	18%	-	36%	-
Daniel Kendall	43%	-	-	-	57%	-
Peter Gilford	19%	-	-	-	81%	-

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

SERVICE AGREEMENTS

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Position	Appointed	Base Salary[1] ($)	Effective Dates From	Effective Dates To	Company / Employee Notice Period	Termination Benefit[2]
David Flanagan	Non-Executive Chairman	29-Aug-22	132,600	29-Aug-22	2-Nov-22	3 / 6 month(s)	6 months base salary
	Executive Chairman	3-Nov-22	350,000	3-Nov-22	30-Jun-23		
			525,000	1-Jul-23	12-Sep-23		
James Croser	Non-Executive Director	4-Dec-20	44,000	1-Jun-21	30-Nov-22	Immediate	N/A
			65,000	1-Dec-22	12-Sep-23		
	Managing Director	13-Sep-23	43,750 per month	13-Sep-23	Date of this report	1/1 month	1 months base salary
Nader El Sayed	Non-Executive Director	1-Mar-21	44,000	1-Jun-21	30-Nov-22	Immediate	N/A
			75,000	1-Dec-22	Date of this report		
Tim Manners	Non-Executive Director	1-Mar-22	44,000	1-Mar-22	30-Nov-22	Immediate	N/A
			75,000	1-Dec-22	Date of this report		
Jeremy Sinclair	Chief Operations Officer	19-Dec-22	400,000	19-Dec-22	30-Jun-23	3 / 3 month(s)	6 months base salary
			455,000	1-Jul-23	Date of this report		
Daniel Taylor	Chief Marketing Officer	21-Nov-22	350,000	21-Nov-22	30-Jun-23	3 / 3 month(s)	6 months base salary
			380,000	1-Jul-23	Date of this report		
Charles Hughes	Chief Geologist	1-Dec-22	275,000	1-Dec-22	30-Jun-23	3 / 3 month(s)	6 months base salary
			310,000	1-Jul-23	Date of this report		
Peter Gilford	Chief Financial Officer & Company Secretary	12-Jun-23	375,000	12-Jun-23	Date of this report	3 / 3 month(s)	6 months base salary
Alexander Hewlett	Non-Executive Chairman	4-Dec-20	44,000	1-Jun-21	29-Aug-22	Immediate	N/A
Matthew Boyes	Managing Director	1-May-22	330,000	1-May-22	3-Nov-22	3 / 3 month(s)	6 months base salary
Jiahe Gower He	Executive Director - Corporate Development	20-Jun-22	330,000	20-Jun-22	1-Nov-22	1 / 1 month(s)	1 month base salary
Daniel Kendall	Chief Financial Officer & Company Secretary	1-Dec-22	275,000	1-Dec-22	9-Jun-23	3 / 3 month(s)	6 months base salary

[1] Stated inclusive of statutory superannuation.
[2] Termination benefits are payable on early termination by the Company, other than for gross misconduct, unless otherwise indicated.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

SHARE-BASED COMPENSATION

The terms, conditions and key assumptions used in valuing share-based payment arrangements granted over ordinary shares affecting remuneration of Directors and Key Management Personnel in this financial year or future reporting years are as follows:

Performance Rights to Executive Chairman

On 29 August 2022, the Company announced the appointment of David Flanagan as Chairman (transitioned to Executive Chairman on 3 November 2022). As part of his appointment Mr Flanagan received 6,000,000 unlisted performance rights in 3 separate tranches on the same date. The performance rights were issued with the following milestones (vesting conditions):

- **Tranche 1** - Vest upon the Company's share price equalling or becoming greater than a 20-day VWAP of $1.00 per share before 26 August 2027
- **Tranche 2** - Vest upon the Company's share price equalling or becoming greater than a 20-day VWAP of $1.20 per share before 26 August 2027
- **Tranche 3** - Vest upon the Company's share price equalling or becoming greater than a 20-day VWAP of $1.50 per share before 26 August 2027

Vesting is subject to continuous employment by the holder with the Company until the achievement of the vesting conditions (as applicable).

The valuation of all tranches of performance rights was performed via the relevant Hoadley Option Valuation Model. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche[1]	Tranche[2]	Tranche[3]	Total
Grant date	29-Aug-22	29-Aug-22	29-Aug-22	
Vesting date	26-Aug-27	26-Aug-27	26-Aug-27	
Expiry date	26-Aug-27	26-Aug-27	26-Aug-27	
No. Securities[1]	2,000,000	2,000,000	2,000,000	6,000,000
Security entitlement	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	$1.0000	$1.2000	$1.5000	
Implied barrier price (approx.)	$1.3967	$1.6760	$2.0951	
Expected volatility	97%	97%	97%	
Risk-free rate	3.42%	3.42%	3.42%	
Dividend yield	Nil	Nil	Nil	
Value of each security	$0.5473	$0.5341	$0.5165	
Total Value ($)	**1,094,600**	**1,068,200**	**1,033,000**	**3,195,800**
Expense recognised during FY23 ($)	**183,634**	**179,205**	**173,299**	**536,138**

[1] Resigned subsequent to year end, 12 September 2023. All Tranches were forfeited on resignation having failed to meet the service condition attached. No impact on amounts recognised for FY23.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance Rights to former Chief Financial Officer

On 27 September 2022, 375,000 unlisted performance rights were granted to (former) CFO, Daniel Kendall as part of his executive service agreement executed in July 2022. These rights have performance milestones attached under the following vesting conditions:

- **(A)(i)** - 125,000 Performance rights shall vest and convert on the successful increase of gold resources for the Company by 250,000oz (at 0.5 g/t Au cut-off) or delineation of 15,000,000 tonnes of Li_2O at greater than 1.2% Li_2O grade (at 0.3% cut-off) before 31 December 2023[1].
- **(A)(ii)** – 125,000 Performance rights shall vest and convert into ordinary shares subject to the Company obtaining a Volume Weighted Average price of more than $1.00 per share for a period of 20 days or more before 31 December 2023
- **(A)(iii)** – 125,000 Performance rights shall vest and convert into ordinary shares subject to the Executive completing 18 months continuous employment with the Company.

The valuation of performance rights was performed via the relevant Hoadley Option Valuation Model for Tranche (A)(ii), whilst a 'per security' valuation has been used for the other tranches with appropriate probability attached. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche (A)(i)[1]	Tranche (A)(ii)[2]	Tranche (A)(iii)[2]	Total
Grant date	27-Sep-22	27-Sep-22	27-Sep-22	
Vesting date	31-Dec-23	31-Dec-23	28-Feb-24	
Expiry date	28-Sep-27	28-Sep-27	28-Sep-27	
No. Securities	125,000	125,000	125,000	375,000
Security entitlement	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	N/A	$1.0000	N/A	
Implied barrier price (approx.)	N/A	$1.3873	N/A	
Expected volatility	N/A	95%	N/A	
Risk-free rate	N/A	3.40%	N/A	
Dividend yield	N/A	Nil	N/A	
Value of each security	$0.6000	$0.3778	$0.6000	
Probability	100%	N/A	100%	
Total Value ($)	**75,000**	**47,225**	**75,000**	**197,225**
Expense recognised during FY23 ($)	**75,000**	**-**	**-**	**75,000**

[1] On 31 October 2022, the Board resolved to amend the vesting condition for Tranche (A)(i) to reflect as follows: 125,000 Performance rights shall vest and convert on the successful increase of gold resources for the Company by 250,000oz (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at greater than 1.0% Li_2O grade (at 0.3% cut-off) before 30 June 2023. The milestone was achieved 19 October 2022.
[2] Resigned 9 June 2023. Tranches (A)(ii) and (A)(iii) were forfeited on resignation, resulting in reversal of previous amounts expensed to profit and loss.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance Rights to Executive Leadership Team (Key Management Personnel)

On 22 December 2022, 5,500,000 unlisted performance rights were granted to members of the Executive Leadership Team, as stipulated in each of their individual executive service agreements. Additionally, the Company received shareholder approval on 16 January 2023 to grant 12,000,000 unlisted performance rights to Executive Chairman, David Flanagan as stipulated in his executive service agreement and pursuant to the performance rights and options plan approved by shareholders at the General Meeting 16 January 2023. The performance rights were issued 23 January 2023. On 12 June 2023, 1,750,000 unlisted performance rights were granted to Peter Gilford as Chief Financial Officer and Company Secretary. The performance rights were issued 13 June 2023.

All three (3) issues of performance rights include the following milestones (vesting conditions):

- **Tranche 1** – Performance rights vesting upon delineation of 50Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects by 3 November 2025.
- **Tranche 2** – Performance rights vesting upon delineation of 100Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects 3 November 2025.
- **Tranche 3** – Performance rights vesting if mining operations commence at any of the Company's projects on or before 31 December 2023.
- **Tranche 4** – Performance rights vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025.

Vesting is subject to continuous employment by the holder with the Company until the achievement of the vesting conditions (as applicable).

Key Management Person	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
David Flanagan (DF)[4]	3,000,000	3,000,000	2,000,000	4,000,000	12,000,000
Jeremy Sinclair[2]	250,000	250,000	750,000	750,000	2,000,000
Daniel Taylor[2]	250,000	250,000	500,000	500,000	1,500,000
Daniel Kendall[1,2]	250,000	250,000	250,000	250,000	1,000,000
Charles Hughes[2]	250,000	250,000	250,000	250,000	1,000,000
Peter Gilford (PG)	500,000	500,000	250,000	500,000	1,750,000
Total	**4,500,000**	**4,500,000**	**4,000,000**	**6,250,000**	**19,250,000**

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance Rights to Executive Leadership Team (Key Management Personnel) (Cont'd)

The valuation of performance rights was performed using a 'per security' valuation for all tranches using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest factoring in the appropriate probability. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Grant date (DF)	16-Jan-23	16-Jan-23	16-Jan-23	16-Jan-23	
Grant date (Remaining ELT)	22-Dec-22	22-Dec-22	22-Dec-22	22-Dec-22	
Grant date (PG)	12-Jun-23	12-Jun-23	12-Jun-23	12-Jun-23	
Vesting date	3-Nov-25	3-Nov-25	31-Dec-23	3-Nov-25	
Expiry date (DF & Remaining ELT)	23-Jan-28	23-Jan-28	23-Jan-28	23-Jan-28	
Expiry date (PG)	13-Jun-28	13-Jun-28	13-Jun-28	13-Jun-28	
No. Securities (DF)[4]	3,000,000	3,000,000	2,000,000	4,000,000	12,000,000
No. Securities (Remaining ELT)	1,000,000	1,000,000	1,750,000	1,750,000	5,500,000
No. Securities (PG)	500,000	500,000	250,000	500,000	1,750,000
Security entitlement	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	
Value of each security (DF)	$0.475	$0.475	$0.475	$0.475	
Value of each security (Remaining ELT)	$0.455	$0.455	$0.455	$0.455	
Value of each security (PG)	$0.655	$0.655	$0.655	$0.655	
Probability	100%	100%	100%	100%	
Total Value ($)	**2,207,500**	**2,207,500**	**1,910,000**	**3,023,750**	**9,348,750**
Expense recognised during FY23[3] ($)	**385,821**	**385,821**	**913,496**	**555,137**	**2,240,275**

Key Management Person	Tranche 1 $	Tranche 2 $	Tranche 3 $	Tranche 4 $	Total $
David Flanagan (DF)[4]	1,425,000	1,425,000	950,000	1,900,000	5,700,000
Jeremy Sinclair[2]	113,750	113,750	341,250	341,250	910,000
Daniel Taylor[2]	113,750	113,750	227,500	227,500	682,500
Daniel Kendall[1,2]	113,750	113,750	113,750	113,750	455,000
Charles Hughes[2]	113,750	113,750	113,750	113,750	455,000
Peter Gilford (PG)	327,500	327,500	163,750	327,500	1,146,250
Fair value at grant date	**2,207,500**	**2,207,500**	**1,910,000**	**3,023,750**	**9,348,750**
David Flanagan (DF)	311,759	311,759	537,737	415,679	1,576,934
Jeremy Sinclair[2]	20,997	20,997	175,138	62,990	280,122
Daniel Taylor[2]	23,404	23,404	124,396	46,807	218,011
Daniel Kendall[1,2]	-	-	-	-	-
Charles Hughes[2]	22,558	22,558	60,898	22,558	128,572
Peter Gilford (PG)	7,103	7,103	15,327	7,103	36,636
Expense recognised during FY23[3] ($)	**385,821**	**385,821**	**913,496**	**555,137**	**2,240,275**

[1] Resigned 9 June 2023. Tranches 1-4 were forfeited on resignation, resulting in reversal of the previously expensed amounts to profit and loss. $Nil expense was recognised for the period.
[2] Remaining Executive Leadership Team (ELT).
[3] The expense recognised during the period is from the commencement date of each executive agreement: Messer's Flanagan (03 Nov 2022), Sinclair (19 Dec 2022), Taylor (21 Nov 2022), Hughes (01 Dec 2022) & Gilford (12 Jun 2023).
[4] Resigned subsequent to year end, 12 September 2023. Tranches 2 and 4 were forfeited on resignation. In recognition of Mr Flanagan's past contributions to the company the board resolved to modify the number of securities for Tranches 1 and 3 to 1,000,000 and 500,000 total securities respectively. No impact on amounts recognised for FY23.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance Rights to Directors

On 27 April 2023, the Company held a General Meeting and received shareholder approval to issue a total of 1,500,000 unlisted performance rights to Non-Executive Directors, subject to continuous employment. The performance rights were issued 8 May 2023 and include the following milestones (vesting conditions):

- **Tranche 1** – Vest upon achievement of a 20-day VWAP of $1.00 by the date which is three years from the date of issue of the Performance Rights (subject to continued employment at the time the milestone is satisfied)
- **Tranche 2** – Vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025 (subject to continued employment at the time the milestone is satisfied).

The valuation of performance rights was performed using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model (the combination of the two models to be referred to as the "Parisian Barrier1 Model") for Tranche 1, whilst a 'per security' valuation has been used for Tranche 2 with appropriate probability attached. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Total
Grant date	27-Apr-23	27-Apr-23	
Vesting date	8-May-26	3-Nov-25	
Expiry date	8-May-28	8-May-28	
No. Securities	750,000	750,000	1,500,000
Security entitlement	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	$1.0000	N/A	
Implied barrier price (approx.)	$1.3639	N/A	
Expected volatility	90%	N/A	
Risk-free rate	2.97%	N/A	
Dividend yield	Nil	N/A	
Value of each security	$0.3541	$0.4650	
Probability	N/A	100%	
Total Value ($)	**265,575**	**348,750**	**614,325**
Expense recognised during FY23 ($)	**15,580**	**24,586**	**40,166**

Director	Tranche 1	Tranche 2	Total
Tim Manners	250,000	250,000	500,000
Nader El Sayed	250,000	250,000	500,000
James Croser	250,000	250,000	500,000
No. Securities	**750,000**	**750,000**	**1,500,000**
Tim Manners	88,525	116,250	204,775
Nader El Sayed	88,525	116,250	204,775
James Croser	88,525	116,250	204,775
Fair value at grant date ($)	**265,575**	**348,750**	**614,325**
Tim Manners	5,193	8,195	13,389
Nader El Sayed	5,193	8,195	13,389
James Croser	5,193	8,195	13,389
Expense recognised during FY23 ($)	**15,580**	**24,586**	**40,166**

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance rights to (former) Chief Financial Officer

On 13 June 2023, the Company announced that, as part of a management transition, Mr Daniel Kendal had ceased to be Chief Financial Officer and Company Secretary. Mr Kendall previously held 1,250,000 Performance Rights, which were issued to him during his period of service with the Company. Upon Mr Kendall ceasing to be engaged by the Company, those Performance Rights lapsed, unvested. Subsequently on 28 August 2023, the Company sought and received shareholder approval to issue 400,000 unlisted Performance Rights on much the same terms and conditions, acknowledging Mr Kendall's contribution to efforts to achieve the performance hurdles, whilst ensuring achievement remains at risk and in line with shareholder value accretion.

The performance rights include the following milestones (vesting conditions):

- **Tranche 1** – Performance rights vesting upon delineation of 50Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects by 3 November 2025.
- **Tranche 2** – Performance rights vesting upon delineation of 100Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects 3 November 2025.
- **Tranche 3** – Performance rights vesting if mining operations commence at any of the Company's projects on or before 31 December 2023.
- **Tranche 4** – Performance rights vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025.

The valuation of performance rights was performed using a 'per security' valuation for all tranches using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest factoring in the appropriate probability. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Grant date[1]	28-Aug-23	28-Aug-23	28-Aug-23	28-Aug-23	
Vesting date	3-Nov-25	3-Nov-25	31-Dec-23	3-Nov-25	
Expiry date	29-Dec-25	29-Dec-25	29-Dec-25	29-Dec-25	
No. Securities	100,000	100,000	100,000	100,000	400,000
Security entitlement	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	
Value of each security[1]	$0.775	$0.775	$0.775	$0.775	
Probability	100%	100%	100%	100%	
Total Value ($)	**77,500**	**77,500**	**77,500**	**77,500**	**310,000**
Expense recognised during FY23 ($)[1]	**77,500**	**77,500**	**77,500**	**77,500**	**310,000**

[1] The value of each right is materially consistent with the share price at 30 June 2023. Given that the award confers no service condition, the Company has accelerated the full expense of $310,000 within the FY23 period.

Options issued to Directors

On 7 July 2022, the Company held a General Meeting and received shareholder approval to issue 1,000,000 unlisted options to Tim Manners subject to 12 months of continuous employment, which was met 1 March 2023. The fair value of the options at grant date was $0.24 with an exercise price of $0.77 expiring 26 July 2025. The expense recognised during the period was $160,026.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance rights to former Managing Director

On 3 November 2022 the Company announced the resignation of Matthew Boyes as Managing Director. As a result, two (2) tranches of previously issued Performance rights (granted 3 December 2020) were forfeited on resignation resulting in a reversal of the net expense and credit to profit and loss of $3,363.

Performance Rights to Directors

On 7 July 2022, the Company held a General Meeting and received shareholder approval to issue a total of 5,000,000 unlisted performance rights to Directors Matthew Boyes, Alexander Hewlett, James Croser and Jiahe (Gower) He pursuant to the performance rights and options plan approved by shareholders on 2 July 2019, which was re-adopted at the General Meeting. The Performance Rights were allocated based on the following milestones (vesting conditions):

- **Tranche 1** - The successful increase of gold resources for the Company by 250,000 ounces (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at greater than 1% grade (at 0.3% cut-off) before 30 June 2023[1].
- **Tranche 2** - The achievement of a $1.00 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- **Tranche 3** - The achievement of a $1.20 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- **Tranche 4** - Mr Jiahe (Gower) He completing 12 months continuous employment with the Company.
- **Tranche 5** - The execution by the Company of a binding agreement between the Company and a third party(s) whereby the third party(s) undertakes to:
    - purchase a minimum of 10% of the annual production of the Mt Ida Project over the first three years of operations; or
    - provide funding for the construction of the Mt Ida Project.

Vesting is subject to continuous employment by the holder with the Company until the achievement of the vesting conditions (as applicable).

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Performance Rights to Directors (Cont'd)

	Tranche 1[1]	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Director						
Matthew Boyes[2]	750,000	375,000	375,000	-	-	1,500,000
Alexander Hewlett[3]	500,000	250,000	250,000	-	-	1,000,000
James Croser	500,000	250,000	250,000	-	-	1,000,000
Jiahe (Gower) He[4]	-	250,000	-	250,000	1,000,000	1,500,000
No. Securities	**1,750,000**	**1,125,000**	**875,000**	**250,000**	**1,000,000**	**5,000,000**
Matthew Boyes[2]	285,000	91,237	82,913	-	-	459,150
Alexander Hewlett[3]	190,000	60,825	55,275	-	-	306,100
James Croser	190,000	60,825	55,275	-	-	306,100
Jiahe (Gower) He[4]	-	60,825	-	95,000	190,000	345,825
Total Value ($)	**665,000**	**273,712**	**193,463**	**95,000**	**190,000**	**1,417,175**
Matthew Boyes[2]	206,231	(25,503)	(23,176)	-	-	157,551
Alexander Hewlett[3]	137,487	43,823	39,824	-	-	221,134
James Croser	137,487	29,135	26,477	-	-	193,099
Jiahe (Gower) He[4]	-	(5,263)	-	(12,138)	(16,439)	(33,840)
Expense recognised during FY23 ($)	**481,205**	**42,192**	**43,125**	**(12,138)**	**(16,439)**	**537,944**

[1] The probability of Tranche 1 performance rights vesting was updated from 75% (2022) to 100% (2023) immediately on announcement of the Company's maiden lithium mineral resource estimate at Mt Ida on 19 October 2022. This resulted in an increase in the number of securities vested with all remaining expense accelerated to profit and loss.
[2] Resigned 3 November 2022. Tranches 2 & 3 were forfeited on resignation, resulting in reversal of the expense to profit and loss.
[3] Resigned 29 August 2022. In recognition of Mr Hewlett's past contributions to the Company, pursuant to clause 10.1 of the plan, the performance rights remain unvested following resignation. Tranche 1 performance rights vested immediately on announcement of the Company's maiden lithium mineral resource estimate at Mt Ida on 19 October 2022. Tranche's 2 & 3 were accelerated on resignation.
[4] Resigned 1 November 2022. All Tranches were forfeited on resignation, resulting in reversal of all expense previously recognised to profit and loss.

ADDITIONAL INFORMATION

The earnings of the Consolidated Entity for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
Net loss after tax ($)	(8,538,367)	(8,055,242)	(703,744)	(1,567,345)	(1,074,490)
Share price at financial year end ($)	0.855	0.38	0.16	0.15	0.11
Total Dividends declared (cents per share)	Nil	Nil	Nil	Nil	Nil
Basic loss per share (cents per share)	(2.18)	(3.65)	(1.00)	(5.11)	(3.52)

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

As at the year end, The number of shares and convertible securities in the Company held during the financial year by each Director and other members of Key Management Personnel, including their personally related parties, is set out below:

Directors and Key Management Personnel interest in Ordinary Shares

	Balance at the start of the year	Additions	Disposals	Expired, forfeited, or other	Balance at resigna-tion date	Balance at the end of the year
Non-Executive Directors						
James Croser[1]	5,480,377	-	-	500,000	-	5,980,377
Nader El Sayed	2,533,893	-	-	-	-	2,533,893
Tim Manners	425,874	-	-	-	-	425,874
Alexander Hewlett[2]	5,403,454	-	-	-	5,403,454	-
Executive Directors						
Matthew Boyes[3]	1,571,788	-	-	-	1,571,788	-
Jiahe Gower He[4]	-	40,000	-	-	40,000	-
Other Key Management Personnel						
Charles Hughes[1]	-	-	-	125,000	-	125,000
Daniel Kendall[1,5]	-	-	-	125,000	125,000	-
Peter Gilford	-	-	-	16,000	-	16,000
	15,415,386	**40,000**	**-**	**766,000**	**7,140,242**	**9,081,144**

[1] Other changes during the year represent the conversion of performance rights into ordinary shares.
[2] Resigned 29 August 2022.
[3] Resigned 3 November 2022.
[4] Resigned 1 November 2022.
[5] Resigned 9 June 2023.

Directors and Key Management Personnel interest in Options

	Balance at the start of the year	Granted during the year	Exercised during the year	Expired, forfeited, disposed or other	Balance at resignation date	Balance at the end of the year	% Vested & exercisable
Non-Executive Directors							
James Croser	4,183,008	-	-	-	-	4,183,008	100%
Nader El Sayed	2,342,233	-	-	-	-	2,342,233	100%
Tim Manners	41,667	1,000,000	-	-	-	1,041,667	100%
Alexander Hewlett[1]	4,183,008	-	-	-	4,183,008	-	100%
Executive Directors							
Matthew Boyes[2]	862,864	-	-	-	862,864	-	100%
	11,612,780	**1,000,000**	**-**	**-**	**5,045,872**	**7,566,908**	

[1] Resigned 29 August 2022.
[2] Resigned 3 November 2022.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Directors and Other Key Management Personnel interest in Performance Rights

	Balance at the start of the year	Granted during the year	Exercised during the year	Expired, forfeited, disposed or other	Balance at resignation date	Balance at the end of the year	% Vested & exercisable
Non-Executive Directors							
James Croser	-	1,500,000	(500,000)	-	-	1,000,000	-
Nader El Sayed	-	500,000	-	-	-	500,000	-
Tim Manners	-	500,000	-	-	-	500,000	-
Alexander Hewlett[1]	-	1,000,000	-	-	1,000,000	-	-
Executive Directors							
David Flanagan[6]	-	18,000,000	-	-	-	18,000,000	-
Matthew Boyes[2]	300,000	1,500,000	-	(1,050,000)	750,000	-	-
Jiahe Gower He[3]	-	1,500,000	-	(1,500,000)	-	-	-
Other Key Management Personnel							
Jeremy Sinclair	-	2,000,000	-	-	-	2,000,000	-
Daniel Taylor	-	1,500,000	-	-	-	1,500,000	-
Charles Hughes[4]	-	1,000,000	(125,000)	250,000	-	1,125,000	-
Daniel Kendall[5]	-	1,000,000	(125,000)	(875,000)	-	-	-
Peter Gilford	-	1,750,000	-	-	-	1,750,000	-
	300,000	**31,750,000**	**(750,000)**	**(3,175,000)**	**1,750,000**	**26,375,000**	

[1] Resigned 29 August 2022.
[2] Resigned 3 November 2022. 1,050,000 performance rights lapsed (unvested) on resignation.
[3] Resigned 1 November 2022. 1,500,000 performance rights lapsed (unvested) on resignation.
[4] Appointed as Chief Geologist 1 December 2022. Other amounts include 250,000 performance rights held by Mr Hughes, prior to his appointment as a Key Management Person.
[5] Appointed as Chief Financial Officer and Company Secretary 1 December 2022. Other amounts include 375,000 performance rights held by Mr Kendall, prior to his appointment as a Key Management Person as well as 1,250,000 performance rights which lapsed (unvested) on resignation, 9 June 2023. 125,000 performance rights vested during the period and were converted into ordinary shares.
[6] Resigned subsequent to year end, 12 September 2023 resulting in the forfeiture of 16,500,000 performance rights.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED) (CONT'D)

Other Transactions with Key Management Personnel and their Related entities

Directors and officers, or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Details of the transactions including amounts accrued but unpaid at the end of the year as follows:

		Net transactions		Balances owing (to) / from	
Related Party	**Nature of transaction**	**2023**	**2022**	**2023**	**2022**
Croser Family Trust[1]	Charges for warehouse rental	28,683	11,050	-	-
Chieftain Securities (WA) Pty Ltd[2]	Charges for capital raising costs	-	275,520	-	-
Jaytona Pty Ltd T/A Multiplant Holdings[3]	Charges for corporate office rental	-	5,371	-	-
		28,683	**291,941**	**-**	**-**

[1] Croser Family Trust is a trust associated with Director, Mr James Croser.
[2] Cheiftain Securities (WA) Pty Ltd is a Company associated with (former) Director, Mr Brett Mitchell. Transactions included up until resignation 1 March 2022.
[3] Jaytona Pty Ltd T/A Multiplant Holdings is a Company associated with Director, Mr Nader El Sayed.

This concludes the Remuneration Report, which has been audited

DIRECTORS' REPORT (CONT'D)

AUDITOR APPOINTMENT

KPMG has been appointed auditor of the Company at the AGM in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-assurance services provided during the financial year by the auditor are outlined in Note 26 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in Note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all, non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the Auditor of the Company or any related entity against a liability incurred by the Auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the Auditor of the Company or any related entity.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on page 50 of this Annual Report and forms part of the Directors' Report for the year ended 30 June 2023.

Signed in accordance with a resolution of Directors.

James Croser
Managing Director
Perth, Western Australia

Signed at Perth on this 24th day of September 2023

AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Delta Lithium Limited (formerly Red Dirt Metals Limited)

I declare that, to the best of my knowledge and belief, in relation to the audit of Delta Lithium Limited for the financial year ended 30 June 2023 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Glenn Brooks
Partner
Perth
24 September 2023

FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 $	2022 $
Income			
Other income	5	534,822	89,285
Net gain/(loss) on disposal & deconsolidation of subsidiary		(40,167)	376,001
Total Income		**494,655**	**465,286**
Expenditure			
Employee benefits expense	6	(2,499,713)	(533,249)
Corporate & administration expenses		(1,733,178)	(950,165)
Public relations & marketing expenses		(650,840)	(226,288)
Share-based payments	6, 33	(4,875,066)	(1,386,913)
Net fair value (loss) on financial assets	11	(882,512)	(478,731)
Impairment reversal/(expense)	6	500,000	(4,894,563)
Depreciation		(113,540)	(63,190)
Total Expenditure		**(10,254,849)**	**(8,533,099)**
Operating Loss		**(9,760,194)**	**(8,067,813)**
Finance Income	7	1,258,910	18,964
Finance costs	7	(37,083)	(6,393)
Net Finance Income		**1,221,827**	**12,571**
Loss before income tax from continuing operations		**(8,538,367)**	**(8,055,242)**
Income tax expense	8	-	-
Loss for the year from continuing operations		**(8,538,367)**	**(8,055,242)**
Items that may be reclassified subsequently to profit and loss			
Exchange differences on the translation of foreign operations		-	(28,589)
Reclassification of foreign currency differences on disposal of subsidiary		38,590	-
Other comprehensive income / (loss) net of tax for the year		**(8,499,777)**	**(8,083,831)**
Total comprehensive loss attributable to owners of the Company		**(8,499,777)**	**(8,083,831)**
Loss per share			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent (cents per share)	32	(2.18)	(3.65)
Loss per share for continuing operations			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent (cents per share)	32	(2.18)	(3.65)

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

FINANCIAL STATEMENTS (CONT'D)

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current Assets			
Cash and cash equivalents	9	84,311,712	23,359,876
Trade and other receivables	10	2,429,298	193,838
Financial assets at fair value through profit or loss	11	1,538,757	221,269
Non-current assets classified as held for sale	12	-	1,599,704
Total Current Assets		**88,279,767**	**25,374,687**
Non-Current Assets			
Exploration and evaluation assets	14	105,016,898	39,438,128
Plant and equipment	15	1,211,486	1,200,920
Right-of-Use Asset	16	111,389	207,856
Financial assets at fair value through profit or loss	11	-	700,000
Total Non-Current Assets		**106,339,773**	**41,546,904**
Total Assets		**194,619,540**	**66,921,591**
Liabilities			
Current Liabilities			
Trade and other payables	17	7,777,053	3,393,114
Liabilities directly associated with non-current assets classified as held for sale	12	-	599,704
Lease Liability	16	90,874	94,504
Deferred Consideration	13	10,000,000	-
Total Current Liabilities		**17,867,927**	**4,087,322**
Non-Current Liabilities			
Provision - rehabilitation	18	2,389,779	2,357,763
Lease Liability	16	26,686	117,560
Total Non-Current Liabilities		**2,416,465**	**2,475,323**
Total Liabilities		**20,284,392**	**6,562,645**
Net Assets		**174,335,148**	**60,358,946**
Equity			
Share capital	19	188,810,114	70,709,238
Share-based payment reserve	20	10,034,315	5,659,212
Foreign currency translation reserve	20	-	(38,590)
Accumulated losses	21	(24,509,281)	(15,970,914)
Total Equity		**174,335,148**	**60,358,946**

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

FINANCIAL STATEMENTS (CONT'D)

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Share capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
		$	$	$	$	$
Balance as at 1 July 2021		**23,391,032**	**4,432,299**	**(10,001)**	**(7,915,672)**	**19,897,658**
Loss for the year		-	-	-	(8,055,242)	**(8,055,242)**
Other comprehensive (loss)		-	-	(28,589)	-	**(28,589)**
Total comprehensive loss for the period		-	-	**(28,589)**	**(8,055,242)**	**(8,083,831)**
Transactions with owners in their capacity as owners						
Shares issued during the year		42,250,000	-	-	-	**42,250,000**
Transfer from conversion of performance rights		160,000	(160,000)	-	-	**-**
Exercise of options		7,417,243	-	-	-	**7,417,243**
Unmarketable parcel share		(4)	-	-	-	**(4)**
Share based payments	6, 33	-	1,386,913	-	-	**1,386,913**
Costs of shares issued		(2,509,033)	-	-	-	**(2,509,033)**
Balance as at 30 June 2022		**70,709,238**	**5,659,212**	**(38,590)**	**(15,970,914)**	**60,358,946**
Balance as at 1 July 2022		**70,709,238**	**5,659,212**	**(38,590)**	**(15,970,914)**	**60,358,946**
Loss for the year		-	-	-	(8,538,367)	**(8,538,367)**
Other comprehensive income		-	-	38,590	-	**38,590**
Total comprehensive loss for the period		**-**	**-**	**38,590**	**(8,538,367)**	**(8,499,777)**
Transactions with owners in their capacity as owners						
Shares issued during the period		101,682,470	-	-	-	**101,682,470**
Electrostate consideration shares/options		17,724,867	755,138	-	-	**18,480,005**
Transfer from conversion of performance rights		1,255,100	(1,255,100)	-	-	**-**
Exercise of options		2,743,260	-	-	-	**2,743,260**
Unmarketable parcel share		(7)	-	-	-	**(7)**
Share based payments	6, 33	-	4,875,065	-	-	**4,875,065**
Costs of shares issued		(5,304,814)	-	-	-	**(5,304,814)**
Balance as at 30 June 2023		**188,810,114**	**10,034,315**	**-**	**(24,509,281)**	**174,335,148**

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

FINANCIAL STATEMENTS (CONT'D)

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		50,000	100,000
Payments to suppliers and employees		(5,806,414)	(1,350,487)
Interest received		1,185,899	10,521
Interest paid		(6,704)	(6,393)
Fuel Rebate		220,796	37,959
Net cash outflow from operating activities	31	**(4,356,423)**	**(1,208,400)**
Cash flows from investing activities			
Proceeds from disposal of subsidiary		467	225,000
Acquisition of subsidiary, net of cash acquired	13	2,009,487	(11,041,192)
Payments for Tenement acquisitions	13	(125,000)	(2,200,000)
Payments for exploration and evaluation		(35,919,029)	(10,245,476)
Payments for property, plant and equipment		(175,505)	(932,686)
Proceeds from sales of assets		34,665	50,000
Net cash outflow from investing activities		**(34,174,915)**	**(24,144,354)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		101,682,470	42,250,000
Proceeds from the exercise of options		2,827,843	7,417,243
Repayment of lease liability principal		(86,412)	(54,358)
Share issue costs		(4,940,727)	(2,512,549)
Net cash inflow from financing activities		**99,483,174**	**47,100,336**
Net increase in cash and cash equivalents		**60,951,836**	**21,747,582**
Cash and cash equivalents at the beginning of the financial period		23,359,876	1,612,294
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial period	9	**84,311,712**	**23,359,876**

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

FINANCIAL STATEMENTS NOTES

Notes to the Consolidated Financial Statements

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

1. CORPORATE INFORMATION

Delta Lithium Limited (the "Company" or "Delta Lithium") is a for-profit Company incorporated and domiciled in Australia whose shares are publicly listed on the ASX (ASX Code: DLI). The consolidated financial statements are presented in the Australian currency. The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" or "Consolidated Entity"). The Group's principal activity is that of mineral exploration and evaluation of new and existing projects in Australia.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period with no material impact. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

BASIS OF PREPARATION

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

GOING CONCERN

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realization of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss from continuing operations of $8,538,367 (2022: $8,055,242) for the year ended 30 June 2023 with net cash outflows from operations of $4,356,423 (2022: $1,208,400). At 30 June 2023, the Group had a working capital surplus of $70,502,714 (2022: $22,081,869), including cash and cash equivalents of $84,311,712 (2022: $23,359,876). Within the current liabilities is $10,000,000 deferred consideration to which the Company has the option to extinguish via the issue of ordinary shares. The Group's cashflow forecasts for the 12 months indicate that the Group has sufficient cash reserves to meet its expenditure commitments. If required, the Group has the ability to curtail expenditure commitments and adjust the development of operational plans over the next 12 months.

Based on the matters detailed above, the Directors are satisfied that the going concern basis of preparation is appropriate and that the Group will be able to realise its assets and settle its obligations in the ordinary course of business over the next 12 months.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 28.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Delta Lithium Limited ('Company' or 'Group') as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

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

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

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

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

OPERATING SEGMENTS

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

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

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

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are either classified as a joint operation or a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which only exists when decisions about the relevant activities require the unanimous consent of the parties sharing control. Classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the arrangement.

The Company applies judgement when assessing whether a joint arrangement is a joint operation or a joint venture. These judgements take into consideration the rights and obligations provided for by the structure and legal form of the arrangement, the terms agreed to by the parties in the contractual agreement, and, when relevant, other facts and circumstances. These judgements are reassessed and re-evaluated as facts and circumstances change regarding the joint arrangement.

For joint arrangements classified as joint operations, the Company recognises in its financial statements, its proportionate interest in:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

For joint arrangements classified as joint ventures, the Company recognises its interest in the joint venture as an investment and accounts for that investment using equity method accounting as prescribed in AASB 11 Joint Arrangements unless the Company is exempted by a specific exemption according to that Standard.

REVENUE AND OTHER INCOME

The Consolidated Entity recognised revenue and other income as follows:

Interest

Interest revenue which is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue / Tax incentives

Other revenue is recognised when it is received or when the right to receive payment is established, measured at the fair value of the consideration received or receivable.

INCOME TAX

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX (CONT'D)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

CURRENT AND NON-CURRENT CLASSIFICATION

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

CASH AND CASH EQUIVALENTS

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

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

INVESTMENTS AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

NON-CURRENT ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

EXPLORATION AND EVALUATION ASSETS

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor Vehicles	3 – 10 years
Office/Computer Equipment	3 – 10 years
Exploration plant and equipment	3 – 20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

IMPAIRMENT AND REVERSAL OF NON-FINANCIAL ASSETS

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

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

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IMPAIRMENT AND REVERSAL OF NON-FINANCIAL ASSETS (CONT'D)

Any impairment loss recognised in prior periods is reversed if, and only if, there has been a favourable change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised taking into account both external and internal sources of information. Impairment of goodwill is never reversed.

TRADE AND OTHER PAYABLES

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

PROVISIONS

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

EMPLOYEE BENEFITS

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either Binomial, Parisian Barrier1, Hoadley or Black-Scholes option pricing models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option/performance right, together with vesting & non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

EMPLOYEE BENEFITS (CONT'D)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either Binomial, Parisian Barrier1, Hoadley or Black-Scholes option pricing models that takes into account the exercise price, the term of the option/performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option/performance right, together with vesting & non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial, Parisian Barrier1, Hoadley or Black-Scholes option pricing models, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods and services received as consideration for the equity.

Market conditions, such as a target share price upon which vesting is conditioned, are taken into account when estimating the fair value of the equity instruments granted.

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

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

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

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

ISSUED CAPITAL

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

EARNINGS PER SHARE

Basic earnings per share

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

Diluted earnings per share

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

GOODS AND SERVICES TAX (GST)

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

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

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

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

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2023. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

SHARE-BASED PAYMENT TRANSACTIONS

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial, Parisian Barrier1, Hoadley or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 33 for further information.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Refer to Notes 13 & 14 for further information.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

REHABILITATION PROVISION

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Consolidated Entity's exploration activities are subject to various laws and regulations governing the protection of the environment. The Consolidated Entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Refer to Note 18 for further information.

ESTIMATION OF USEFUL LIVES OF ASSETS

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to Notes 12 & 14 for further information.

4. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Company currently reports in three operating segments (2022: three), being exploration and evaluation operations related to Mt Ida, Yinnetharra and Eureka projects. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

The Board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segments on this basis.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

4. OPERATING SEGMENTS (CONT'D)

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS (CONT'D)

Consolidated – 30 June 2023	Notes	Mt Ida $	Yinnetharra $	Eureka $	Total $
Other Income		506,563	29,575	2,572	**538,709**
Expenditure		(127,713)	(93,710)	(148,826)	**(370,249)**
Impairment Reversal	6	-	-	500,000	**500,000**
Net Finance Income		14,120	-	12,301	**26,421**
Segment profit or (loss)		**364,730**	**(64,136)**	**341,445**	**642,039**
Unallocated					
Other Income					**(44,054)**
Employee Benefits Expense					**(2,432,195)**
Corporate & Administrative expenses					**(1,462,726)**
Public Relations & Marketing expenses					**(622,561)**
Share based payments	6, 33				**(4,875,066)**
Net fair value (loss) on financial assets	11				**(882,512)**
Depreciation					**(109,541)**
Net finance income					**(1,248,249)**
Loss before income tax expense from continuing operations					**(8,538,367)**
Income tax expense					-
Loss after income tax expense from continuing operations					**(8,538,367)**
Assets					
Exploration assets	14	53,808,848	37,312,911	13,855,775	**104,977,534**
Other segment assets		2,579,950	644,194	286,966	**3,511,110**
Total segment assets		**56,388,798**	**37,957,105**	**14,142,741**	**108,488,644**
Other exploration assets	14				**39,364**
Unallocated assets:					
Cash and cash equivalents					**83,936,701**
Trade and other receivables					**347,867**
Financial assets	11				**1,538,757**
Right-of-use assets	16				**111,389**
Property, plant and equipment					**156,818**
Total Assets					**194,619,540**
Liabilities					
Segment liabilities		4,789,515	2,090,933	918,349	**7,798,797**
Total segment liabilities		**4,789,515**	**2,090,933**	**918,349**	**7,798,797**
Unallocated liabilities:					
Deferred consideration	13				**10,000,000**
Trade and other payables					**2,368,034**
Lease liabilities	16				**117,560**
Total Liabilities					**20,284,392**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

4. OPERATING SEGMENTS (CONT'D)

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS (CONT'D)

Consolidated – 30 June 2022	Notes	Mt Ida $	Eureka/ Warriedar $	Other $	Total $
Other Income		36,329	49,454	1,126	**86,909**
Expenditure		(279)	(202,873)	(27,042)	**(230,194)**
Impairment	6	-	(3,575,122)	(1,319,441)	**(4,894,563)**
Net Finance Income		4	-	6,766	**6,770**
Segment profit or (loss)		**36,054**	**(3,728,541)**	**(1,338,591)**	**(5,031,078)**
Unallocated					
Other Income					**378,377**
Employee Benefits Expense					**(510,133)**
Corporate & Administrative expenses					**(757,881)**
Public Relations & Marketing expenses					**(215,560)**
Share based payments	6, 33				**(1,386,913)**
Net fair value (loss) on financial assets	11				**(478,731)**
Depreciation					**(59,124)**
Net finance income					**5,801**
Loss before income tax expense from continuing operations					**(8,055,242)**
Income tax expense					-
Loss after income tax expense from continuing operations					**(8,055,242)**
Assets					
Exploration assets	14	25,533,105	13,890,228	14,795	**39,438,128**
Other segment assets		3,530,485	465,797	21,191	**4,017,473**
Total segment assets		**29,063,590**	**14,356,025**	**35,986**	**43,455,601**
Unallocated assets:					
Cash and cash equivalents					**20,744,187**
Trade and other receivables					**(16,378)**
Financial assets	11				**921,269**
Non-Current assets held for sale	12				**1,599,704**
Right-of-use assets	16				**207,856**
Property, plant and equipment					**9,352**
Total Assets					**66,921,591**
Liabilities					
Segment liabilities		3,674,989	947,176	8,893	**4,631,058**
Total segment liabilities		**3,674,989**	**947,176**	**8,893**	**4,631,058**
Unallocated liabilities:					
Trade and other payables					**1,119,819**
Lease liabilities	16				**212,064**
Liabilities directly associated with assets held for sale	12				**599,704**
Total Liabilities					**6,562,645**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

5. OTHER INCOME

	Note	2023 $	2022 $
Fuel rebate		544,240	37,959
Net gain/(loss) on disposal of non-current assets	31	(9,418)	51,326
Total other income		**534,822**	**89,285**

6. EXPENSES

	Note	2023 $	2022 $
Employee benefits expense			
Corporate salary, wages & bonuses		(1,964,441)	(482,866)
Superannuation expense		(140,034)	(17,576)
Payroll taxes		(281,524)	(24,121)
Other employee costs		(113,714)	(8,686)
Total employee benefits expense		**(2,499,713)**	**(533,249)**
Share-based payments			
Performance Rights & Options – Directors & Key Management Personnel	25, 33	(3,896,187)	(1,107,560)
Performance Rights – Other employees	33	(739,314)	(279,353)
Options – Other vendors	33	(239,565)	-
Total share-based payments	31	**(4,875,066)**	**(1,386,913)**
Impairment expense			
Vanacorp – Pelley Ridge Impairment (expense)/reversal	14	-	(1,319,441)
Warriedar – Reids Ridge impairment (expense)/reversal	12	500,000	(3,575,122)
Total impairment expense	31	**500,000**	**(4,894,563)**

7. NET FINANCE INCOME

	Note	2023 $	2022 $
Finance Income			
Interest income on term deposits held		1,258,910	18,964
Finance Costs			
Interest expense on lease liabilities	16	(7,146)	(6,393)
Accretion expense on rehabilitation provision	18	(32,016)	-
Net foreign exchange gain/(loss)		2,079	-
Net Finance income		**1,221,827**	**12,571**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

8. INCOME TAX

	Note	2023 $	2022 $
Current tax		-	-
Deferred tax		-	-
		-	-
Numerical reconciliation of income tax expense to prima facie tax payable			
Loss from continuing operations		(8,538,367)	(8,055,242)
Prima facie tax benefit at the Australian tax rate of 25% (2022: 25%)		(2,134,592)	(2,013,811)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income			
Other permanent differences		1,268,862	381,223
Movement in temporary differences and tax losses not recognised		865,730	1,632,588
Income tax expense		-	-
Deferred Tax			
Deferred tax assets at 25% (2022: 25%)			
Provisions and accruals		89,770	37,112
Capital raising costs		396,633	532,483
Assets held for sale		-	49,613
Carry forward tax losses		15,080,801	3,930,308
Financial assets at fair value		197,454	-
Total deferred tax assets		**15,764,658**	**4,549,516**
Deferred tax liabilities at 25% (2022: 25%)			
Prepayments		50,871	4,546
Financial assets at fair value		-	23,174
Exploration and evaluation assets		15,713,787	4,521,796
Total deferred tax liabilities		**15,764,658**	**4,549,516**

Carry forward tax losses not recognised for 2023 are $13,490,776 (2022: $14,934,456).
The tax benefits of the above deferred tax assets will only be obtained if:
(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised;
(ii) The Company continues to comply with the conditions for deductibility imposed by law; and
(iii) No changes in income tax legislation adversely affects the Company in utilising the benefits.

INCOME TAX CONSOLIDATION

Delta Lithium and its wholly owned Australian subsidiaries are part on an income tax consolidated group and have entered into tax sharing and tax funding agreements. Under the terms of these agreements, the subsidiaries will reimburse Delta Lithium for any current income tax payable by Delta Lithium arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and will therefore be recognised as a current tax-related receivable by Delta Lithium when they arise. In the opinion of the Directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the subsidiaries in the case of a default by Delta Lithium.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits on call with financial institutions, and other short-term, highly liquid investments.

	2023 $	2022 $
Cash at bank	69,147,975	13,316,313
Cash on deposit	15,163,737	10,043,563
Total cash and cash equivalents	**84,311,712**	**23,359,876**

Refer to Note 23 for further information on financial risk measurement.

10. TRADE AND OTHER RECEIVABLES

	Note	2023 $	2022 $
Government taxes receivable		2,113,251	92,212
Other receivables		316,047	101,626
Total trade and other receivables	23, 24	**2,429,298**	**193,838**

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2023 $	2022 $
Listed ordinary shares – designated at fair value through profit or loss	24	1,538,757	921,269
Total financial assets		**1,538,757**	**921,269**
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:			
Opening fair value		921,269	-
Additions	12	1,500,000[1]	1,400,000
Loss on revaluation	31	(882,512)	(478,731)
Total financial assets		**1,538,757**	**921,269**
Classification			
Current asset		1,538,757	221,269
Non-current asset		-	700,000
Total financial assets		**1,538,757**	**921,269**

[1] FY23 additions relate to the receipt of shares via the divestment of the Warriedar Gold project (net $1,500,000).

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

12. NON-CURRENT ASSETS HELD FOR SALE

DISPOSAL OF WARRIEDAR

On 16 August 2022, the Company announced the divestment of the Warriedar gold project to Anova Metals Limited (changed name to Warriedar Resources Limited on 20 February 2023). Settlement of the transaction occurred on 21 September 2022, at which point Delta Lithium was issued 100 million fully paid ordinary shares in Anova Metals Limited. The fair value consideration of shares acquired at settlement was $1,500,000 leading to a part reversal of the impairment recognised at 30 June 2022 of $500,000.

	Note	2023 $
Total consideration for the sale is as follows:		
Ordinary shares in Anova Metals Limited	11	1,500,000
Total consideration		**1,500,000**
Warriedar – Non-current assets		2,099,704
Warriedar – Liabilities		(599,704)
Total net assets of Warriedar sold		**1,500,000**

DISPOSAL OF VANACORP

On 1 November 2021, the group entered into a binding term sheet for the sale of 100% of the fully paid ordinary shares in capital of Vanacorp Aust Pty Ltd, a wholly owned subsidiary of the group, to UVRE Limited. On 31 May 2022, control was deemed to have been lost and thus the entity was deconsolidated under *AASB10 Consolidated Financial statements.*

	2023 $
Total consideration for the sale is as follows:	
Cash – acquisition settlement	225,000
Ordinary shares in UVRE Ltd	1,000,000
Total consideration	**1,225,000**
Vanacorp – Investment in subsidiary	565,173
Vanacorp – Net Assets	283,826
Excess between investment and net assets of subsidiary reflected as a gain on sale of subsidiary	376,001
Net Identifiable assets sold	**1,225,000**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

12. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

DISPOSAL OF VANACORP (CONT'D)

	Note	2023 $	2022 $
Reconciliation of movements			
Non-current assets classified as held for sale			
Opening balance		1,599,704	792,447
Vanacorp – Trade and other receivables		-	(70)
Vanacorp – Exploration and evaluation assets		-	59,544
Warriedar – Exploration and evaluation assets reclassification		-	5,174,826
Warriedar – Reid's Ridge impairment (expense)/reversal[1]	6	500,000	(3,575,122)
Warriedar – Disposal		(2,099,704)	-
Total non-current assets classified as held for sale	23	**-**	**1,599,704**
Liabilities directly associated with non-current assets classified as held for sale			
Opening balance		599,704	613
Vanacorp – Disposal		-	(613)
Warriedar – Reid's Ridge rehabilitation provision		-	599,704
Warriedar – Disposal		(599,704)	-
Total liabilities directly associated with non-current assets classified as held for sale	23	**-**	**599,704**

[1] *Reversal of $500,000 impairment at 30 June 2022 on fair valuing the share consideration on acquisition.*

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

13. ASSET ACQUISITION

ELECTROSTATE LIMITED

On 28 September 2022 Delta Lithium completed the acquisition of 100% of the issued capital in Electrostate Limited, the holder of Electrostate Malinda Pty Ltd (Electrostate Group). Together the Electrostate Group are the holders of the Yinnetharra Lithium Project.

	Note	2023 $
Total consideration for the purchase is as follows:		
26,455,026 shares in Delta Lithium (scrip) @ $0.67	19	17,724,867
2,666,666 Delta Lithium options[1]		755,138
$10,000,000 Deferred consideration[2]	23, 24	10,000,000
Acquisition costs – stamp duty		454,614
Less: cash acquired on acquisition		(2,009,487)
Total consideration		**26,925,132**
Less: Assets and Liabilities acquired:		
Plant & equipment		52,930
Trade and other receivables		55,743
Trade and other payables		(7,500)
Exploration and evaluation assets	14	26,823,959
Net identifiable assets acquired		**26,925,132**

[1] 170,400 Options were issued to Lithium Royalty Corp; and 2,496,266 options were issued to Electrification and Decarbonization AIE LP. Each with an exercise price of $0.75, expiring 18 months from the date of issue (issued 28 September 2022), to satisfy obligations under subscription agreements entered into with these entities pre-acquisition. The cost of these options have been capitalised to exploration and evaluation assets as acquisition costs.

[2] Deferred consideration payable upon delineation of a JORC 2012 compliant resource in excess of 15M tonnes @ 0.9% Li_2O or greater on the project within 4 year following settlement of the acquisition (Milestone). The Company can elect to pay the deferred consideration via cash or by the issue of ordinary shares at a deemed issue price equal to the 10-day VWAP up to and including the day prior to the date on which the Milestone is achieved.

The Company has presented deferred consideration as a current liability. However, the ultimate timing of the payment of the liability is dependent on the production of a JORC 2012 compliant resource which is subject to inherent risks including but not limited to geological success and operational delays, such as access to drilling contractors, personnel and turnaround times for assay results.

NORTH YINNETHARRA TENEMENT

Subsequent to the acquisition of Electrostate Limited, the Company acquired a first in line right to E09/2814 for cash consideration of $125,000. The Company has an exploration agreement in place with the Yinggarda people and the tenement is expected to be granted with due process. The tenement is host to prospective geology and in proximity to regionally important structures for LCT mineralisation.

	Note	2023 $
Total consideration for the purchase is as follows:		
Cash – acquisition settlement		125,000
Total purchase consideration reflected as capitalised exploration and evaluation assets	14	**125,000**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

13. ASSET ACQUISITION (CONT'D)

MT IDA GOLD PTY LTD

On 24 September 2021 Delta Lithium Metals completed the acquisition of 100% of the issued capital in Mt Ida Gold Pty Ltd, a wholly owned subsidiary of Ora Banda Mining Ltd and the holder of the Mt Ida project.

	Note	2023 $
Total consideration for the purchase is as follows:		
Cash – acquisition settlement		11,000,000
Cash – pro-rata rents and rates		41,192
Acquisition costs – stamp duty		557,616
Total purchase consideration		**11,598,808**
Less: Assets and Liabilities acquired:		
Non-current liabilities	18	(2,292,356)
Exploration and evaluation assets	14	13,891,164
Net identifiable assets acquired		**11,598,808**

MT IDA – HOOPER TENEMENTS

Subsequent to the acquisition of Mt Ida Gold Pty Ltd, the Company completed an acquisition of tenements adjoining the Company's current landholding within the Mt Ida Lithium Project area via a total cash consideration amounting to $2,000,000. The Tenement Package comprises approximately 11km^2 of highly prospective lithium and gold terrain, inclusive of the historical Golden Vale gold mine.

The acquisition of the Tenement Package also consolidates 100% ownership of Mt Ida Mining Lease M29/165 via the inclusion of the remaining 5% not previously held by Delta Lithium. The acquisition is complementary to its existing suite of tenements at Mt Ida of over 150km^2, as it provides a contiguous landholding within the prospective LCT pegmatite zone around the Copperfield granite.

	Note	2023 $
Total consideration for the purchase is as follows:		
Cash – acquisition settlement		2,000,000
Cash – option premium		200,000
Acquisition costs – landholder duties		117,515
Total purchase consideration reflected as exploration and evaluation assets	14	**2,371,515**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

14. EXPLORATION AND EVALUATION ASSETS

	Note	2023 $	2022 $
Exploration and evaluation costs carried forward in respect of mining areas of interest			
Opening net book amount		39,438,128	17,328,064
Capitalised exploration and evaluation expenditure		38,857,831	11,790,084
Exploration costs written off during the period	6	-	1,319,441
Transfer to assets held for sale – Vanacorp	12	-	59,544
Transfer to assets held for sale – Warriedar/Reids Ridge	12	-	5,174,826
Acquisition costs – Eureka adjustment[1]		(228,020)	-
Asset acquisition – Electrostate Limited	13	26,823,959	-
Asset acquisition – North Yinnetharra tenement	13	125,000	-
Asset acquisition – Mt Ida Gold Pty Ltd	13	-	13,891,164
Asset acquisition – Hooper Tenements	13	-	2,317,515
Rehabilitation provision adjustments capitalised	18	-	665,112
Total Exploration and Evaluation Assets		**105,016,898**	**39,438,128**

Reconciliation	2022 $	Acquisition costs $	Additions $	Disposals/ Other $	2023 $
Mt Ida	25,533,103	-	28,275,745	-	53,808,848
Yinnetharra	-	26,948,959	10,363,952	-	37,312,911
Eureka	13,890,230	(228,020)[1]	193,565	-	13,885,775
Other	14,795	-	24,569	-	39,364
Total Exploration and Evaluation assets	**39,438,128**	**26,720,939**	**38,857,831**	**-**	**105,016,898**

[1] *Adjustment for over accrual relating to acquisition of Eureka.*

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

15. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Office Equipment $	Computer Equipment $	Exploration plant & equipment $	Under Construction $	Total $
Balance at 1 July 2021	8,429	-	197,490	-	205,919
Additions	7,078	6,304	1,103,758	-	1,117,140
Disposals	-	-	(2,176)	-	(2,176)
Depreciation[1]	(4,155)	(468)	(115,340)	-	(119,963)
Balance at 30 June 2022	**11,352**	**5,836**	**1,183,732**	**-**	**1,200,920**
Cost	18,205	6,304	1,183,732	-	1,358,215
Accumulated Depreciation	(6,853)	(468)	(149,974)	-	(157,295)
Net	**11,352**	**5,836**	**1,183,732**	**-**	**1,200,920**
Balance at 1 July 2022	11,353	5,836	1,183,731	-	1,200,920
Additions	10,038	80,724	202,190	2,870	295,822
Disposals	(5,162)	(978)	(77,565)	-	(83,705)
Depreciation[1]	(5,338)	(11,736)	(184,477)	-	(201,551)
Balance at 30 June 2023	**10,890**	**73,846**	**1,123,880**	**2,870**	**1,211,486**
Cost	13,968	85,668	1,381,460	2,870	1,483,966
Accumulated Depreciation	(3,078)	(11,822)	(257,580)	-	(272,480)
Net	**10,890**	**73,846**	**1,123,880**	**2,870**	**1,211,486**

[1] Depreciation of $184,477 (2022: $115,340) related to exploration plant & equipment has been capitalised to exploration and evaluations assets

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases office and warehouse facilities. The leases typically run for a period of 1-5 years with an option to renew the lease after that date. The Group assesses at the lease commencement date whether it is reasonably certain to exercise an extension option and this is factored into the lease liability recognised. The Group also leases various exploration equipment. These leases are short-term typically run on weekly/monthly hire periods. The Group has elected not to recognise right-of use assets and lease liabilities for these leases. The total value of these leases recognised during the period was $841,348 (2022: $435,433) which have been capitalised to exploration and evaluation assets. The Group has committed to the lease of a new office commencing post year. Refer to Note 27 for further information.

	Note	2023 $	2022 $
Right-of-use assets			
Opening balance		207,856	-
Additions – Buildings – Right-of-use		-	266,423
Less: Accumulated depreciation		(96,467)	(58,567)
Total right of use assets		**111,389**	**207,856**
Lease Liabilities			
Opening balance		212,064	-
Additions – Buildings – Right-of-use		-	266,423
Less: Lease repayments		(101,650)	(60,752)
Add: Interest	7	7,146	6,393
Total lease liabilities		**117,560**	**212,064**
Classification			
Lease liability – Current liability		90,874	94,504
Lease liability – Non-current liability		26,686	117,560
Total lease liabilities		**117,560**	**212,064**

17. TRADE AND OTHER PAYABLES

	Note	2023 $	2022 $
Trade payables		6,136,012	2,264,816
Other payables and accruals		1,641,041	1,128,298
Total trade and other payables	23	**7,777,053**	**3,393,114**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

18. REHABILITATION PROVISION

	Note	2023 $	2022 $
Opening net book amount		2,357,763	-
Accretion expense		32,016	-
Transfer to assets held for sale – Reids Ridge	12	-	(599,704)
Additions – Mt Ida	13	-	2,292,355
Rehabilitation revisions during the year	14	-	665,112
Total rehabilitation provision		**2,389,779**	**2,357,763**

Reconciliation	2022 $	Accretion Expense $	Additions $	2023 $
Mt Ida	1,451,904	19,715	-	1,471,619
Eureka	905,859	12,301	-	918,160
Total rehabilitation provision	**2,357,763**	**32,016**	**-**	**2,389,779**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

19. SHARE CAPITAL

	2023		2022	
	No. Shares	$	No. Shares	$
Ordinary shares fully paid	520,573,492	188,810,114	304,554,426	70,709,238

Movements in ordinary share capital	Date	No. Shares	Issue price $	Total $
Opening balance	**1-Jul-21**	**96,423,200**		**23,391,032**
Placement to professional and sophisticated investors	6-Jul-21	23,625,029	0.150	3,543,754
Placement to professional and sophisticated investors	21-Sep-21	11,374,971	0.150	1,706,246
Shares issued via converting loan	18-Nov-21	100,000,000	0.150	15,000,000
Conversion of $0.285 Performance Rights to employees	7-Oct-21	150,000	0.285	42,750
Placement to professional and sophisticated investors	4-Mar-22	43,137,255	0.510	22,000,000
Conversion of $0.25 Options	Various	29,668,971	0.250	7,417,243
Conversion of $0.67 Performance Rights to employees	Various	175,000	0.670	117,250
Unmarketable parcel share movement				(4)
Less: share issue costs				(2,509,033)
Closing balance	**30-Jun-22**	**304,554,426**		**70,709,238**
Shares issued for the 100% acquisition of Electrostate Limited	28-Sep-22	26,455,026	0.670	17,724,867
Placement to professional and sophisticated investors – Tranche 1	7-Dec-22	83,000,000	0.500	41,500,000
Placement to professional and sophisticated investors – SPP	30-Dec-22	490,000	0.500	245,000
Placement to professional and sophisticated investors – Tranche 2	19-Jan-23	27,000,000	0.500	13,500,000
Placement to professional and sophisticated investors – Idemitsu	7-Jun-23	65,636,000	0.708	46,437,470
Conversion of $0.25 Options	Various	10,973,040	0.250	2,743,260
Conversion of performance rights to employees	Various	2,465,000	Various	1,255,100
Unmarketable parcel share movement				(7)
Less: share issue costs				(5,304,814)
Closing balance	**30-Jun-23**	**520,573,492**		**188,810,114**

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

20. RESERVES

The share-based payment reserve is used to recognise the fair value of options and performance rights issued by the Group. The foreign currency translation reserve contains the cumulative translation of the Groups foreign subsidiaries into its reporting currency. The below summarises each reserves' movement for the period.

	2023 $	2022 $
Share-based payment reserve		
Opening balance	5,659,212	4,432,298
Movement for the period	4,375,103	1,226,914
Total share-based payment reserve	**10,034,315**	**5,659,212**
Foreign currency translation reserve		
Opening balance	(38,590)	(10,001)
Movement for the period	38,590	(28,589)
Total foreign currency translation reserve	-	**(38,590)**

21. ACCUMULATED LOSSES

	2023 $	2022 $
Opening balance	15,970,914	7,915,672
Net loss for the period	8,538,367	8,055,242
Closing accumulated losses	**24,509,281**	**15,970,914**

22. DIVIDENDS

No dividends were paid during the financial year (2022: $0). No recommendation for payment of dividends has been made.

23. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Board of Directors as the Company believes that it is crucial for all Board members to be involved in this process. The Executive Chairman, with the assistance of Executive Leadership Team as required, has the responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on financial risk management.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

23. FINANCIAL INSTRUMENTS (CONT'D)

MARKET RISK

The Company is exposed to a variety of financial risks through its financial instruments for example, interest rate risk, liquidity risk and credit risk, as well as foreign currency risk.

Foreign currency risk

During the period the group was exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

The Consolidated Entity has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency. The board manages the purchase of foreign currency to meet operational requirements.

The Consolidated Entity's exposure to foreign currency risk at the reporting date is a follows:

	2023 $	2022 $
Trade payables in denomination currency		
Trade payables – USD	-	(8,893)
Cash and cash equivalents held in denomination currency		
Cash and cash equivalents – USD	-	19,653
Consolidated Entity sensitivity		
Exchange rates per AUD as at 30 June – USD	0.6617	0.6887

A 10% increase/decrease in value of the Australian dollar against the above currencies at 30 June would have an immaterial effect.

Interest Rate Risk

Interest rate risk is the probability of a decline in the value of a financial instrument resulting from unexpected fluctuations in interest rates. At reporting date, the Company does not have long term borrowings and its exposure to interest rate risk is assessed as low. The Group monitors its interest rate risk through sensitivity analysis with the result of changes in market interest rates and the effective weighted average interest rates on classes of financial instruments of the Company summarised in the following tables:

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

23. FINANCIAL INSTRUMENTS (CONT'D)

MARKET RISK (CONT'D)

Interest Rate Risk (Cont'd)

Consolidated	Weighted average interest rate %	1 Year or less $	Over 1 to 5 years $	Non-interest bearing $	Remaining contractual maturities $
2022					
Financial Assets					
Cash and cash equivalents	0.42%	23,359,876	-	-	**23,359,876**
Trade and other receivables		-	-	193,838	**193,838**
Financial assets		-	-	921,269	**921,269**
Total Financial Assets		**23,359,876**	**-**	**1,115,107**	**24,474,983**
Financial Liabilities					
Other payables and sundry accruals		-	-	3,393,114	**3,393,114**
Lease liabilities	4.22%	94,504	117,560	-	**212,064**
Total financial liabilities		**94,504**	**117,560**	**3,393,114**	**3,605,178**
2023					
Financial Assets					
Cash and cash equivalents	4.70%	84,311,712	-	-	**84,311,712**
Trade and other receivables		-	-	2,429,298	**2,429,298**
Financial assets		-	-	1,538,757	**1,538,757**
Total Financial Assets		**84,311,712**	**-**	**3,968,055**	**88,279,767**
Financial Liabilities					
Other payables and sundry accruals		-	-	7,777,053	**7,777,053**
Deferred consideration		-	-	10,000,000	**10,000,000**
Lease liabilities	4.22%	90,874	26,686	-	**117,560**
Total financial liabilities		**90,874**	**26,686**	**17,777,053**	**17,894,613**

An official increase/decrease in interest rates of 25 (2022: 25) basis points would have a favourable/adverse effect on the profit before tax of $210,779. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

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

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Group does not have any significant concentration of credit risk. Credit risk related to balances with banks and other financial institutions is managed by investing surplus funds in financial institutions that maintain a high credit rating. As the Group does not presently have any trade debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

23. FINANCIAL INSTRUMENTS (CONT'D)

MARKET RISK (CONT'D)

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Company's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Group current and future funding requirements, with a view to initiating appropriate capital raisings as required. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The working capital position of the Group as at 30 June is as follows:

	Note	2023 $	2022 $
Cash and cash equivalents	9	84,311,712	23,359,876
Trade and other receivables	10	2,429,298	193,838
Financial Assets	11, 24	1,538,757	921,269
Non-current assets classified as held for sales	12	-	1,599,704
Trade and other payables	17	(7,777,053)	(3,393,114)
Liabilities directly associated with non-current assets classified as held for sale	12	-	(599,704)
Deferred consideration	13	(10,000,000)	-
Working capital		**70,502,714**	**22,081,869**

24. FAIR VALUE MEASUREMENT

FAIR VALUE HIERARCHY

The following table details the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- **Level 1**: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- **Level 2**: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** Unobservable inputs for the asset or liability

	Note	Level 1 $	Level 2 $	Level 3 $	Total $
2022					
Financial assets	11, 23	921,269	-	-	921,269
		921,269	-	-	**921,269**
2023					
Financial assets	11, 23	1,538,757	-	-	1,538,757
		1,538,757	-	-	**1,538,757**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

25. KEY MANAGEMENT PERSONNEL DISCLOSURES

COMPENSATION

	Note	2023 $	2022 $
Short-term benefits		1,793,844	659,864
Post-employment benefits		174,215	40,192
Termination benefits		255,379	-
Subtotal		**2,223,437**	**700,056**
Share-based payments	33	3,896,187	1,107,560
Total Key Management Personnel compensation		**6,119,624**	**1,807,616**

SHAREHOLDINGS

The number of shares in the Company held at year end by Directors and Key Management Personnel of the Company, including their personally related parties, was 9,081,144 (2022:15,415,386).

OPTION HOLDINGS

The numbers of options over ordinary shares in the Company held at year end by Directors and Key Management Personnel of the Company, including their personally related parties, was 7,566,908 (2022:11,612,780).

PERFORMANCE RIGHTS

The number of performance rights in the Company held at year end by Directors and Key Management Personnel of the Company, including their personally related parties, was 26,375,000 (2022: 300,000).

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to Key Management Personnel during the year.

26. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023 $	2022 $
Remuneration of the auditor of the parent entity [1]		
Audit Services – Audit or review of the financial statements	105,170[2]	35,578
Non-assurance services – Tax compliance	47,025	-
Non-assurance services – Other services	46,050[2]	-
Total	**198,245**	**35,578**

[1] On the 25th November 2022, the Company appointed KPMG as auditor of the parent entity.
[2] $24,539 and $4,850 was paid for audit services and non-assurance services-other services (respectively) to the former auditor of the parent entity, Hall Chadwick WA Audit Pty Ltd.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

27. COMMITMENTS AND CONTINGENCIES

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in as well as commitments for a new office lease signed post year end. Capital commitments at the reporting date but not recognised as liabilities are as follows:

	2023 $	2022 $
Exploration commitments - Within one year	1,028,720	787,400
Exploration commitments - Later than one year but not later than five years	4,972,907	3,149,600
Lease commitments – Within one year	217,055	-
Lease commitments - Later than one year but not later than five years	1,229,981	-
Total commitments	**7,448,663**	**3,937,000**

Contingent Liabilities

There are no contingent liabilities to disclose relating to the current or prior financial years.

28. PARENT ENTITY INFORMATION

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

	2023 $	2022 $
Current assets	85,823,325	22,548,782
Non-current assets	99,976,096	39,741,724
Total assets	**185,799,421**	**62,290,506**
Current liabilities	12,458,905	1,814,027
Non-current liabilities	26,686	117,560
Total liabilities	**12,485,591**	**1,931,587**
Net Assets	**173,313,830**	**60,358,919**
Contributed equity	188,810,114	70,709,238
Reserve	10,034,315	5,793,212
Accumulated losses	(25,530,599)	(16,143,531)
Total Equity	**173,313,830**	**60,358,919**
Loss for the year	(9,521,095)	(7,910,835)
Total comprehensive Loss for the year	**(9,521,095)**	**(7,910,835)**

COMMITMENT AND CONTINGENT LIABILITIES OF THE PARENT

The parent entity did not have any contingent liabilities or commitments, as at 30 June 2023 (2022: nil) other than as disclosed at Note 27.

GUARANTEES ENTERED INTO THE PARENT ENTITY

There were no guarantees entered into by the parent entity as at 30 June 2023 (30 June 2022: nil).

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

28. PARENT ENTITY INFORMATION (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in Note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity's statement of profit or loss when its right to receive the dividend is established, noting its receipt may be an indicator of an impairment of the investment

29. RELATED PARTY TRANSACTIONS

PARENT ENTITY

Delta Lithium Limited (formerly Red Dirt Metals Limited) is the parent entity.

SUBSIDIARIES

Interests in subsidiaries are set out in Note 30.

KEY MANAGEMENT PERSONNEL

Disclosures relating to Key Management Personnel are set out in Note 25 and the Remuneration Report included in the Directors' report.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED ENTITIES

Directors and officers, or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Details of the transactions including amounts accrued but unpaid at the end of the year as follows:

		Net transactions		Balances owing (to) /from	
Related Party	**Nature of transaction**	**2023**	**2022**	**2023**	**2022**
Croser Family Trust[1]	Charges for rental of warehouse	28,683	11,050	-	-
Chieftain Securities (WA) Pty Ltd[2]	Charges for capital raising costs	-	275,520	-	-
Jaytona Pty Ltd T/A Multiplant Holdings[3]	Charges for corporate office rental	-	5,371	-	-
		28,683	**291,941**	**-**	**-**

[1] Croser Family Trust is a trust associated with Director, Mr James Croser.
[2] Cheiftain Securities (WA) Pty Ltd is a Company associated with (former) Director, Mr Brett Mitchell. Transactions included up until resignation 1 March 2022.
[3]Jaytona Pty Ltd T/A Multiplant Holdings is a Company associated with Director, Mr Nader El Sayed.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

30. CONSOLIDATED ENTITIES

		Ownership Interest	
		2023	2022
		%	%
Parent Entity:			
Delta Lithium Limited (Formerly Red Dirt Metals Limited)	Australia		
Subsidiaries			
Mt Ida Gold Pty Ltd	Australia	100	100
Electrostate Malinda Pty Ltd	Australia	100	-
Electrostate Pty Ltd	Australia	100	-
Warriedar Mining Pty Ltd	Australia	100	100
Mt Lockeridge Pty Ltd	Australia	100	100
Mt Ida AU Pty Ltd	Australia	100	-
Metals of America LLC*	USA	-	100

**Metals of America LLC was deconsolidated during the period, the Group booked a $467 gain on disposal of the subsidiary.*

In the financial statements of the parent entity, investment in controlled entities are measured at cost.

31. CASH FLOW INFORMATION

	Note	2023 $	2022 $
Reconciliation of loss after income tax to net cash outflow from operating activities			
(Loss) after income tax		(8,538,367)	(8,055,242)
Adjustments for:			
Depreciation and amortisation		113,540	63,190
Impairment (reversal)/expense	6	(500,000)	4,894,563
Revaluation of financial assets	11	882,512	478,731
Share-based payments	6, 33	4,875,066	1386,913
Net (gain)/loss on disposal & deconsolidation of subsidiary		40,167	(376,001)
Net (gain)/Loss on disposal of non-current assets		9,418	(1,326)
Foreign exchange differences		-	(40,319)
Changes in operating assets and liabilities			
Increase/(decrease) in trade and other receivables		(2,507,933)	58,582
Increase/(decrease) in trade and other payables		1,269,174	382,509
Net cash outflow from operating activities		**(4,356,423)**	**(1,208,400)**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

32. LOSS PER SHARE

	2023 $	2022 $
Basic loss per share (cents)	(2.18)	(3.65)
Diluted loss per share (cents)	(2.18)	(3.65)
Reconciliation of earnings to profit or loss		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(8,538,367)	(8,055,242)
	No. Shares	**No. Shares**
Weighted average number of shares		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	390,779,918	220,397,403

At 30 June 2023, the Company had on issue 31,990,000 performance rights (2022: 2,375,000), nil performance shares (2022: 6,750,000) and 39,024,665 options (2022: 41,331,029). Given the Group made a loss during the current financial year, these potential shares are considered non-dilutive and are therefore not included in the diluted EPS calculation.

33. SHARE BASED PAYMENTS

The terms, conditions and key assumptions used in valuing share-based payment arrangements granted over ordinary shares affecting remuneration of Directors and Key Management Personnel in this financial year or future reporting years are as follows:

Performance Rights to Executive Chairman

On 29 August 2022, the Company announced the appointment of David Flanagan as Chairman (transitioned to Executive Chairman on 3 November 2022). As part of his appointment David received 6,000,000 unlisted performance rights in 3 separate tranches on the same date. The performance rights were issued with the following milestones (vesting conditions):

- **Tranche 1** – Vest upon the Company's share price equalling or becoming greater than a 20-day VWAP of $1.00 per share before 26 August 2027
- **Tranche 2** – Vest upon the Company's share price equalling or becoming greater than a 20-day VWAP of $1.20 per share before 26 August 2027
- **Tranche 3** – Vest upon the Company's share price equalling or becoming greater than a 20-day VWAP of $1.50 per share before 26 August 2027

Vesting is subject to continuous employment by the holder with the Company until the achievement of the vesting conditions (as applicable).

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to Executive Chairman (Cont'd)

The valuation of all tranches of performance rights was performed via the relevant Hoadley Option Valuation Model. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Tranche 3	Total
Grant date	29-Aug-22	29-Aug-22	29-Aug-22	
Vesting date	26-Aug-27	26-Aug-27	26-Aug-27	
Expiry date	26-Aug-27	26-Aug-27	26-Aug-27	
No. Securities[1]	2,000,000	2,000,000	2,000,000	6,000,000
Security entitlement	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	$1.0000	$1.2000	$1.5000	
Implied barrier price (approx.)	$1.3967	$1.6760	$2.0951	
Expected volatility	97%	97%	97%	
Risk-free rate	3.42%	3.42%	3.42%	
Dividend yield	Nil	Nil	Nil	
Value of each security	$0.5473	$0.5341	$0.5165	
Total Value ($)	**1,094,600**	**1,068,200**	**1,033,000**	**3,195,800**
Expense recognised during FY23 ($)	**183,634**	**179,205**	**173,299**	**536,138**

[1] Resigned subsequent to year end, 12 September 2023. All Tranches were forfeited on resignation having failed to meet the service condition attached. No impact on amounts recognised for FY23.

Performance Rights to former Chief Financial Officer

On 27 September 2022, 375,000 unlisted performance rights were granted to (former) CFO, Daniel Kendall as part of his executive service agreement executed in July 2022. These rights have performance milestones attached under the following vesting conditions:

- **(A)(i)** – 125,000 Performance rights shall vest and convert on the successful increase of gold resources for the Company by 250,000oz (at 0.5 g/t Au cut-off) or delineation of 15,000,000 tonnes of Li_2O at greater than 1.2% Li_2O grade (at 0.3% cut-off) before 31 December 2023[1].
- **(A)(ii)** – 125,000 Performance rights shall vest and convert into ordinary shares subject to the Company obtaining a Volume Weighted Average price of more than $1.00 per share for a period of 20 days or more before 31 December 2023
- **(A)(iii)** – 125,000 Performance rights shall vest and convert into ordinary shares subject to the Executive completing 18 months continuous employment with the Company.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to former Chief Financial Officer (Cont'd)

The valuation of performance rights was performed via the relevant Hoadley Option Valuation Model for Tranche (A)(ii), whilst a 'per security' valuation has been used for the other tranches with appropriate probability attached. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche (A)(i)[1]	Tranche (A)(ii)[2]	Tranche (A)(iii)[2]	Total
Grant date	27-Sep-22	27-Sep-22	27-Sep-22	
Vesting date	31-Dec-23	31-Dec-23	28-Feb-24	
Expiry date	28-Sep-27	28-Sep-27	28-Sep-27	
No. Securities	125,000	125,000	125,000	375,000
Security entitlement	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	N/A	$1.0000	N/A	
Implied barrier price (approx.)	N/A	$1.3873	N/A	
Expected volatility	N/A	95%	N/A	
Risk-free rate	N/A	3.40%	N/A	
Dividend yield	N/A	Nil	N/A	
Value of each security	$0.6000	$0.3778	$0.6000	
Probability	100%	N/A	100%	
Total Value ($)	**75,000**	**47,225**	**75,000**	**197,225**
Expense recognised during FY23 ($)	**75,000**	**-**	**-**	**75,000**

[1] On 31 October 2022, the Board resolved to amend the vesting condition for Tranche (A)(i) to reflect as follows: 125,000 Performance rights shall vest and convert on the successful increase of gold resources for the Company by 250,000oz (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at greater than 1.0% Li_2O grade (at 0.3% cut-off) before 30 June 2023. The milestone was achieved 19 October 2022.
[2] Resigned 9 June 2023. Tranches (A)(ii) and (A)(iii) were forfeited on resignation, resulting in reversal of previous amounts expensed to profit and loss.

Performance Rights to Executive Leadership Team (Key Management Personnel)

On 22 December 2022, 5,500,000 unlisted performance rights were granted to members of the Executive Leadership Team, as stipulated in each of their individual executive service agreements. Additionally, the Company received shareholder approval on 16 January 2023 to grant 12,000,000 unlisted performance rights to Executive Chairman, David Flanagan as stipulated in his executive service agreement and pursuant to the performance rights and options plan approved by shareholders at the General Meeting 16 January 2023. The performance rights were issued 23 January 2023. On 12 June 2023, 1,750,000 unlisted performance rights were granted to Peter Gilford as Chief Financial Officer and Company Secretary. The performance rights were issued 13 June 2023.

All three (3) issues of performance rights include the following milestones (vesting conditions):

- **Tranche 1** – Performance rights vesting upon delineation of 50Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects by 3 November 2025.
- **Tranche 2** – Performance rights vesting upon delineation of 100Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects 3 November 2025.
- **Tranche 3** – Performance rights vesting if mining operations commence at any of the Company's projects on or before 31 December 2023.
- **Tranche 4** – Performance rights vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to Executive Leadership Team (Key Management Personnel) (Cont'd)

Vesting is subject to continuous employment by the holder with the Company until the achievement of the vesting conditions (as applicable).

Key Management Person	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
David Flanagan (DF)[4]	3,000,000	3,000,000	2,000,000	4,000,000	12,000,000
Jeremy Sinclair[2]	250,000	250,000	750,000	750,000	2,000,000
Daniel Taylor[2]	250,000	250,000	500,000	500,000	1,500,000
Daniel Kendall[1,2]	250,000	250,000	250,000	250,000	1,000,000
Charles Hughes[2]	250,000	250,000	250,000	250,000	1,000,000
Peter Gilford (PG)	500,000	500,000	250,000	500,000	1,750,000
Total	**4,500,000**	**4,500,000**	**4,000,000**	**6,250,000**	**19,250,000**

The valuation of performance rights was performed using a 'per security' valuation for all tranches using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest factoring in the appropriate probability. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Grant date (DF)	16-Jan-23	16-Jan-23	16-Jan-23	16-Jan-23	
Grant date (Remaining ELT)	22-Dec-22	22-Dec-22	22-Dec-22	22-Dec-22	
Grant date (PG)	12-Jun-23	12-Jun-23	12-Jun-23	12-Jun-23	
Vesting date	3-Nov-25	3-Nov-25	31-Dec-23	3-Nov-25	
Expiry date (DF & Remaining ELT)	23-Jan-28	23-Jan-28	23-Jan-28	23-Jan-28	
Expiry date (PG)	13-Jun-28	13-Jun-28	13-Jun-28	13-Jun-28	
No. Securities (DF)[4]	3,000,000	3,000,000	2,000,000	4,000,000	12,000,000
No. Securities (Remaining ELT)	1,000,000	1,000,000	1,750,000	1,750,000	5,500,000
No. Securities (PG)	500,000	500,000	250,000	500,000	1,750,000
Security entitlement	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	
Value of each security (DF)	$0.475	$0.475	$0.475	$0.475	
Value of each security (Remaining ELT)	$0.455	$0.455	$0.455	$0.455	
Value of each security (PG)	$0.655	$0.655	$0.655	$0.655	
Probability	100%	100%	100%	100%	
Total Value ($)	**2,207,500**	**2,207,500**	**1,910,000**	**3,023,750**	**9,348,750**
Expense recognised during FY23[3] ($)	**385,821**	**385,821**	**913,496**	**555,137**	**2,240,275**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to Executive Leadership Team (Key Management Personnel) (Cont'd)

Key Management Person	Tranche 1 $	Tranche 2 $	Tranche 3 $	Tranche 4 $	Total $
David Flanagan (DF)[4]	1,425,000	1,425,000	950,000	1,900,000	5,700,000
Jeremy Sinclair[2]	113,750	113,750	341,250	341,250	910,000
Daniel Taylor[2]	113,750	113,750	227,500	227,500	682,500
Daniel Kendall[1,2]	113,750	113,750	113,750	113,750	455,000
Charles Hughes[2]	113,750	113,750	113,750	113,750	455,000
Peter Gilford (PG)	327,500	327,500	163,750	327,500	1,146,250
Fair value at grant date	**2,207,500**	**2,207,500**	**1,910,000**	**3,023,750**	**9,348,750**
David Flanagan (DF)	311,759	311,759	537,737	415,679	1,576,934
Jeremy Sinclair[2]	20,997	20,997	175,138	62,990	280,122
Daniel Taylor[2]	23,404	23,404	124,396	46,807	218,011
Daniel Kendall[1,2]	-	-	-	-	-
Charles Hughes[2]	22,558	22,558	60,898	22,558	128,572
Peter Gilford (PG)	7,103	7,103	15,327	7,103	36,636
Expense recognised during FY23[3] ($)	**385,821**	**385,821**	**913,496**	**555,137**	**2,240,275**

[1] Resigned 9 June 2023. Tranches 1-4 were forfeited on resignation, resulting in reversal of the previously expensed amounts to profit and loss. $Nil expense was recognised for the period.
[2] Remaining Executive Leadership Team (ELT).
[3] The expense recognised during the period is from the commencement date of each executive agreement: Messer's Flanagan (03 Nov 2022), Sinclair (19 Dec 2022), Taylor (21 Nov 2022), Hughes (01 Dec 2022) & Gilford (12 Jun 2023).
[4] Resigned subsequent to year end, 12 September 2023. Tranches 2 and 4 were forfeited on resignation. In recognition of Mr Flanagan's past contributions to the company the board resolved to modify the number of securities for Tranches 1 and 3 to 1,000,000 and 500,000 total securities respectively. No impact on amounts recognised for FY23.

Performance Rights to Directors

On 27 April 2023, the Company held a General Meeting and received shareholder approval to issue a total of 1,500,000 unlisted performance rights to Non-Executive Directors, subject to continuous employment. The performance rights were issued 8 May 2023 and include the following milestones (vesting conditions):

- **Tranche 1** – Vest upon achievement of a 20-day VWAP of $1.00 by the date which is three years from the date of issue of the Performance Rights (subject to continued employment at the time the milestone is satisfied)
- **Tranche 2** – Vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025 (subject to continued employment at the time the milestone is satisfied).

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to Directors (Cont'd)

The valuation of performance rights was performed using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model (the combination of the two models to be referred to as the "Parisian Barrier1 Model") for Tranche 1, whilst a 'per security' valuation has been used for Tranche 2 with appropriate probability attached. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Total
Grant date	27-Apr-23	27-Apr-23	
Vesting date	8-May-26	3-Nov-25	
Expiry date	8-May-28	8-May-28	
No. Securities	750,000	750,000	1,500,000
Security entitlement	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	$1.0000	N/A	
Implied barrier price (approx.)	$1.3639	N/A	
Expected volatility	90%	N/A	
Risk-free rate	2.97%	N/A	
Dividend yield	Nil	N/A	
Value of each security	$0.3541	$0.4650	
Probability	N/A	100%	
Total Value ($)	**265,575**	**348,750**	**614,325**
Expense recognised during FY23 ($)	**15,580**	**24,586**	**40,166**

Director	Tranche 1	Tranche 2	Total
Tim Manners	250,000	250,000	500,000
Nader El Sayed	250,000	250,000	500,000
James Croser	250,000	250,000	500,000
No. Securities	**750,000**	**750,000**	**1,500,000**
Tim Manners	88,525	116,250	204,775
Nader El Sayed	88,525	116,250	204,775
James Croser	88,525	116,250	204,775
Fair value at grant date ($)	**265,575**	**348,750**	**614,325**
Tim Manners	5,193	8,195	13,389
Nader El Sayed	5,193	8,195	13,389
James Croser	5,193	8,195	13,389
Expense recognised during FY23 ($)	**15,580**	**24,586**	**40,166**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance rights to former Chief Financial Officer

On 13 June 2023, the Company announced that, as part of a management transition, Mr Daniel Kendal had ceased to be Chief Financial Officer and Company Secretary. Mr Kendall previously held 1,250,000 Performance Rights, which were issued to him during his period of service with the Company. Upon Mr Kendall ceasing to be engaged by the Company, those Performance Rights lapsed, unvested. Subsequently on 28 August 2023, the Company sought and received shareholder approval to issue 400,000 unlisted Performance Rights on much the same terms and conditions, acknowledging Mr Kendall's contribution to efforts to achieve the performance hurdles, whilst ensuring achievement remains at risk and in line with shareholder value accretion.

The performance rights include the following milestones (vesting conditions):

- **Tranche 1** – Performance rights vesting upon delineation of 50Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects by 3 November 2025.
- **Tranche 2** – Performance rights vesting upon delineation of 100Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects 3 November 2025.
- **Tranche 3** – Performance rights vesting if mining operations commence at any of the Company's projects on or before 31 December 2023.
- **Tranche 4** – Performance rights vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025.

The valuation of performance rights was performed using a 'per security' valuation for all tranches using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest factoring in the appropriate probability. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Grant date[1]	28-Aug-23	28-Aug-23	28-Aug-23	28-Aug-23	
Vesting date	3-Nov-25	3-Nov-25	31-Dec-23	3-Nov-25	
Expiry date	29-Dec-25	29-Dec-25	29-Dec-25	29-Dec-25	
No. Securities	100,000	100,000	100,000	100,000	400,000
Security entitlement	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	
Value of each security[1]	$0.775	$0.775	$0.775	$0.775	
Probability	100%	100%	100%	100%	
Total Value ($)	**77,500**	**77,500**	**77,500**	**77,500**	**310,000**
Expense recognised during FY23 ($)[1]	**77,500**	**77,500**	**77,500**	**77,500**	**310,000**

[1] The value of each right is materially consistent with the share price at 30 June 2023. Given that the award confers no service condition, the Company has accelerated the full expense of $310,000 within the FY23 period.

Options issued to Directors

On 7 July 2022, the Company held a General Meeting and received shareholder approval to issue 1,000,000 unlisted options to Tim Manners subject to 12 months of continuous employment, which was met 1 March 2023. The fair value of the options at grant date was $0.24 with an exercise price of $0.77 expiring 26 July 2025. The expense recognised during the period was $160,026

Performance rights to former Managing Director

On 3 November 2022 the Company announced the resignation of Matthew Boyes as managing Director. As a result, two (2) tranches of previously issued Performance rights (granted 3 December 2020) were forfeited on resignation resulting in a reversal of the net expense and credit to profit and loss of $3,363.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to Directors

On 7 July 2022, the Company held a General Meeting and received shareholder approval to issue a total of 5,000,000 unlisted performance rights to Directors Matthew Boyes, Alexander Hewlett, James Croser and Jiahe (Gower) He pursuant to the performance rights and options plan approved by shareholders on 2 July 2019, which was re-adopted at the General Meeting. The Performance Rights were allocated based on the following milestones (vesting conditions):

- **Tranche 1** - The successful increase of gold resources for the Company by 250,000 ounces (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at greater than 1% grade (at 0.3% cut-off) before 30 June 2023[1].
- **Tranche 2** - The achievement of a $1.00 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- **Tranche 3** - The achievement of a $1.20 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- **Tranche 4** - Mr Jiahe (Gower) He completing 12 months continuous employment with the Company.
- **Tranche 5** - The execution by the Company of a binding agreement between the Company and a third party(s) whereby the third party(s) undertakes to:
  - purchase a minimum of 10% of the annual production of the Mt Ida Project over the first three years of operations; or
  - provide funding for the construction of the Mt Ida Project.

Vesting is subject to continuous employment by the holder with the Company until the achievement of the vesting conditions (as applicable).

	Tranche 1[1]	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Director						
Matthew Boyes[2]	750,000	375,000	375,000	-	-	1,500,000
Alexander Hewlett[3]	500,000	250,000	250,000	-	-	1,000,000
James Croser	500,000	250,000	250,000	-	-	1,000,000
Jiahe (Gower) He[4]	-	250,000	-	250,000	1,000,000	1,500,000
No. Securities	**1,750,000**	**1,125,000**	**875,000**	**250,000**	**1,000,000**	**5,000,000**
Matthew Boyes[2]	285,000	91,237	82,913	-	-	459,150
Alexander Hewlett[3]	190,000	60,825	55,275	-	-	306,100
James Croser	190,000	60,825	55,275	-	-	306,100
Jiahe (Gower) He[4]	-	60,825	-	95,000	190,000	345,825
Total Value ($)	**665,000**	**273,712**	**193,463**	**95,000**	**190,000**	**1,417,175**
Matthew Boyes[2]	206,231	(25,503)	(23,176)	-	-	157,551
Alexander Hewlett[3]	137,487	43,823	39,824	-	-	221,134
James Croser	137,487	29,135	26,477	-	-	193,099
Jiahe (Gower) He[4]	-	(5,263)	-	(12,138)	(16,439)	(33,840)
Expense recognised during FY23 ($)	**481,205**	**42,192**	**43,125**	**(12,138)**	**(16,439)**	**537,944**

[1] The probability of Tranche 1 performance rights vesting was updated from 75% (2022) to 100% (2023) immediately on announcement of the Company's maiden lithium mineral resource estimate at Mt Ida on 19 October 2022. This resulted in an increase in the number of securities vested with all remaining expense accelerated to profit and loss.
[2] Resigned 3 November 2022. Tranches 2 & 3 were forfeited on resignation, resulting in reversal of the expense to profit and loss.
[3] Resigned 29 August 2022. In recognition of Mr Hewlett's past contributions to the Company, pursuant to clause 10.1 of the plan, the performance rights remain unvested following resignation. Tranche 1 performance rights vested immediately on announcement of the Company's maiden lithium mineral resource estimate at Mt Ida on 19 October 2022. Tranche's 2 & 3 were accelerated on resignation.
[4] Resigned 1 November 2022. All Tranches were forfeited on resignation, resulting in reversal of all expense previously recognised to profit and loss.

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Options issued to vendors

On 28 September 2022, 5,000,000 unlisted Options were granted to vendors for corporate advisory services rendered. The fair value of each option is $0.048 taken in reference to the market value of services provided, being $239,535 which was expensed immediately. The options have an exercise price of $0.85 and expire 30 September 2025.

Performance Rights to employees

On 1 October 2021 and 25 May 2022 respectively, 700,000 and 530,000 unlisted performance rights were issued to employees. These rights have performance milestones attached under the following vesting conditions:

- (A)(i) - 50% subject to conditions of continuous employment (12-month employment anniversary)
- (A)(ii) - 50% subject to successful increase of gold resources for the company by 250,000oz (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at a grade greater than 1% (at 0.3% cut-off) before 30 June 2023.

Vesting is subject to continuous employment by the holder with the company until the achievement of the vesting conditions (as applicable).

On 19 October 2022, the Company announced its' maiden lithium mineral resource estimate at Mt Ida. This resulted in the immediate vesting of performance rights previously granted to employees on 1 October 2021 and 25 May 2022. The expense recognised during the period in relation to these performance rights was $64,718 and $147,860 respectively. $11,607 and 120,229 were expensed for employees satisfying service conditions related to the respective grants. The total expense recognised for the 1 October 2021 and 25 May 2022 awards was $76,325 and $268,088 respectively.

On 15 November 2022, 25,000 unlisted performance rights were granted to employees under the Performance rights and Option Plan. The performance rights are 100% service based and shall vest and convert into ordinary shares subject to completion of 18 months continuous employment with the Company. Management have determined the probabilities of the abovementioned rights vesting as 100% amounting to an expense recognised in the profit or loss of $7,527 during the period.

On 18 January 2023 and 24 March 2023, 2,700,000 and 1,000,000 unlisted performance rights were granted to other employees (respectively). The performance rights were issued 23 January 2023 and 27 March 2023 (respectively) and include the following milestones (vesting conditions):

- **Tranche 1** – Performance rights vesting upon delineation of 50Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects by 3 November 2025.
- **Tranche 2** – Performance rights vesting upon delineation of 100Mt JORC resource at minimum grade of 0.8% Li_2O at any of the Company's projects 3 November 2025.
- **Tranche 3** – Performance rights vesting if mining operations commence at any of the Company's projects on or before 31 December 2023.
- **Tranche 4** – Performance rights vesting upon the first commercial shipment of DSO lithium ore or Spodumene concentrate by 3 November 2025.
- **Tranche 5** – Performance rights vesting upon 18 months services.

Vesting is subject to continuous employment by the holder with the company until the achievement of the vesting conditions (as applicable).

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Rights to employees (Cont'd)

The valuation of performance rights was performed using a 'per security' valuation for all tranches using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest factoring in the appropriate probability. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Grant Date (Issue 1)	18-Jan-23	18-Jan-23	18-Jan-23	18-Jan-23	18-Jan-23	
Grant Date (Issue 2)	24-Mar-23	24-Mar-23	24-Mar-23	24-Mar-23	N/A	
Vesting date	3-Nov-25	3-Nov-25	31-Dec-23	3-Nov-25	24-Jul-24	
Expiry date (Issue 1)	23-Jan-28	23-Jan-28	23-Jan-28	23-Jan-28	23-Jan-28	
Expiry date (Issue 2)	27-Mar-28	27-Mar-28	27-Mar-28	27-Mar-28	N/A	
No. Securities (Issue 1)	587,500	587,500	725,000	725,000	75,000	2,700,000
No. Securities (Issue 2)	50,000	50,000	550,000	350,000	N/A	1,000,000
Security entitlement	One Share	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	$Nil	
Value of each security (Issue 1)	$0.470	$0.470	$0.470	$0.470	$0.470	
Value of each security (Issue 2)	$0.305	$0.305	$0.305	$0.305	N/A	
Probability	100%	100%	100%	100%	100%	
Total Value ($)	**291,375**	**291,375**	**508,500**	**447,500**	**35,250**	**1,574,000**
Expense recognised during FY23 ($)	**45,932**	**45,932**	**219,266**	**65,788**	**10,454**	**387,373**

Reconciliation of share-based payments expensed	Grant date	2023 $	2022 $
Reversal of Performance Rights to (former) managing Director	3-Dec-20	(3,363)	(20,150)
Vesting of Options – Directors	16-Sep-21	-	716,476
Vesting of Performance Rights to Employees	1-Oct-21	76,325	258,675
Vesting of Performance Rights to Directors	7-Jul-22	537,944	331,221
Vesting of Options – Directors	7-Jul-22	160,026	80,013
Vesting of Performance Rights to Employees	25-May-22	268,088	20,678
Vesting of Performance Rights to Chairman	29-Aug-22	536,138	-
Vesting of Performance Rights to (former) CFO	27-Sep-22	75,000	-
Vesting of Options – Vendors	28-Sep-22	239,565	-
Vesting of Performance Rights to Employees	15-Nov-22	7,527	-
Vesting of Performance Rights to Executive Leadership Team	22-Dec-22	626,705	-
Vesting of Performance Rights to Chairman	16-Jan-23	1,576,934	-
Vesting of Performance Rights to Employees	18-Jan-23	314,477	-
Vesting of Performance Rights to Employees	24-Mar-23	72,896	-
Vesting of Performance Rights to Directors	27-Apr-23	40,166	-
Vesting of Performance Rights to Executive Leadership Team	12-Jun-23	36,636	-
Vesting of Performance Rights to (former) CFO	28-Aug-23	310,000	-
Expense recognised during FY23 ($)		**4,875,066**	**1,386,913**

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

CONVERTIBLE SECURITIES

Options

At 30 June 2023, unissued shares of the Group under option are:

Number of Securities	Grant Date	Fair Value at Grant Date	Exercise Price	Number vested	Expiry Date
14,485,758	30 Nov 20	$0.170	$0.25	14,485,758	1 Oct 24
3,000,000	16 Sep 21	$0.179	$0.25	3,000,000	21 Sep 25
12,872,231	18 Nov 21	$Nil	$0.25	12,872,231	18 Nov 24
1,000,000	7 Jul 22	$0.240	$0.77	1,000,000	26 Jul 25
2,666,666	28 Sep 22	$0.283	$0.75	2,666,666	27 Mar 24
5,000,000	28 Sep 22	$0.048	$0.85	5,000,000	30 Sep 25
39,024,655				**39,024,655**	

Reconciliation of outstanding share options

	2023		2022	
	No. Options	Weighted average exercise price	No. Options	Weighted average exercise price
Opening balance 1 July	41,331,029	$0.25	42,000,000	$0.25
Granted during the year	8,666,666	$0.81	29,000,000	$0.25
Exercised during year	(10,973,040)	$0.25	(29,668,971)	$0.25
Outstanding at 30 June	**39,024,655**	**$0.37**	**41,331,029**	**$0.25**
Exercisable at 30 June	**39,024,655**	**$0.37**	**41,331,029**	**$0.25**

The options outstanding at 30 June 2023 had an exercise price in the range of $0.25 to $0.85 (2022: $0.25) and a weighted average remaining contractual life of 1.5 years (2022: 2.3 years).

Performance Rights

At 30 June 2023, unissued shares of the Group pursuant to performance rights issued to incentivise its Directors, employees and other vendors are:

Number of Securities	Grant Date	Fair Value at Grant Date	Number vested	Expiry Date
265,000	22 May 22	$0.590	-	31 Dec 23
1,000,000	7 Jul 22	$0.221-$0.243	-	31 Dec 23
6,000,000	29 Aug 22	$0.517-$0.547	-	26 Aug 27
250,000	27 Sep 22	$0.378-$0.600	-	28 Sep 27
25,000	15 Nov 22	$0.585	-	18 Nov 27
5,500,000	22 Dec 22	$0.455	-	23 Jan 28
12,000,000	16 Jan 23	$0.475	-	23 Jan 28
2,700,000	18 Jan 23	$0.470	-	23 Jan 28
1,000,000	24 Mar 23	$0.305	-	27 Mar 28
1,500,000	27 Apr 23	$0.354-$0.465	-	8 May 28
1,750,000	12 Jun 23	$0.655	-	13 Jun 28
31,990,000			-	

FINANCIAL STATEMENTS NOTES (CONT'D)

Notes to the Consolidated Financial Statements (Cont'd)

33. SHARE BASED PAYMENTS (CONT'D)

Performance Shares

At 30 June 2023, there are no unissued shares of the Company under Performance Shares (2022: 6,750,000). During the period, Delta Lithium decided to discontinue with the Pelley Ridge Project, as part of its strategy to prioritise funds and management time on it its lithium projects at Mt Ida and Yinnetharra, the subsidiary and previous holding Company for the Pelley Ridge Project, Metals of America LLC was sold for nominal cash consideration of $US350. All Performance Shares were cancelled.

34. SUBSEQUENT EVENTS

On 2 August 2023, the Company announced the appointment of Mr Steven Kovac effective 1 August 2023, the current Chief Executive Officer of Idemitsu Australia, as a Non-Executive Director. As part of the strategic investment in the Company completed in June 2023, Idemitsu Australia was granted the right to nominate a Director to the Board.

On 12 September, the Company announced the dual appointments of Mr Chris Ellison as Non-Executive Chairman and Mr Joshua Thurlow as Non-Executive Director as well as the resignation of Executive Chairman, David Flanagan. Mr Ellison is the founder and Managing Director of Mineral Resources Limited, which recently increased its shareholding in Delta Lithium to 17.44%, becoming the Company's largest shareholder. Mr Thurlow is the current Chief Executive – Lithium for Mineral Resources Limited.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Delta Lithium Limited ("Delta Lithium" or "the Company"):

(a) the consolidated financial statements and notes set out on pages 51 to 100 and the Remuneration Report in pages 31 to 48 of the Directors' Report, are in accordance with the *Corporations Act 2001* (Cth), including:

   (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth);

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2;

(c) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.

James Croser
Managing Director
Perth, Western Australia

Signed at Perth on this 24th day of September 2023

INDEPENDENT AUDITOR'S REPORT TO MEMBERS

KPMG

Independent Auditor's Report

To the shareholders of Delta Lithium Limited (formerly Red Dirt Metals Limited)

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Delta Lithium Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group***'s financial position as at 30 June 2023 and of its financial performance for the year ended on that date.
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- The Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Acquisition of Electrostate Limited
- Valuation of exploration and evaluation assets

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS (CONT)

KPMG

Acquisition of Electrostate Limited	
Refer to Note 13 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group's acquisition of its 100% interest in Electrostate Limited ("Electrostate") during the year was a significant transaction for the Group. This is a key audit matter due to: • The size and nature of the transaction having a pervasive impact on the Group's financial statements. • The level of judgement used by the Group in determining the accounting approach required as either a business combination (in accordance with AASB 3 *Business Combinations*) or an asset acquisition. The difference in the accounting for the acquisition as a business or an asset is significant and could impact the recognition and measurement of amounts reported in the Financial Report. • The judgements made by the Group relating to the valuation of the purchase consideration to acquire the assets of Electrostate. These conditions required significant audit effort and greater involvement by senior team members.	Our procedures included: • Reading the Share Sale Agreement (SSA) related to the acquisition to understand the structure, key terms and conditions, and nature of the purchase consideration. Using this, we assessed the accounting treatment for the transaction and analysed the conclusions reached by the Group comparing to accounting interpretations, industry practice and accounting literature. • Assessing the inputs to the Group's determination of the purchase consideration including: - The acquisition date; - The fair value or shares and options issued; and - The potential impact of discounting deferred cash payments. We did this by assessing the above inputs to the provisions of the SSA, the requirements of the accounting standards, industry practice and accounting literature, as well as the available market price of shares traded. • Assessing the Group's disclosures of the quantitative and qualitative considerations in relation to the asset acquisition, by comparing these disclosures to our understanding of the acquisition and the requirements of the accounting standards.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS (CONT)

KPMG

Valuation of exploration and evaluation assets ($105.02 million)	
Refer to Note 14 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Valuation of exploration and evaluation assets (E&E) is a key audit matter due to: • The significance of the balance (being 54% of total assets). • The greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 Exploration for and Evaluation of Mineral Resources. This includes the analysis of the conditions allowing capitalisation of relevant expenditure and in particular the assessment of the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed. • In assessing the conditions allowing capitalisation of relevant expenditure, we focused on the determination of areas of interest, documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to areas of interest and the Group's intention and capacity to continue the relevant E&E activities. • In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for areas of interest where significant capitalised E&E exists. We paid particular attention to: • The Group's determination of the expectation of E&E to be recouped through successful development of areas of interest, or alternatively, by their sale. • The ability of the Group to fund the continuation of activities.	Our audit procedures included: • Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard. • Assessing the Group's determination of its areas of interest for consistency with the definition in the accounting standard. • Assessing the Group's current rights to tenure by corroborating the ownership of the relevant license to government registries and evaluating agreements in place with other parties. We also tested for compliance with relevant conditions, such as minimum expenditure requirements, on a sample of licenses. • Testing the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard. • Evaluating documents, such as minutes of board meetings and ASX announcements for consistency with the Group's stated intentions for continuing E&E activities. We corroborated this through interviews with key management personnel. • Analysing the Group's determination of recoupment through successful development and exploitation of the area by evaluating the Group's documentation of planned future/continuing activities including work programs and project and corporate budgets. • We obtained project and corporate budgets identifying areas with existing funding and any requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS (CONT)

Other Information

Other Information is financial and non-financial information in Delta Lithium Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error.
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS (CONT)

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Delta Lithium Limited for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 30 to 48 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Glenn Brooks

Partner

Perth

24 September 2023

SHAREHOLDER INFORMATION

Delta Lithium Limited Ordinary Shares fully paid are listed on the Australian Securities Exchange.

The Company's ASX code is DLI for Ordinary Shares.

SUBSTANTIAL SHAREHOLDERS

As at 12 September 2023, the Company had the following substantial shareholders;

Beneficial Holder	Holding Name	Number Held	Voting %
Waratah Capital Advisors*	Electrification and Decarbonization AIE LP	53,682,602	10.31%
Lithium Resources Operations Pty Ltd**	Lithium Resources Operations Pty Ltd Lithium Resources Investments Pty Ltd ACN 657 042 218 Pty Ltd	92,861,970	17.44%
Idemitsu Mt Ida Pty Ltd***	Idemitsu Mt Ida Pty Ltd	78,086,041	14.66%

**Based on Form 604 provided to the Company and released to the ASX on 19 June 2023*
***Based on Form 604 provided to the Company and released to the ASX on 24 August 2023*
****Based on Form 603 provided to the Company and released to the ASX on 15 June 2023. Note: The Company has a relevant interest in Idemitsu's interest in the Company (latest Form 604 released to the ASX on 12 September 2023)*

CLASS OF SHARES AND VOTING RIGHTS

At 12 September 2023 there were 7,207 holders of 532,658,668 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder 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 the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

At 12 September 2023 the number of shareholders holding less than a marketable parcel is 516.

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

BUY-BACK

There is no current on-market buy-back.

SHAREHOLDER INFORMATION (CONT'D)

UNLISTED OPTIONS AND PERFORMANCE RIGHTS AS AT 12 SEPTEMBER 2023

Securities	Number of Securities on issue	Number of Holders	Name of Holders holding more than 20%	Number Held
Options exercisable at $0.75 on or before 27 March 2024	2,666,666	2	Electrification and Decarbonization AIE LP	2,496,266
Options exercisable at $0.25 on or before 1 October 2024	6,272,530	8	Nameo Pty Ltd Mrs Amanda Jane Croser <Croser Family A/C>	1,342,233 3,183,008
Options exercisable at $0.25 on or before 18 November 2024	9,000,483	56	JP Morgan Nominees Australia Pty Ltd	2,834,650
Options exercisable at $0.77 on or before 26 July 2025	1,000,000	1	Mr Timothy Peter Manners	1,000,000
Options exercisable at $0.85 on or before 30 September 2025	5,000,000	3	Budworth Capital Pty Ltd Seascape Capital Pty Ltd	1,666,667 1,666,667
Options exercisable at $0.25 on or before 21 September 2025	3,000,000	4	Lithium Resources Investments Pty Ltd Nameo Pty Ltd Mrs Amanda Jane Croser <Croser Family A/C>	1,000,000 1,000,000 1,000,000
Performance Rights with various vesting conditions and expiry dates *	15,690,000	37	n/a	n/a

This excludes the 16,500,000 Performance Rights that lapsed on 12 September 2023 (see ASX release on 12 Sept 2023)

SHAREHOLDER INFORMATION (CONT'D)

TOP 20 SHAREHOLDERS AS AT 12 SEPTEMBER 2023

Rank	Name	Shares	% of Units
1.	A C N 657 042 218 PTY LTD	74,420,527	13.97
2.	IDEMITSU MT IDA PTY LTD	65,636,000	12.32
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	49,322,889	9.26
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,337,045	7.57
5.	LITHIUM RESOURCES INVESTMENTS PTY LTD	18,441,443	3.46
6.	CITICORP NOMINEES PTY LIMITED	17,844,868	3.35
7.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	13,256,728	2.49
8.	IDEMITSU MT IDA PTY LTD	12,450,041	2.34
9.	BNP PARIBAS NOMS PTY LTD <DRP>	10,847,269	2.04
10.	CARTER HOUSE INVESTMENTS PTY LTD	6,001,472	1.13
11.	MRS AMANDA JANE CROSER	5,980,377	1.12
12.	DEUTSCHE ROHSTOFF AG	5,328,461	1.00
13.	ELECTRIFICATION AND DECARBONIZATION AIE LP	4,168,147	0.78
14.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,850,005	0.54
15.	PICKARD CAPITAL PTY LTD	2,800,000	0.53
16.	JAYLEAF HOLDINGS PTY LTD >	2,666,667	0.50
17.	NAMEO PTY LTD	2,533,893	0.48
18.	SZABO TRADING PTY LTD	2,166,539	0.41
19.	MR PAUL RAYMOND BROWN + MRS ANGELIQUE SUSAN BROWN	2,126,664	0.40
20.	SOUTHERN CROSS CAPITAL PTY LTD	2,100,000	0.39
TOTAL TOP 20		**341,279,035**	**64.07**
BALANCE OTHER HOLDERS		**191,379,633**	**35.93**
TOTAL		**532,658,668**	**100.00**

RANGE OF ORDINARY SHARES AS AT 12 SEPTEMBER 2023

Range	Total Holders	Units	%
1 - 1,000	993	542,144	0.10
1,001 - 5,000	2,369	6,548,567	1.23
5,001 - 10,000	1,246	9,954,627	1.87
10,001 - 100,000	2,223	73,067,449	13.72
100,001 Over	376	442,545,881	83.08
Total	**7,207**	**532,658,668**	**100.00**

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