Fulcrum Lithium Ltd

ABN: 23 665 528 307

Financial Statements

For the Period Ended 30 June 2023

Fulcrum Lithium Ltd
ABN: 23 665 528 307

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For the Period Ended 30 June 2023

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FULCRUM LITHIUM LTD
Directors' Report

The directors present their report on Fulcrum Lithium Ltd for the period ended 30 June 2023.

Directors

The names of each person who has been a director during the period and to the date of this report are:

Norman Alfred Seckold	Appointed 6 February 2023
Peter James Nightingale	Appointed 6 February 2023
Anthony Sgro	Appointed 6 February 2023
Foster Vance Wilson	Appointed 6 February 2023

Directors have been in office since 6 February 2023 to the date of this report unless otherwise stated.

Principal activities

The principal activities of Fulcrum Lithium Ltd ('The Company' or Fulcrum') since its incorporation was the acquisition of Last Basin LLC ('Last Basin') incorporated in the state of Nevada USA. Last Basin is the owner of 2,276 lode mining claims which include rights to all locatable subsurface minerals of approximately 190 km2 on USA public lands in the Clayton Valley within Nevada's lithium claystone belt known as the Alkali Flats lithium project ('Alkali project').

The Alkali project is located in the heart of Nevada's lithium belt hosting the only lithium producing mine in the USA (Albemarle Corporation's Silver Peak lithium brine mine) and on trend with significant lithium projects at various stages of development.

Operating results

The loss of the Group amounted to $17,309, after providing for income tax.

Review of operations

On 6 February 2023, Fulcrum Lithium Ltd was incorporated with the issue of 5 ordinary shares with an issue price of $0.001 per share.

During the period, the Company had acquired 100% interest in Last Basin LLC which owned the Alkali exploration Lithium project in the state of Nevada in the United States of America.

On 17 March 2023, the Company issued 48,000,0000 ordinary shares for a total consideration price of $412,103 to acquire Last Basin LLC in the USA.

On 14 April 2023, the Company completed a placement of 26,000,000 ordinary shares at an issue price of $0.10 to professional and sophisticated investors raising $2,600,000 before costs.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the period.

Dividends paid or recommended

No dividends were paid or declared during the period.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Review of operations (cont'd)

Environmental issues

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

Subsequent Events after the reporting date

Subsequent to 30 June 2023, Fulcrum Nevada LLC acquired Flasher LLC in the State of Nevada in the USA. Foster Wilson is the Registered holder and beneficial owner of the Fairway project and agreed to novate all rights and interest in the Fairway project to Flasher LLC for a consideration of US$75,000 and the issue of 7,100,000 fully paid ordinary Fulcrum shares to Foster Wilson upon evidence that the rights in Fairways at registered under the name of Flasher LLC. The Fairway project comprises of 327 lode claims of approximate 27 Km2.

Last Basin LLC has pegged the Summit project in the State of Nevada which comprises of 160 lode mining claims of approximately 13 Km2. The claims have been file with the USA Bureau of Land Management (‘BLM’) and are in the process of being recorded by the County Recorder’s Office.

Other than the matters detailed above, no other matters or circumstances have arisen in the interval between the end of the reporting period 30 June 2023 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors

Norman A. Seckold (Chairman)

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney and has spent more than 40 years in the full time management of natural resource companies, both in Australia and overseas.

Mr Seckold has been the Chairman of a number of publicly listed companies including Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA, Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA, Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA, Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria, Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria, Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden, Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico and Bolnisi Gold N.L, which discovered and developed the Palmarejo and Guadalupe gold and silver mines in Mexico.

Mr Seckold is currently Chairman of ASX-listed companies Alpha HPA Limited, Nickel Industries Limited, Santana Minerals Ltd and Sky Metals Limited.

Interest in Shares 30,928,005 ordinary fully paid shares

Peter J. Nightingale (CFO and Company Secretary)

Peter Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of Chartered Accountants Australia & New Zealand. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 35 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia and the including Bolnisi Gold N.L. and Nickel Industries Limited. Mr Nightingale is currently a director of ASX listed Alpha HPA Limited and Prospech Limited.

Interest in Shares 3,000,000 ordinary fully paid shares

Anthony Sgro (Non-Executive Director)

Tony Sgro is a Chemical Engineer, graduating from University of Sydney. His studies included an emphasis on Minerals Chlorination, which focused on the application of chlorination techniques to the extractive metallurgy of various minerals including titanium, nickel, chromium and tungsten ores.

In a career spanning 45 years, Mr Sgro was deeply involved in the technical and commercial aspects of supply of specialised equipment to the major process industries including oil and gas, petrochemical, chemical and mining industries, including equipment specification, material selection, commercial and technical aspects of large tenders, contract negotiation and contract management.

Mr Sgro is currently a director of ASX listed Alpha HPA Limited.

Interest in Shares 1,000,000 ordinary fully paid shares

Foster V. Wilson (Managing Director)

Mr Wilson is a geologist with over 40 years of experience, with a focus on lithium claystone and brine exploration projects. He has held various exploration roles for Placer Dome, Echo Bay and American Bonanza Gold as well as being President of Mesa Exploration and co-founder of Nevada Copper (TSX:NCU). Mr Wilson is a director of Alpha Lithium Corp. (TSX.V:ALLI) and Atomic Minerals Corp. (TSX.V:ATOM).

Interest in Shares 14,112,000 ordinary fully paid shares

Meetings of directors

During the financial period, 3 meetings of directors were held. Attendances by each director during the period were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Norman Seckold	3	3
Peter Nightingale	3	3
Anthony Sgro	3	3
Foster Wilson	3	1

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during the reporting period or since the end of the financial year, for any person who is or has been an officer or auditor of Fulcrum Lithium Ltd.

Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or 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 any part of those proceedings.

FULCRUM LITHIUM LTD
Directors' Report

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the period ended 30 June 2023 has been received and can be found on page 5 of the financial report.

This director's report is signed in accordance with a resolution of the Board of Directors.

Signed at Sydney this 29th day of September 2023

Norman Seckold

Peter Nightingale

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

To the Directors of Fulcrum Lithium Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Fulcrum Lithium Ltd for the period 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

Adam Twemlow

Partner

Brisbane

29 September 2023

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FULCRUM LITHIUM LTD
STATEMENT OF PROFIT OR LOSS AND OTHERCOMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	2023
		$
Continuing operations		
Filing and incorporation costs		**(6,062)**
Other expenses from ordinary activities		**(20,661)**
Operating loss before financing income		**(26,723)**
Interest income		**9,414**
Interest expense		**-**
Net financing income/(expense)		**9,414**
Loss		**(17,309)**
Income tax expense	4	**-**
Loss for the period		**(17,309)**
Other comprehensive income		
Exchange differences on translation of foreign operations		**20,730**
Total comprehensive profit for the period		**3,421**
Basic and diluted loss per share (cents)	5	**(0.035) cents**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023
		$
Current assets		
Cash and cash equivalents	6	1,539,214
Other assets	7	277,751
Total current assets		1,816,965
Non-current assets		
Exploration and evaluation expenditure	**8**	1,227,295
Total non-current assets		1,227,965
Total assets		3,044,260
Current liabilities		
Trade and other payables	9	28,736
Total current liabilities		28,736
Total liabilities		28,736
Net assets		3,015,524
Equity		
Issued capital	10	3,012,103
Reserves	11	20,730
Accumulated loss		(17,309)
Total equity		3,015,524

Statement of Financial Position should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023

Attributable to equity holders of the Company	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 6 February 2023		**-**	**-**	**-**	**-**
Total comprehensive income for the year			**20,730**		**20,730**
Loss for the year		**-**	**-**	**(17,309)**	**(17,309)**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive profit/(loss) for the period		**-**	**20,730**	**(17,309)**	**3,421**
Transactions with owners, recorded directly in equity					
Contribution by and distribution to owners					
Ordinary shares issued		**3,012,103**	**-**	**-**	**3,012,103**
Transaction costs on issue of shares and options		**-**	**-**	**-**	**-**
Balance at 30 June 2023	10,11	**3,012,103**	**20,730**	**(17,309)**	**3,015,524**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	2023
		$
Cash flows from operating activities		
Cash payments in the course of operations		**(263,342)**
Interest received		**9,414**
Net cash used in operating activities	13	**(253,928)**
Cash flows from investing activities		
Payments for exploration and development expenditure		(806,858)
Net cash used in investing activities		**(806,858)**
Cash flows from financing activities		
Proceeds from share issues		**2,600,000**
Net cash from/(used in) financing activities		**2,600,000**
Net increase/(decrease) in cash held		**1,539,214**
Cash and cash equivalents at 6 February		**-**
Cash and cash equivalents at 30 June	6	**1,539,214**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

FULCRUM LITHIUM LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

The financial report covers Fulcrum Lithium Ltd as group. Fulcrum Lithium Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Fulcrum Lithium Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 29 September 2023.

The Fulcrum Lithium Ltd was incorporated on 6 February 2023 and accordingly, this is the first financial report presented.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical cost basis.

2 Summary of Significant Accounting Policies

(a) Income tax

Income tax comprises of current tax and deferred tax and is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2 Summary of Significant Accounting Policies (cont'd)

(c) 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 normal operating cycle; 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 normal operating cycle; 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.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Graoup's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

2 Summary of Significant Accounting Policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

(f) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

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.

2 Summary of Significant Accounting Policies (cont'd)

(g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(h) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets that have suffered an impairment loss.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(j) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

Group management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - capitalisation of exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $1,227,295.

4 Income Tax Expense

	2023 $
Current tax expense	
Current year	**1,568**
Tax losses not recognised	**(1,568)**
	-
Deferred tax expense	
Current year	**(5,000)**
De-recognition of temporary differences	**5,000**
	-
Numerical reconciliation of income tax expense to prima facie tac payable	
Loss before tax	**(17,309)**
Prima facie income tax benefit at the Australian tax rate of 25%	**(4,327)**
Increase in income tax expense due to:	
Non-deductible expenses	**896**
Effect of DTA for tax losses not brought to account	**(1,568)**
Effect of deferred tax assets not brought to account	**4,999**
	-
Deferred tax assets have not been recognised in respect of the following items	
Deductible temporary differences (net)	**5,000**
Tax losses	**(1,568)**
	3,432

5 Loss per Share

The calculation of basic and diluted loss per share at 30 June 2023 was based on the loss attributable to ordinary shareholders of $17,309 and a weighted average number of ordinary shares outstanding during the period ended 30 June 2023 of 48,902,783, calculated as follows:

	2023 $
Net loss for the year	**17,309**

	2023 Number
Weighted average number of ordinary shares (basic and diluted)	
Issued ordinary shares at the beginning	**-**
Effect of shares issue (note	**48,902,783**
Weighted average number of ordinary shares at 30 June	**48,902,783**

As the Group is loss making, none of the potentially dilutive securities are currently dilutive.

6 Cash and Cash Equivalent

	2023 $
Cash at bank	**1,539,214**

7 Other Assets

Withholding tax on deposits recoverable	**4,423**
Prepayments	**273,266**
GST Receivable	**62**
	277,751

8 Exploration and Evaluation Assets

	2023 $
Alkali project	**1,227,295**
Carrying amount at the beginning of the period	**-**
Additions	**1,277,751**
Foreign currency translation movement	**-**
Balance carried forward	**1,277,751**

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

9 Trade and Other Payables

	2023 $
Trade creditors	**8,736**
Provision audit fees	**20,000**
	28,736

10 Issued Capital

Fully paid ordinary shares	Nº	$
Balance at the beginning of the period	**-**	**-**
Movement in ordinary shares		
Issued ordinary shares 6 February 2023	**5**	**-**
Issued ordinary shares 17 March 2023	**48,000,000**	**412,103**
Issued ordinary shares 14 April 2023	**26,000,000**	**2,600,000**
	74,000,005	**3,012,103**

On 6 February 2023, the Company was incorporated and 5 ordinary fully paid shares were issued for $0.001 per share

On 17 March 2023, the Company issued 48,000,000 for $412,103 as consideration for the acquisition of Lst Basin LLC in the USA.

In April 2023, the Company issued 26,000,000 ordinary shares for an issue price of 10 cents raising $2,600,000 under a Share Placement Offer.

Terms and conditions – Shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

11 Reserves

	2023 $
Foreing currency Translation reserve	**20,730**
Movements during the period	
Balance at the beginning of the period	**-**
Currency Translation differences	**20,730**
Balance at end of period	**20,730**

12 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal financial instruments used by the Group are summarised as follows:

	2023 $
Financial Assets	
Held at amortised cost	
Cash and cash equivalents	**1,539,214**
Financial Liabilities	
Financial Liabilities at amortised cost	**8,736**

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Fulcrum Lithium Ltd financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Group's activities.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Graoup's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Graoup's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits held.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks and governmental bodies with high quality external credit ratings.

13 Statement of Cash Flows

	2023 $
Reconciliation of cash flows from operating activities	
Loss for the period	**(17,309)**
Adjustments for:	
Provisions for audit fees	**20,000**
Changes in assets and liabilities	
Decrease / (Increase) in other assets	**(277,751)**
(Decrease) / Increase in trade and other payables	**21,132**
Net cash used in operating activities	**(253,928)**

14 Auditors' Remuneration

	2023 $
Remuneration of the auditor, KPMG for Auditing or reviewing the financial statements	**20,000**

15 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2023.

16 Key Management Personnel Remuneration

No remuneration was paid to key management personnel during the period.

17 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel who comprise the Board of Directors.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

18 Subsequent Events after the reporting date

Subsequent to 30 June 2023, Fulcrum Nevada LLC acquired Flasher LLC in the State of Nevada in the USA. Foster Wilson is the Registered holder and beneficial owner of the Fairway project and agreed to novate all rights and interest in the Fairway project to Flasher LLC for a consideration of US$75,000 and the issue of 7,100,000 fully paid ordinary Fulcrum shares to Foster Wilson upon evidence that the rights in Fairways at registered under the name of Flasher LLC. The Fairway project comprises of 327 lode claims of approximately 27 Km2.

Last Basin LLC has pegged the Summit project in the State of Nevada which comprises of 160 lode mining claims of approximately 13 Km2. The claims have been filed with the USA Bureau of Land Management ('BLM') and are in the process of being recorded by the County Recorder's Office.

Other than the matters detailed above, no other matters or circumstances have arisen in the interval between the end of the reporting period 30 June 2023, and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Company in future financial years.

19 Controlled Entities

Fulcrum Lithium Ltd is an Australian incorporated public company.

For the period ended 30 June 2023 the Company wholly owned the following entities:

- Fulcrum Nevada LLC
- Last Basin LLC

20 Segment Reporting

The Group's chief operating decision maker has considered the requirements of AASB 8, Operating segments, and has concluded that, during the period ended 30 June 2023, the Group operated in the mineral within the geographical segment of USA.

21 Statutory Information

The registered office of business of the company is:
Level 2, 66 Hunter Street
Sydney NSW 2000

FULCRUM LITHIUM LTD
DIRECTORS' DECLARATION

1. In the opinion of the directors of Fulcrum Lithium Ltd:

   a) the financial statements and notes for the period ended 30 June 2023 set out on pages 6 to 18 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the period from 6 February 2023 to 30 June 2023; and

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

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

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2023.

3. The directors draw attention to note 2(a) of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This report has been signed in accordance with a resolution of the directors and is dated 29 September 2023:

Norman Seckold

Peter Nightingale

INDEPENDENT AUDITOR'S REPORT