FL1 COMPANY UPDATE

HIGHLIGHTS

- **Licences remain pending processing**
- **Conversion of debt to equity finalised**
- **New funding arrangement agreed**
- **Finalisation of outstanding half year review pending**

First Lithium Limited ("FL1" or the "Company") is pleased to confirm that the government of Mali has provided confirmation that the previous lodgement of formal licence renewal documentation has now progressed to processing and cabinet approval for FL1's Gouna and Faraba licences. Timing of the renewals is dependent on processing times within the department, however the Company is buoyed by the confirmation of progress.

Separately, further to Monday's General Meeting of shareholders[1], both resolutions were carried converting balance sheet debt to equity in the Company freeing up the balance sheet to provide new funding to allow the Company to maintain sufficient working capital. To this end, the Company can also announce it has finalised a new strategic loan of up to a total of $1,200,000 in funding (before costs) via Loan Agreement with sophisticated and professional investors, including existing substantial shareholders of the Company. The process has been managed by CPS Capital as the Company's Corporate Advisor. The loan is not secured against any of the Company's assets.

Given the debt / equity conversion and access to new capital, the Company now anticipate completion of the outstanding half year review[2], leading to commencing the process to reinstatement of trading on the ASX.

FL1 Managing Director Venkatesh Padala said "Progress in Mali is a definite confidence booster and a significant positive step towards the licences being issued. Further, new funding and extinguishing existing debt will allow the Company's auditors to finalise the outstanding half yearly accounts and allow the Company to work towards being readmitted to trading on the ASX. Next steps, licence renewals and then release of the MRE for the Project".

Loan Agreement Terms

The Company has received signed loan agreements from sophisticated and professional investors for a loan up to $1,200,000 in funding (before costs) to be made available in two tranches each of $600,000. The Loan Agreement terms are summarised below:

- Advance: up to $1,200,000 (before costs) will be made available as follows:
  - $600,000 until 30 July 2026;
  - $600,000 18 September 2026.
- Repayment Date: Repayment of outstanding debt and accrued interest to be repaid by allotment of shares within 60 days of FL1's reinstatement to trading on the ASX, and subject to the approval of shareholders on the said allotment of those shares.
- Interest: interest accrues on amounts owing at 10% per annum.
- Conversion: a conversion price at a 25% discount to funding and accrue interest of 10% per annum (calculated and accrued monthly, payable in shares on the same terms as the Loan). 1 free attaching option will be issued for every 2 shares converted. The options will have an exercise price of $0.30 per share and an expiry of 30/06/2029 ("**Loan Options**"). The attaching Loan Options will be issued subject to the Loan being converted and repaid by FL1 in shares. The Loan is subject to a separate Loan agreement. Tranche 1 of the Loan will be conducted upon execution of this mandate, with tranche 2 being conducted prior to relisting upon FL1 receiving official notification of approval to re-commence trading.
- Shareholder Approval: the issue of any Loan Shares and Loan Options will be subject to the Company obtaining any required Shareholder approvals under the Corporations Act 2001 (Cth) or ASX Listing Rules prior to the issue.
- Loan Terms: The convertible notes are on market standard terms and do not contain one or more of the features noted in section 5.9 of Guidance Note 21.

The Company has engaged CPS Capital Group Pty Ltd (CPS Capital) to act as lead manager to facilitate the Loan. Under CPS Capital's mandate, CPS Capital will receive fees of 6% of funds raised under the Loan. CPS Capital will also receive 1,500,000 options (exercisable at $0.30 and expiring 30 June 2029) (Lead Manager Options) and 3,000,000 Options, subject to conversion of tranche 1 of the Loan amount, (Subscriber Options) at an issue price of $0.00001 per Option (Broker Options).

Any Loan Shares and Loan Options issued on conversion of the Loan will be issued subject to the Company obtaining any required Shareholder approvals under the Corporations Act and ASX Listing Rules (including ASX Listing Rules 7.1 or 10.11, where applicable).

The Company will also seek Shareholder approval under ASX Listing Rules 7.1 for the issue of the Broker Options.

Use of funds

The funds raised from the Loan Note will be used primarily to finalise the license renewal process and advance the Maiden Resource Estimate (MRE) for the Project as well as general working capital.

Ends-

The Board of Directors of First Lithium Ltd authorised this announcement to be given to the ASX.

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ABOUT FIRST LITHIUM

First Lithium (ASX code: FL1) is at the forefront of lithium exploration and sustainable development, focusing on pioneering projects like Blakala and Faraba in Mali. Our management team has significant in-country experience and specialist advisors with extensive lithium exploration and government relations expertise.

Our commitment goes beyond the pursuit of lithium riches; it's about powering tomorrow responsibly. We recognise the global demand for lithium and are dedicated to positively impacting local communities while ensuring environmentally sensitive practices.

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