GLOBAL LITHIUM RESOURCES LIMITED

ABN 58 626 093 150

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2021

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CORPORATE DIRECTORY

Directors

Warrick Hazeldine
Non-executive Chair

Jamie Wright
Managing Director

Dianmin Chen
Non-executive Director

Company Secretary

Kevin Hart

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Mt Pleasant WA 6153
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Principal Place of Business

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Perth WA 6000
AUSTRALIA
Telephone: +61 8 6103 7488

Auditors

PKF Perth
Level 4, 35 Havelock Street
Perth WA 6005
AUSTRALIA

Share Registry

Computershare Investor Services
Level 11, 172 St Georges Terrace
Perth WA 6000
AUSTRALIA
Telephone: +61 8 9323 2000

Securities Exchange Listing

Global Lithium Resources Limited - shares are listed on the Australian Securities Exchange

(ASX Code: GL1)

Website and e-mail address

W: www.globallithium.com.au
E: info@globallithium.com.au

DIRECTORS REPORT

The Directors present their report on Global Lithium Resources Limited (the Company) and the entities it controlled (the Group) at the end of and during the year ended 30 June 2021.

Directors
The names and details of the Directors of Global Lithium Resources Limited at any time from 1 July 2020 up to the date of this report are:

Warrick Hazeldine, Non-Executive Chair (appointed 1 February 2021)
Mr Hazeldine has more than 20 years of capital markets experience working with a range of ASX-listed companies on investor relations activities to attract capital and grow shareholder value. Focusing on IPOs, M&A and secondary capital raisings, he has worked predominately in the natural resources sector and has been at the forefront of a number of lithium, hydrogen and battery metal transactions in recent years.

Mr Hazeldine is a founding Director and current Chair of investor and corporate communications firm Cannings Purple. A communications strategist and Board-level advisor, he has an established network across the global resources and generalist funds and a track record in assisting companies build and manage their institutional and retail investor bases.

An Australian Institute of Company Directors graduate, Mr Hazeldine holds a Bachelor of Commerce from Curtin University.

Jamie Wright, Managing Director (appointed 1 February 2021)
Mr Wright is an accomplished executive with over 20 years' experience across a variety of management and advisory roles. Most recently, Mr Wright served as Managing Director of RJW Capital where he assisted clients in the industrials and resources sectors by providing strategic and corporate advice. Prior to this Mr Wright held C-suite and General Manager roles with ASX listed mining companies.

Mr Wright holds a Bachelor of Engineering (Mining), Bachelor of Applied Science (Geology) and a Graduate Diploma in Applied Finance and Investment

Dr Dianmin Chen, Non-Executive Director (appointed 26 June 2018)
Dr Chen is a mining engineer with more than 35 years' experience in metal mining. He has had a wide range of roles in mining technical, production and management in Australia, China and Canada. Dr Chen held executive roles with Sino Gold (General Manager), Citic Pacific Mining (Chief Operating Officer), CaNickel (Executive Director and CEO) and Norton Goldfields (Managing Director and CEO) and served as a non-executive Director for a number of publicly listed companies in Australia and Canada including Kalgoorlie Mining Corporation, Bullabulling Gold Mines, Sherwin Iron, Norton Goldfields, NKWE Platinum and CuDeco Limited.

Dr Chen holds a BE in Mining and PhD in Mining Geomechanics.

Edward Rigg, Non-Executive Chairman (resigned 1 February 2021)
Mr Rigg has extensive experience in the execution of M&A and capital raisings for both public and private companies and is an active originator of domestic and cross border transactions for small cap through to large multinational entities and SOE's predominantly in the metals and mining and energy sectors. He is a co-founder of Argonaut, an integrated investment house with offices in Perth and Hong Kong. Prior to establishing Argonaut, Mr Rigg was an Executive Director, Investment Banking of CIBC World Markets, a global investment bank.

Mingyan Wang, Non-Executive Director (resigned 1 February 2021)
Dr Wang has over 20 years' experience in the mining and resources industry specialising in identifying projects, exploration, management and business development. Dr Wang is Managing Director of Anova Metals Limited and a former Managing Director of Abra Mining Ltd – both ASX listed entities. He has also held senior management positions in other large mining companies. Dr Wang has extensive experience in the mining and resources sector in Australia, China and Peru.

Kevin Hart, Company Secretary (appointed 1 February 2021)
Mr Hart has over 30 years' experience in accounting and management and administration of public listed entities in the mining, mining services and exploration sector. Kevin is a partner at Endeavour Corporate, an advisory firm that specialises in the provision of Company secretarial and accounting services to ASX listed entities.

Mr Hart holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants.

Directors Interests

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options	Directors' Interests in Performance Rights
Warrick Hazeldine	125,000	-	1,000,000
Jamie Wright	125,000	-	3,000,000
Dianmin Chen	9,116,667	-	1,000,000

Directors' Meetings
The number of Directors' meetings held during the reporting period and the number of meetings attended by each Director is as follows:

BOARD MEETINGS		
Director	Meetings entitled to attend	Meetings attended
Warrick Hazeldine	5	5
Jamie Wright	5	5
Dianmin Chen	8	8
Edward Rigg	4	4
Mingyan Wang	4	4

Principal activities
During the period the principal continuing activity was to explore and evaluate lithium resources on exploration tenements located within the Consolidated Group's 100% owned Marble Bar Lithium Project (MBLP). The MBLP is located 150km southeast of Port Hedland and 15km northwest of Marble Bar in Western Australia.

Results of Operations
The consolidated net loss after income tax for the financial year was $1,224,978 (2020: $6,683).

Dividends
No dividends were paid during the period.

Review of operations

<u>Corporate</u>

Initial Public Offer (IPO) and ASX listing
Global Lithium commenced trading on the Australian Securities Exchange on 6 May 2021 following completion of a heavily oversubscribed IPO which raised $10 million (before costs) through the issue of 50,000,000 shares at an issue price of $0.20 per share.

During the financial year the Board of Directors was restructured as part of the IPO, with the appointment of Non-Executive Chair Warrick Hazeldine and Managing Director Jamie Wright, Dianmin Chen remains as Non-Executive Director. All members of the Board have significant mineral exploration, project development and corporate expertise. Mr Edward Rigg and Mr Mingyan Wang resigned as Non-executive Directors.

<u>Exploration</u>

Global Lithium's focus for exploration activities is the MBLP where, during the year, a JORC Inferred Mineral Resource of 10.5Mt @ 1% Li_2O was declared at the Archer Deposit, along with numerous targets for follow up, demonstrating the MBLP as a potentially significant lithium project.

Between May and June 2021, the Company completed an exploration program comprising 5,454m of reverse circulation (RC) drilling. The objectives of this program were to obtain a better understanding of the lithium mineralisation at the Archer Deposit, undertake step-out RC drilling where the Archer Deposit may extend along strike and at depth, test target areas in the Brockman Zone, collect diamond core for metallurgical and geotechnical test work and compete detailed geological mapping and desktop studies over the area.

In June 2021, the Company commenced a short diamond drilling program to collect core for preliminary metallurgical and mineralogical studies.

In July 2021, assay results from the RC drilling highlighted multiple drillholes intersecting lithium mineralisation within and along strike from the existing Archer deposit, with significant lithium anomalism detected in isolated scout holes.

Significant changes in the state of affairs

The Company converted from a private to public Company on the 28th January 2021. The Company was admitted to the Official List of ASX Limited on 4 May 2021 and official quotation of Global Lithium Resources Limited ordinary fully paid shares commenced on 6 May 2021. The Company raised $10,000,000 pursuant to the offer under its prospectus dated 22 March 2021 by the issue of 50,000,000 fully paid ordinary shares (issue price of $0.20 per share).

Other than as stated above, there were no significant changes in the state of affairs of the Company during the year ended 30 June 2021.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group to date, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The acquisition of Pilbara prospective lithium tenements E45/4724 and E45/4669 was completed in July 2021. The tenements were the subject of an agreement to acquire which was entered into with FE Limited on the 14 June 2021. The agreement was for the acquisition of 100% interest in the tenements including all lithium rights. Consideration of $350,000 was payable on completion.

No other matter or circumstance has arisen since 30 June 2021 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 and expected results of operations

The Directors expect that the Group will continue to carry on exploration and evaluation of the tenements.

Environmental regulation

The consolidated group holds interests in a number of exploration tenements. The authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement. The Group is subject to environmental regulation under Australian Commonwealth and/or State law.

Shares under option

As of the date of this report 4,780,614 unissued ordinary shares of the Company are under option as follows:

Number of options granted	Exercise price	Expiry date
4,780,614	$0.30	4 May 2025

No options on issue are listed. All options on issue at the date of this report have vested. The options are subject to a restriction period of 24 months from the date of official quotation of the Company's securities.

During the financial year 4,780,614 unlisted broker options were granted for broker services provided to the Company, no options were cancelled or expired.

Since the end of the financial year to the date of this report no options have been issued by the Company, no options have been cancelled or expired.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2021 or since the end of the financial year to the date of this report.

Rights over ordinary shares
As of the date of this report 5,000,000 Performance Rights were on issue to Directors. The Performance Rights were issued under three tranches. Two thirds of the rights have non-market based vesting criteria whilst the remaining third will vest on the meeting of a market condition as follows:

Tranche	Number granted	Vesting criteria	Last vesting date
1	1,666,667	Achieving 15-25Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2022	31 December 2022
2	1,666,667	Achieving 30-50Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2023	31 December 2023
3	1,666,666	Achieving 30 Day VWAP share price doubled from original IPO listing price by 31 December 2023	31 December 2023

Shares issued on the exercise of rights
There were no ordinary shares of the Company issued on the exercise of performance rights during the year ended 30 June 2021 or since the end of the financial year to the date of this report.

Issued Capital
Number of shares on issue:

	2021	2020
Ordinary fully paid shares	131,808,339	76,233,339

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

Principles used to determine the nature and amount of remuneration
The objective of the Group'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
- transparency

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

Total remuneration for non-executive Directors shall not exceed $250,000 as disclosed in the Company Constitution and adopted by special resolution of the members on the 28th January 2021.

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
- other remuneration such as superannuation and long service leave

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

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed annually by the Board of Directors to ensure market competitiveness.

The company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Details of remuneration

DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION						
	Short-term benefits	Post-employment benefits	Share-based payments		Total	At risk
	Salary and fees	Superannuation	Equity-settled	Performance rights		
2021	$	$	$	$	$	%
Non-Executive Directors:						
Warrick Hazeldine (Chairman) [1]	49,853	-	-	3,506	53,359	7%
Dianmin Chen	41,745	-	125,000	3,506	170,251	75%
Mingyan Wang [2]	-	-	125,000	-	125,000	100%
Edward Rigg [2]	-	-	125,000	-	125,000	100%
Executive Directors:						
Jamie Wright (Managing Director) [1]	100,000	9,500	-	10,519	120,019	9%
TOTAL	191,598	9,500	375,000	17,531	593,629	66%

[1] Appointed 1 February 2021
[2] Resigned 1 February 2021

At 30 June 2021 Directors' fees payable (included in the above table) were as follows:

Warrick Hazeldine	$8,296
Dianmin Chen	$7,528

No executive or non-executive remuneration was paid for the year ended 30 June 2020.

DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION						
	Short-term benefits	Post-employment benefits	Share-based payments		Total	At risk
	Salary and fees	Superannuation	Equity-settled	Performance rights		
2020	$	$	$	$	$	%
Non-Executive Directors:						
Edward Rigg	-	-	-	-	-	-
Dianmin Chen	-	-	-	-	-	-
Mingyan Wang	-	-	-	-	-	-

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:	Jamie Wright
Title:	Managing Director
Agreement commenced:	1 February 2021
Term of agreement:	5 years
Details:	Base salary for the year ended 30 June 2021 of $240,000 plus superannuation, to be reviewed annually. Termination notice is 6 months if terminated by Company or 3 months if terminated by executive. Cash bonus of up to 25% of base salary payable at absolute discretion of the Board.

Name:	Warrick Hazeldine
Title:	Non-Executive Chairman
Agreement commenced:	1 February 2021
Term of agreement:	Ongoing
Details:	Base salary for the year ended 30 June 2021 of $65,700 plus $1,642 per day if work requirement exceeds estimated 3 days per month. $66,000 per annum from 1 July 2021 plus $1,650 per day if work requirement exceeds estimated 3 days per month. The agreement will terminate immediately upon resignation as Director, and in other circumstances 1 month notice from either party is required.

Name:	Dianmin Chen
Title:	Non-Executive Director
Agreement commenced:	1 February 2021
Term of agreement:	Ongoing
Details:	Base salary for the year ended 30 June 2021 of $46,000 plus $1,642 per day if work requirement exceeds estimated 3 days per month. $46,200 per annum from 1 July 2021 plus $1,650 per day if work requirement exceeds estimated 3 days per month. The agreement will terminate immediately upon resignation as Director, and in other circumstances 1 month notice from either party is required.

Share-based compensation

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Date	Shares	Issue price	$
Edward Rigg	30-Sep-20	1,250,000	$0.10	125,000
Mingyan Wang	30-Sep-20	1,250,000	$0.10	125,000
Dianmin Chen	30-Sep-20	1,250,000	$0.10	125,000

An expense of $375,000 has been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of shares granted as remuneration to key management personnel during the year.

Issue of performance rights

Performance rights refer to the performance right to convert one right to one ordinary share in the Company, under the terms of the performance rights. Details of performance rights convertible to ordinary shares in the Company that were granted as remuneration during the year are set out below:

Performance rights	Tranche	Number Granted	Grant Date	Fair value at Grant Date		Vesting Criteria	Last vesting date
Granted				$/right	Full value ($)		
Jamie Wright	1	1,000,000	28-Apr-21	$0.20	$200,000	Achieving 15-25Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2022 or earlier.	31-Dec-22
Jamie Wright	2	1,000,000	28-Apr-21	$0.20	$200,000	Achieving 30-50Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2023 or earlier.	31-Dec-23
Jamie Wright	3	1,000,000	28-Apr-21	$0.1683	$168,300	Achieving 30 Day VWAP share price doubled from original IPO listing price by 31 December 2023 or earlier.	31-Dec-23
Warrick Hazeldine	1	333,333	28-Apr-21	$0.20	$66,667	Achieving 15-25Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2022 or earlier.	31-Dec-22
Warrick Hazeldine	2	333,333	28-Apr-21	$0.20	$66,667	Achieving 30-50Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2023 or earlier.	31-Dec-23
Warrick Hazeldine	3	333,334	28-Apr-21	$0.1683	$56,100	Achieving 30 Day VWAP share price doubled from original IPO listing price by 31 December 2023 or earlier.	31-Dec-23
Dianmin Chen	1	333,333	28-Apr-21	$0.20	$66,667	Achieving 15-25Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2022 or earlier.	31-Dec-22

Performance rights	Tranche	Number Granted	Grant Date	Fair value at Grant Date		Vesting Criteria	Last vesting date
Dianmin Chen	2	333,333	28-Apr-21	$0.20	$66,667	Achieving 30-50Mt@>=1.0% Li_2O JORC Compliant resource by 31 December 2023 or earlier.	31-Dec-23
Dianmin Chen	3	333,334	28-Apr-21	$0.1683	$56,100	Achieving 30 Day VWAP share price doubled from original IPO listing price by 31 December 2023 or earlier.	31-Dec-23

The performance rights have been independently valued. The Hoadley Trading & Investment Tools ESO2 valuation model has been used to determine the value of the tranche 1 and 2 rights; the vesting conditions attached to these rights have not been reflected in the value as they do not meet the definition of market conditions. The Hoadley Barrier1 valuation model has been used to determine the value of the Tranche 3 rights taking into consideration vesting conditions as they meet the definition of market conditions.

The table below summarises the variables used in determining the values of performance rights granted as remuneration to key management personnel:

Assumptions	Tranche 1	Tranche 2	Tranche 3
Spot price	$0.20	$0.20	$0.20
Exercise price	Nil	Nil	Nil
Vesting date	N/A	N/A	N/A
Expiry date	31 Dec 2022	31 Dec 2023	31 Dec 2023
Expected future volatility	100%	100%	100%
Risk free rate	0.09%	0.10%	0.10%
Dividend yield	Nil	Nil	Nil
Barrier price	Nil	Nil	$0.40

The fair value of rights issued as remuneration is allocated to the relevant vesting period of the rights. An expense of $17,531 has been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of rights granted as remuneration to key management personnel during the year.

Additional information and disclosures

Group Performance
In considering the Consolidated Group's performance, the Board provides the following information for the current financial year and previous financial years:

	2021 ($)	2020 ($)
Profit/(loss) for the year attributable to shareholders	(1,224,978)	(6,683)
Basic earnings per share for the year ended 30 June	(0.01)	(0.0001)

Directors Shareholding
The number of ordinary shares of Global Lithium Resources Limited held directly, indirectly or beneficially by each Director including their personally related entities as at reporting date:

	Opening balance 1 July 2020	Received as remuneration during the year	Other movements during the year	Closing balance 30 June 2021
Warrick Hazeldine [1]	-		125,000	125,000
Dianmin Chen	7,866,667	1,250,000		9,116,667
Jamie Wright [1]	-		125,000	125,000
Edward Rigg [2]	4,933,334	1,250,000	(6,183,334)[2]	-
Mingyan Wang [2]	3,333,334	1,250,000	(4,583,334)[2]	-
TOTAL	**16,133,335**	**3,750,000**	**(10,516,668)**	**9,366,667**

[1] Appointed 1 February 2021
[2] Resigned 1 February 2021

***Additional disclosures relating to key management personnel and their related parties*:**

Issue of options
During the year 4,780,614 unlisted broker options were issued as part of fees paid for broker services provided for the public offer. Of these, 4,493,114 were issued to Argonaut Investments Pty Ltd, an entity of which Edward Rigg (Non-executive director resigned 1 February 2021) is a Director. These options vested immediately and are restricted for 24 months from the date of official quotation of the Company's securities. The options are exercisable at $0.30 and have an expiry date of 4 May 2025.

Other transactions
During the year payments for Lead manager and financial advisory fees from Argonaut Investments Pty Ltd (an entity of which Edward Rigg (Non-executive Director, resigned 1 February 2021) is a Director) of $650,000 were made. All transactions were made on normal commercial terms and conditions and at market rates.

END OF AUDITED REMUNERATION REPORT

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year ended 30 June 2021, the Group paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts for current Directors and Officers. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract

Indemnity and insurance of auditor
The Group 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.

Non-audit services
During the reporting period PKF performed certain other services in addition to its statutory duties.

The Board has considered the non-audit services provided during the reporting period by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

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 Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Jamie Wright
Managing Director

24 September 2021
Perth WA

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF GLOBAL LITHIUM RESOURCES LIMITED

In relation to our audit of the financial report of Global Lithium Resources Limited for the year ended 30 June 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

24 September 2021
WEST PERTH,
WESTERN AUSTRALIA

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	**30 June 2021** **$**	30 June 2020 $
Interest income		**377**	9,719
Total income		**377**	9,719
Administration expenses		**(140,278)**	(9,942)
Employee benefit expenses	3	**(257,614)**	-
Share based payments expenses	4	**(534,979)**	-
Other expenses		**(292,484)**	(6,460)
Total expenses	5	**(1,225,355)**	(16,402)
Loss before income tax		**(1,224,978)**	(6,683)
Income tax	6	**-**	-
Loss for the year		**(1,224,978)**	(6,683)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(1,224,978)**	(6,683)
		$	$
Basic loss per share	7	**(0.01)**	(0.0001)
Diluted loss per share	7	**(0.01)**	(0.0001)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	**30 June 2021 $**	30 June 2020 $
Current assets			
Cash and cash equivalents	8	**3,627,223**	744,412
Other receivables	9	**5,142,334**	130,186
Other current assets	10	**37,933**	-
Total current assets		**8,807,490**	874,598
Non-current assets			
Exploration and evaluation	11	**4,564,073**	3,198,802
Plant and equipment	12	**8,498**	-
Other assets		**1,376**	-
Total non-current assets		**4,573,947**	3,198,802
TOTAL ASSETS		**13,381,437**	4,073,400
Current liabilities			
Trade and other payables	13	**739,832**	24,152
Provisions	14	**7,692**	-
Total current liabilities		**747,524**	24,152
TOTAL LIABILITIES		**747,524**	24,152
NET ASSETS		**12,633,913**	4,049,248
Equity			
Issued capital	15	**13,379,801**	4,065,750
Reserves	16	**495,592**	-
Accumulated losses		**(1,241,480)**	(16,502)
TOTAL EQUITY		**12,633,913**	4,049,248

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital $	Options Reserve	Retained Earnings $	Total $
Balance at 30 June 2019	2,287,000	-	(9,819)	2,277,181
Loss for the Period	-	-	(6,683)	(6,683)
Shares Issued During the Period	1,778,750	-	-	1,778,750
Balance at 30 June 2020	**4,065,750**	**-**	**(16,502)**	**4,049,248**
Loss for the Period	-		(1,224,978)	(1,224,978)
Shares Issued During the Period	10,597,500	-	-	10,597,500
Costs of share issue	(1,283,449)	-	-	(1,283,449)
Performance rights and options issued to officers and consultants during the period	-	495,592	-	495,592
Balance at 30 June 2021	**13,379,801**	**495,592**	**(1,241,480)**	**12,633,913**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	**30 June 2021 $**	30 June 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		**(628,763)**	(16,402)
Payment for exploration and evaluation		**(611,176)**	(2,795,914)
Interest received		**377**	9,719
Net cash used in operating activities	17	**(1,239,562)**	(2,802,597)
Cash flows from investing activities			
Payment for term deposit		**(5,010,000)**	-
Payment for plant and equipment		**(9,436)**	-
Net cash used in investing activities		**(5,019,436)**	-
Cash flows from financing activities			
Proceeds from the issue of shares		**10,000,000**	1,778,750
Payments of share issue costs		**(858,191)**	-
Net cash generated by financing activities		**9,141,809**	1,778,750
Net increase/decrease in cash and cash equivalents		**2,882,811**	(1,023,847)
Cash and cash equivalents at the beginning of the financial yar		**744,412**	1,768,259
Cash and cash equivalents at the end of the financial year	8	**3,627,223**	744,412

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Significant accounting policies

Global Lithium Resources Limited and its controlled entities (the 'Group') is domiciled and incorporated in Australia. The consolidated financial report of the consolidated entity for the period ended 30 June 2021 comprises the Company and its subsidiaries (the "Çonsolidated Group'). The consolidated group is involved in resource exploration and development in Western Australia.

The financial report was authorized for issue by the Directors on 24 September 2021.

Basis of preparation
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.

a) **Statement of Compliance**
The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards (IFRS).

Global Lithium Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

b) **Basis of consolidation**
The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group Companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group Companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

c) **Going concern**
The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.
The Consolidated Entity incurred a loss after tax of $1,224,978 for the year ended 30 June 2021 (2020: loss $6,683). The net cash outflows from operations and investing activities were $1,239,562 and $5,019,436 respectively. As at 30 June 2021 the Consolidated Entity's current assets exceeded current liabilities by $8,059,966 (30 June 2020: surplus of $850,446).

d) **Basis of measurement**
The financial report is prepared on the historical costs basis and on an accrual basis.

e) **Functional and presentation currency**
These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company and its subsidiaries.

f) **Critical accounting estimates and judgements**
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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. 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.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Share-based payments
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 of options is determined by using Hoadley Trading & Investment Tools ESO2 valuation model taking into account the terms and conditions upon which the instruments were granted, The Hoadley Trading & Investment Tools ESO2 valuation model and the Hoadley Barrier1 valuation model were used to value the performance rights. 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.

Exploration and evaluation expenditure
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 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.

New and revised standards that are effective for these financial statements
The following details new standards that are mandatorily applicable for the Group for the first time for the year ended 30 June 2021:

<u>Conceptual Framework for Financial Reporting (Conceptual Framework)</u>
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. The application of the Conceptual Framework did not have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
Clarifies the definition of material and its application across AASB Standards and other pronouncements. The principal amendments are to AASB 101 Presentation of Financial Statements. The amendment is applicable to annual reporting periods beginning on or after 1 January 2020. At this time the application of the amendment is not expected to have a material impact on the Company's financial statements.

g) 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.

h) Foreign currency translation
The financial statements are presented in Australian dollars, which is Global Lithium Resources Limited's functional and presentation currency.

i) Revenue recognition
The consolidated entity recognises revenue as follows:

Interest
Interest revenue 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
Other revenue is recognised when it is received or when the right to receive payment is established.

j) Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

k) 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 Group'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 Group'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.

l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, 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. Highly liquid investments with original maturities greater than three months will be classified as other receivables. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

m) 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 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.

n) Property, plant and equipment

Plant and equipment is 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:

Plant and equipment
3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

o) Impairment 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.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Group 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

q) 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 share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options or rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Hoadley Trading & Investment Tools ESO2 valuation model, the Hoadley Barrier1 valuation model, Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option or 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

r) 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.

s) 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.

t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Global Lithium Resources Limited, 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.

u) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are reported on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

v) 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 and have not been early adopted by the Consolidated Group for the annual reporting year ended 30 June 2021.

There are no material new or amended accounting Standards which will materially affect the Group.

w) Leases

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 Group 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 Group 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.

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 Group'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 or lease term extension 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.

Note 2: Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is 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 accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements

The information reported to the CODM is on a monthly basis.

The reportable segment is represented by the primary statements forming these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3: Employee benefit expenses

	2021 $	2020 $
Salaries and wages, Directors' fees, payments to officers	254,387	-
Superannuation expenses	12,924	-
Movement in employee entitlements	7,692	-
Other employee related expenses	2,091	-
Less: transfer to exploration assets	(19,480)	-
	257,614	-

Note 4: Share based payments expense

Share based payments expense

	2021 $	2020 $
3,750,000 shares issued to founding Directors	375,000	-
1,425,000 shares issued to suppliers	142,500	-
Cost associated to related party share issue	(52)	-
1,666,667 performance rights issued to Directors	17,531	-
	534,979	-

The Consolidated Group has provided payment to related parties in the form of share-based compensation.

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted.

On 30 September 2020 3,750,000 ordinary shares were issued to founding Directors in lieu of services provided pursuant to a special resolution in a general meeting. These are recorded at a deemed value of $0.10 per share.

On 30 September 2020 1,425,000 ordinary shares were issued to suppliers in lieu of services provided pursuant to a special resolution in a general meeting. These are recorded at a deemed value of $0.10 per share.

On 28 April 2021 5,000,000 performance rights were issued to Directors under three equal tranches (1, 2 and 3). In determining the value of the Tranche 1 and 2 rights vesting conditions attached to these rights have not been reflected in the value as they do not meet the definition of market conditions. The Hoadley Trading & Investment Tools ESO2 valuation model has been used. The total fair value for these is $666,000.

In determining the value of the Tranche 3 rights vesting conditions have been considered as they meet the definition of market conditions. The Hoadley Barrier1 valuation model has been used. The valuation of the Tranche 3 performance rights will be written off over the vesting period. The amount of $17,531 of the total fair value of $280,500 has been recognised in the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Rights valuation model assumptions

Assumptions	**Tranche 1**	**Tranche 2**	**Tranche 3**
Spot price	$0.20	$0.20	$0.20
Exercise price	Nil	Nil	Nil
Vesting date	N/A	N/A	N/A
Expiry date	31 Dec 2022	31 Dec 2023	31 Dec 2023
Expected future volatility	100%	100%	100%
Risk free rate	0.09%	0.10%	0.10%
Dividend yield	Nil	Nil	Nil
Barrier price	Nil	Nil	$0.40
Fair Value	$0.20	$0.20	$0.20

	2021 $	**2020 $**
Note 5: Expenses		
Loss before income tax from continuing operations includes the following specific expenses not otherwise disclosed:		
Costs associated with initial listing of Company on ASX	226,084	-
Exploration expense	944	-
Statutory compliance	41,332	-
Marketing and investor relations	67,252	-
Depreciation	938	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 6: Income Tax (expense)/benefit	**2021**	**2020**
	$	**$**
Recognised in the income statement:		
Current tax (expense) / benefit	-	-
Deferred tax (expense) / benefit	-	-
Total income tax (expense) / benefit	-	-
Reconciliation between tax expense and pre-tax net profit		
Profit/ (loss) before income tax	(1,224,978)	(6,683)
Income tax calculated at 26% (2020: 27.5%)	(318,494)	(1,838)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	139,095	-
Impact of reduction in future corporate tax rate	(384)	-
Deferred tax asset (recouped)/ not brought to account	179,784	1,838
Income tax expense on pre-tax net profit	-	-
Weighted average rate of tax	26%	27.5%
The following deferred tax balances have not been recognised:		
Deferred tax assets (at 25%, 2020 27.5%)	1,296,454	564,856
Deferred tax liabilities (at 25%, 2020 27.5%)	799,105	560,630

The tax benefits of the above deferred tax assets will only be obtained if:

a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be utilised;
b) The Company continues to comply with the conditions for deductibility imposed by law; and
c) No changes in income tax legislation adversely affect the Company in utilising the benefits.

Change in corporate tax rate

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 7: Basic and diluted loss per share

	2021 $	2020 $
Basic earnings/(loss) per share	(0.01)	(0.0001)
Diluted earnings/(loss) per share	(0.01)	(0.0001)
Loss used in calculation of basic and diluted loss per share	(1,224,978)	(6,683)
	No.	**No.**
Weighted average number of shares used as the denominator in calculating basic earnings per share	89,914,298	62,147,948

Note 8: Cash and cash equivalents

	2021 $	2020 $
Cash at bank	3,627,223	744,412
	3,627,223	744,412

Note 9: Other receivables

	2021 $	2020 $
Term deposits (greater than 3 mths)	5,010,000	-
GST refundable	132,334	130,186
	5,142,334	130,186

Note 10: Other current assets

	2021 $	2020 $
Prepaid insurance	37,933	-
	37,933	-

Note 11: Exploration and evaluation

	2021 $	2020 $
Exploration and evaluation		
Opening balance	3,198,802	1,243,769
Expenditure on Marble Bar Lithium Project for the year	1,004,358	1,330,033
Acquisition of tenement during the year	360,913	625,000
Closing balance	4,564,073	3,198,802

During the year ended 30 June 2021 the Company acquired a 100% interest in E45/4724 and E45/4669 including all lithium rights via its 100% owned subsidiary MB Lithium Pty Ltd. Consideration was $350,000 payable on Completion, and incurred other related aquisition costs of $10,913.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 12: Plant and equipment

	2021 $	2020 $
Plant and equipment		
Opening balance	-	-
Acquisitions	9,436	-
Depreciation	(938)	-
Closing balance	8,498	-

Note 13: Trade and other payables

	2021 $	2020 $
Trade creditors	93,693	24,152
Employee liabilities	26,190	-
Accrued liabilities	619,949	-
	739,832	24,152

Note 14: Employee benefits

	2021 $	2020 $
Provision for annual leave	7,692	-
	7,692	-

Note 15: Issued capital

	Number of shares	2021 $
Movements in fully paid ordinary shares		
Opening balance 1 July 2020	76,233,339	4,065,750
Shares issued as consideration for services – Sept 2020	5,175,000	517,500
Shares issued to Great Sandy in satisfaction of obligations under the tenement information agreement	400,000	80,000
Shares issued under initial public offer	50,000,000	10,000,000
Costs of initial public offer	-	(1,283,449)
Balance at 30 June 2021	131,808,339	13,379,801

Ordinary shares have no par value and there is no limit to the authorised capital of the Company.

The costs of the initial public offer include the fair value of 4,780,614 broker options issued on the 28 April 2021 as payment of broker fees totalling $478,061. The broker options vest immediately and were valued using the Hoadley Trading & Investment Tools ESO2 valuation model.

Options valuation model assumptions

Assumptions	
Spot price	$0.20
Exercise price	$0.30
Vesting date	Immediately
Expiry date	4 May 2025
Expected future volatility	100%
Risk free rate	0.41%
Dividend yield	Nil
Early exercise multiple	2.5x

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Number of shares	2020 $
Movements in fully paid shares		
Opening balance 1 July 2019	53,950,000	2,287,000
Shares issued at $0.075 per share – Jan 2020	17,983,339	1,348,750
Shares issued at $0.10 per share – May 2020	4,300,000	430,000
Balance at 30 June 2020	76,233,339	4,065,750

Note 16: Reserves	2021 $	2020 $
Opening Balance	-	-
Options issued during the year	478,061	-
Performance rights issued during the year	17,531	-
Balance at 30 June 2021	495,592	-

Share option reserve	Number of options	$	Weighted average Exercise price
Opening Balance 1 July 2020	-	-	-
Issued to advisors during the year	4,780,614	478,061	$0.30
Balance at 30 June 2021	4,780,614	478,061	$0.30

During the 2021 financial year 4,780,614 unlisted options were issued to the lead manager on the Company's initial public offering. These options vested immediately and are exercisable at $0.30 with an expiry date of 4th May 2025. They have a restriction period of 24 months from the date of official quotation. Refer to note 15 for further details relating to the fair value of these options.

Since the end of the financial year to the date of this report no options have been granted, exercised or lapsed.

No options were issued, exercised or lapsed during the 2020 financial year.

Performance rights reserve	Number of rights	$
Opening Balance 1 July 2020	-	-
Performance rights with vesting conditions not met at 30 June 2021	5,000,000	17,531
Balance at 30 June 2021	5,000,000	17,531
Opening Balance 1 July 2019	3,750,000	-
Performance rights lapsed during the year	(3,750,000)	-
Balance at 30 June 2020	-	-

During the 2021 financial year 5,000,000 performance rights were issued to the Directors of the Company. These performance rights are split into 3 tranches.

Tranche 1 (one third) are subject to the Company achieving between 15-25Mt of Inferred, Indicated and/or Measured resources at a minimum grade of 1.0% Li_2O, reported in accordance with the JORC Code 2012 by 31 December 2022 or earlier.

Tranche 2 (one third) are subject to the Company achieving between 30-50Mt of Inferred, Indicated and/or Measured resources at a minimum grade of 1.0% Li_2O reported in accordance with the JORC Code 2012 by 31 December 2023 or earlier.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Tranche 3 (one third) are subject to the Company achieving a volume weighted average share price over 30 consecutive trading days of at least $0.40 by 31 December 2023 or earlier.

The performance rights are classified as restricted securities and are to be held in escrow until 6 May 2023. Refer to note 4 for further details relating to the fair value of these rights.

The performance rights on issue at 1 July 2019 did not achieve their vesting conditions and consequently lapsed during that financial year.

Since the end of the financial year to the date of this report no performance rights have been granted, exercised or lapsed.

	2021 $	2020 $
Note 17: Cash used in operating activities		
Net cash used in operating activities		
Loss after tax	(1,224,978)	(6,683)
Add/(less) non-cash items:		
Share based payments expense	615,031	-
Depreciation expense	938	-
Add/(less) movement in operating assets and liabilities:		
(Increase)/decrease in other current assets	(37,932)	-
Increase/(decrease) in payables	715,679	(714,249)
(Increase)/decrease in ecploration and evaluation assets	(1,365,272)	(1,955,033)
(Increase)/decrease in other receivables	49,280	(126,632)
Increase/(decrease) in provisions	7,692	-
Net cash used in operating activities	(1,239,562)	(2,802,597)

Note 18: Financial Instruments

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company investments.

Derivatives are not used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

Senior Executives of the Company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Senior Executives overall risk management strategy seeks to minimise potential adverse effects on financial performance.

The Senior Executives operate under the guidance of the Board of Directors. Risk management initiatives are addressed by the Board when required.

ii. Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk.

Interest rate risk

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. All of the entity's exposure to interest rate risk is limited to cash and cash equivalents.

At 30 June 2021, the Company is exposed to interest rate risk on cash balances and term deposits held in interest bearing accounts. The Board monitors its interest rate exposure and attempts to maximise interest income whilst ensuring sufficient funds are available for the Group's operating activities. Companies' exposure to interest rate risk at 30 June 2021 approximates reasonable interest rate movements applied to the value of cash and cash equivalents and term deposits recorded as other receivables.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

Market risk

Market risk is the risk that the value of the Company's investments will fluctuate as a result of changes in market prices.

At 30 June 2021, the Company does not have any market risk exposure

Net fair values of financial assets and liabilities

Assets and liabilities included in the Consolidated statement of financial position are carried at amounts that approximate their fair values. Please refer to Note 1 for the methods and assumptions adopted in determining net fair values for investments.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Senior Executives.

The Senior Executives ensure that the Company deals with:

- Only banks and financial institutions with an “A” rating;

The credit risk for counterparties included in trade and other receivables at 30 June 2021 is detailed below:

	2021 **$**	**2020** **$**
Trade and Other Receivables	5,142,334	130,186

Price risk

The Company does not have any exposure to price risk.

iii. Net Fair Values

As at 30 June 2021, the carrying amounts of all financial assets and liabilities approximated their fair values.

iv. Sensitivity Analysis

Interest rate risk and credit risk

The Company has performed sensitivity analysis relating to its exposures to interest rate risk at balance date. Sensitivity analysis relating to the Company’s exposure to interest rate risk is summarised below and demonstrates the effect on the current year results and equity which could result from a change in interest rates:

2021	**Sensitivity** **%**	**Effect on Profit** **$**	**Effect on Equity** **$**
Interest rate	+1.00	+70,100	+70,100
	-1.00	-70,100	-70,100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Company's effective weighted interest rate for classes of financial assets and liabilities is set out below:

2021	Note	Weighted average interest rate	Fixed interest maturing in: Floating interest	1 year or less	Non-interest bearing	Total
			$	$	$	$
Financial assets						
Cash and cash equivalents	8	0.26%	1,627,223	2,000,000	-	8,637,223
Trade and other receivables	9	-	-	5,010,000	132,334	132,334
			1,627,223	7,010,000	132,334	8,769,557
Financial liabilities						
Trade and other payables and liabilities	13	-	-	-	713,642	713,642
			-	-	713,642	713,642

2020	Note	Weighted average interest rate	Fixed interest maturing in: Floating interest	1 year or less	Non-interest bearing	Total
			$	$	$	$
Financial assets						
Cash and cash equivalents	8	0.2%	744,412	-	-	744,412
Trade and other receivables	9	-	-	-	130,186	130,186
			744,412	-	130,186	874,598
Financial liabilities						
Trade and other payables and liabilities	13	-	-	-	24,152	24,152
			-	-	24,152	24,152

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 19: Key management personnel

Key management personnel remuneration includes the following as disclosed in detail in the remuneration report:

	2021 $	2020 $
Short term benefits	191,598	-
Post-employment benefits	9,500	-
Share based payments	392,531	-
Total remuneration	593,629	-

The following transactions occurred with related parties:

	2021 $	2020 $
Payment for professional services to related parties	650,000	-
Payables for professional services at reporting date	-	-

The above was paid as per the Initial public offering prospectus and consists of 2% (of funds raised) management fee, 4% (of funds raised) equity raising fee and advisory work fee of $50,000.
Transactions with key management personnel and related parties as disclosed below are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Amounts paid to Director related entities:

Related party	Relationship to Director/KMP	Services Provided	2021
Argonaut Investments Pty Ltd	A Company of which E Rigg (Non exec Director – resigned 1 February 2021) is a Director	Lead management fee and financial services	650,000

The amount of fees due to Argonaut Investments Pty Ltd at 30 June 2021 was nil (2020: Nil).

Note 20: Auditor remuneration

During the year ended 30 June 2021 total fees paid or payable for services provide by PKF and its related practices were as follows:

	2021 $	2020 $
Audit services		
Audit and review of Financial Reports	28,000	-
Other services		
Taxation compliance and advisory	2,100	-
Investigating accountant report	11,275	-
Total remuneration paid to PKF	41,375	-

During the 2021 financial year fees were incurred for audit and review services for prior year financial reports. As the service were initiated during the 2021 financial year they are included in the current year charges.

Note 21: Dividends

No dividends were paid or proposed during the financial year ended 30 June 2021 or 30 June 2020.
The Group has no franking credits available as at 30 June 2021 or 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 22: Commitments and contingencies

Commitments
Exploration Commitments – the Company has an obligation to perform a minimum amount of exploration work and spend a minimum amount of money on its tenements. The minimum amounts of expenditure required is set by the DMIRS at the time of each annual renewal.

	2021 $	2020 $
Expenditure required on Exploration Licences		
Within one year	313,238	157,000
More than one year but less than five years	551,698	-
Greater than five years	-	-
Total commitments	864,936	157,000

Contingencies

	2021 $	2020 $
Contingent tenement acquisition costs	1,125,000	1,125,000

Contingent Deferred Tenement Acquisition costs payable to BCI Minerals Limited consists of the following:

(a) $625,000 payable 5 business days after the earlier of:
  (i) the date that a pre-feasibility study is completed in respect of the viability of a commercial mining operation on the Granted Exploration Licences; or
  (ii) the date that a decision to commence mining operations on the Granted Exploration Licences (or any other tenements granted to the Company relating to the same ground) is made; and

(b) $500,000 payable 5 days after the date that the Company first sells any minerals extracted from the area the subject of the Granted Exploration Licences.

Native Title and Aboriginal Heritage

Determinations of native title have been made with respect to areas which include tenements in which the Group has an interest. The native title does not interfere with exercise, by members of the Group, of rights under their tenements and the exercise of those rights takes priority over the exercise of the native title. The Group may be liable to pay compensation in relation to the effect of the grant of its tenements on that native title, which will be determined by the Federal Court if not agreed. The Group is unable to determine the quantum of any future compensation at this time. Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Areas of the Group's tenements may be subject to Aboriginal heritage sites protected by State and Federal legislation. In those areas, the agreement of relevant native title holders and certain governmental approvals may be required before members of the Group can exercise rights under their tenements. Agreement is being or has been reached with relevant native title holders in relation to Aboriginal heritage processes regarding areas in which the Group has an interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 23: Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

	Country of Incorporation	Ownership 2021 %	Ownership 2020 %
MB Lithium Pty Ltd	Australia	100	-

MB Lithium Pty Ltd was incorporated on the 10th June 2021 and is a proprietary company registered in the state of Western Australia.

Note 24: Parent entity information

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

Statement of profit or loss and other comprehensive income	2021 $	2020 $
Profit/(loss) after income tax		
Within one year	(1,224,978)	(6,683)
Total comprehensive income	(1,224,978)	(6,683)
Statement of financial position		
Total current assets	8,807,490	874,598
Total non-current assets	4,573,947	3,198,802
Total assets	13,381,437	4,073,400
Total current liabilities	747,524	24,152
Total non-current liabilities	-	-
Total liabilities	747,524	24,152
Net assets	**12,633,913**	**4,049,248**
Equity		
Issued capital	13,379,801	4,065,750
Reserves	495,592	-
Retained profits/(accumulated losses)	(1,241,480)	(16,502)
Total equity	**12,633,913**	**4,049,248**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 25: Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The acquisition of Pilbara prospective lithium tenements E45/4724 and E45/4669 was completed in July 2021. The tenements were the subject of an agreement to acquire which was entered into with FE Limited on the 14 June 2021. The agreement was for the acquisition of 100% interest in the tenements including all lithium rights. Consideration of $350,000 was payable on completion.

No other matters or circumstance has arisen since 30 June 2021 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 Global Lithium Resources Pty Ltd ("the Company"):

1. the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

3. the attached financial statements and notes give a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

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

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Jamie Wright
Managing Director

Dated at Perth this 24th day of September 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GLOBAL LITHIUM RESOURCES LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Global Lithium Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2021 , the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end.

In our opinion the accompanying financial report of Global Lithium Resources Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context

1. **Carrying value of capitalised exploration expenditure**

Why significant	How our audit addressed the key audit matter

As at 30 June 2021 the carrying value of exploration and evaluation assets was $4,564,073 (2020: $ 3,198,802), as disclosed in Note 11.
 	
The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1.
 	
Significant judgement is required:
 	
• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
    ○ whether the particular areas of interest meet the recognition conditions for an asset; and
    ○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.
	Our work included, but was not limited to, the following procedures:
	
	Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
	
	• assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
	
	• holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest;
	
	• obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
	
	• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
	
	• testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
	
	• assessing the appropriateness of the related disclosures in Notes 1 and 11.

2. Share Based Payments

Why significant

For the year ended 30 June 2021 the value of share based payments issued totalled $1,013,040 as disclosed in Note 4 and 15. This has been recognised as a share-based payment expense in the Statement of Profit or Loss and Other Comprehensive Income for $534,979 and within issued capital in the Statement of Financial Position as a share issue cost for $478,061.

The consolidated entity's accounting judgement and estimates in respect of share based payments is outlined in Note 1(f). Significant judgement is required in relation to:

- The valuation method used in the model; and
- The assumptions and inputs used within the model.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewed the independent expert's valuations of the equ instruments issued, including:
  - ensuring the independence of the independent expert;
  - assessing the credentials of the independent expert;
  - assessing the appropriateness of the valuation method used; and
  - assessing the reasonableness of the assumptions and inputs used within the valuation model.
- Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share based payments had been recognised;
- Assessed the allocation and recognition to ensure reasonable; and
- Assessed the appropriateness of the related disclosures in Notes 1(f), 4 and 15.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Global Lithium Resources Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

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

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

24 September 2021
WEST PERTH,
WESTERN AUSTRALIA