



Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

Three months ended September 30, 2023 and 2022

STANDARD LITHIUM LTD.

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2023 and June 30, 2023

(Expressed in thousands of Canadian Dollars – unaudited)

	September 30, 2023	June 30, 2023
ASSETS		
Current assets		
Cash	\$ 37,183	\$ 59,612
Receivables	475	468
Prepaid expenses	948	1,969
	38,606	62,049
Non-current assets		
Reclamation deposit	85	83
Exploration and evaluation assets (Note 5)	122,119	99,952
Intangible asset (Note 6)	1,410	1,432
Right of use asset	1,105	1,233
Property, plant and equipment (Note 4)	3,635	2,765
Advances and deposits	520	2,669
Investment in Aqualung Carbon Capture SA (Note 3)	3,395	3,314
	132,269	111,448
TOTAL ASSETS	\$ 170,875	\$ 173,497
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,287	\$ 12,737
Lease liability – short-term	474	512
	14,761	13,249
Non-current liabilities		
Lease liability – long-term	653	739
Decommissioning provision	136	133
	789	872
TOTAL LIABILITIES	15,550	14,121
EQUITY		
Share capital (Note 8)	272,672	272,419
Reserves (Note 8)	38,502	35,888
Deficit	(158,441)	(148,707)
Accumulated other comprehensive loss	2,592	(224)
TOTAL EQUITY	155,325	159,376
TOTAL LIABILITIES AND EQUITY	\$ 170,875	\$ 173,497

Commitments (Notes 5) and Contingencies (Note 11)

Approved by the Board of Directors and authorized for issue on November 7, 2023.

“Robert Cross”

Director

“Claudia D’Orazio”

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STANDARD LITHIUM LTD.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

Three months ended September 30, 2023 and 2022

(Expressed in thousands of Canadian Dollars, except share and per share amounts - unaudited)

	Three months ended	
	September 30, 2023	September 30, 2022
Expenses		
Demonstration plant operations (Note 7)	\$ 3,383	\$ 2,876
Share-based payments	2,740	790
Consulting fees	1,151	501
Office and administration	1,086	938
Management and director fees (Note 9)	593	514
Professional fees	480	1,240
Salaries and benefits	488	-
Patent	204	244
Amortisation of property, plant and equipment (Note 4)	198	202
Filing and transfer agent	141	149
Amortisation of office leases	134	45
Travel	124	47
Project investigation	75	946
Advertising and investor relations	74	68
Amortisation of intangible assets (Note 6)	22	48
Foreign exchange gain	(605)	(6,495)
Loss from operations	(10,288)	(2,113)
Interest and other income	578	560
Interest and accretion expense	(24)	(5)
Net loss for the period	(9,734)	(1,558)
Other comprehensive income (loss)		
Item that may be reclassified subsequently to income or loss:		
Currency translation differences of foreign operations	2,816	3,616
Total comprehensive income (loss)	\$ (6,918)	\$ 2,058
Weighted average number of common shares		
outstanding – basic and diluted	172,785,164	166,472,306
Basic and diluted loss per share	\$ (0.06)	\$ (0.01)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STANDARD LITHIUM LTD.

Condensed Consolidated Interim Statements of Changes in Equity

Three months ended September 30, 2023 and 2022

(Expressed in thousands of Canadian Dollars, except share amounts - unaudited)

	Number of shares	Share capital	Reserves	Deficit	Accumulated other comprehensive income	Total equity
Balance, June 30, 2022	166,402,197	\$ 262,047	\$ 21,945	\$ (106,718)	\$ (746)	\$ 176,528
Share-based payment	-	-	790	-	-	790
Stock options exercised	150,000	213	(100)	-	-	113
Net loss for the period	-	-	-	(1,558)	-	(1,558)
Currency translation differences for foreign operations	-	-	-	-	3,617	3,617
Balance, September 30, 2022	166,552,197	\$ 262,260	\$ 22,635	\$ (108,276)	\$ 2,871	\$ 179,490
Balance, June 30, 2023	172,752,197	\$ 272,419	\$ 35,888	\$ (148,707)	\$ (224)	\$ 159,376
Share-based payment	-	-	2,740	-	-	2,740
Share issuance costs	-	(13)	-	-	-	(13)
Stock options exercised	100,000	266	(126)	-	-	140
Net loss for the period	-	-	-	(9,734)	-	(9,734)
Currency translation differences for foreign operations	-	-	-	-	2,816	2,816
Balance, September 30, 2023	172,852,197	\$ 272,672	\$ 38,502	\$ (158,441)	\$ 2,592	\$ 155,325

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STANDARD LITHIUM LTD.

Condensed Consolidated Interim Statements of Cash Flows

Three months ended September 30, 2023 and 2022

(Expressed in thousands of Canadian Dollars - unaudited)

	Three months ended	
	September 30, 2023	September 30, 2022
Operating activities		
Net loss	\$ (9,734)	\$ (1,558)
Add items not affecting cash		
Share-based payments	2,740	790
Foreign exchange	(500)	(6,368)
Amortisation	221	250
Amortisation – office leases	134	45
Interest expense	24	5
Net changes in non-cash working capital items to operations:		
Receivables	(7)	641
Prepaid expenses	1,021	546
Advances	2,150	-
Accounts payable and accrued liabilities	(2,491)	(1,200)
Net cash used in operating activities	(6,442)	(6,849)
Investing activities		
Exploration and evaluation assets	(15,677)	(4,482)
Purchase of land for future South West Arkansas Project plant	(939)	-
Aqualung Carbon Capture pilot plant development	(109)	-
Demonstration plant (formerly pilot plant)	-	(99)
Net cash used in investing activities	(16,725)	(4,581)
Financing activities		
Exercise of options	140	113
Lease payments	(156)	(44)
Share issuance costs	(13)	-
Net cash from financing activities	(29)	69
Effect of exchange rates on cash	767	6,366
Net change in cash	(22,429)	(4,995)
Cash, beginning of period	59,612	129,065
Cash, end of period	\$ 37,183	\$ 124,070
<i>Non-cash investing activities:</i>		
Change in current liabilities relating to Exploration and evaluation assets	4,038	(1,005)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

1. Nature of Operations

Standard Lithium Ltd. (the “Company”) was incorporated under the laws of the Province of British Columbia on August 14, 1998 under the name Tango Capital Corp. On April 7, 1999, the Company changed its name to Patriot Capital Corp. and then to Patriot Petroleum Corp. effective March 5, 2002. On December 1, 2016, the Company continued under the Canadian Business Corporations Act and changed its name to Standard Lithium Ltd. The Company’s principal operations are comprised of exploration for and development of lithium brine properties in the United States of America (“USA”).

The address of the Company’s corporate office and principal place of business is Suite 1625, 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9. The Company’s shares are listed on the TSX Venture Exchange and NYSE American Stock Exchange under the symbol “SLI” and the Frankfurt Exchange in “S5L”.

2. Basis of Presentation

a) Statement of compliance

The annual consolidated financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Boards (IFRS). The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34).

These condensed consolidated interim financial statements do not include all of the information required of a complete set of consolidated financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and the performance of the Company since the end of its last annual reporting period. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the annual consolidated financial statements of the Company for the year ended June 30, 2023.

b) Basis of consolidation

The consolidated financial statements of the Company include the accounts of the Company and its 100% wholly owned subsidiaries.

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

3. Investment

Changes in the Company's Investment in Aqualung during the period ended September 30, 2023 and year ended June 30, 2023 are summarized as follows:

Balance, June 30, 2022	\$ 3,221
Effect of change in fair value	93
Balance, June 30, 2023	3,314
Effect of change in fair value	81
Balance, September 30, 2023	\$ 3,395

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

4. Property, Plant and Equipment

Cost	Leasehold improvements \$	Furniture and fixtures \$	Demonstration plant (formerly Pilot plant) (Note 7) \$	Aqualung Carbon Capture pilot plant \$	Land for future South West Arkansas Project plant \$	Total \$
June 30, 2022	-	-	26,649	-	-	26,649
Additions	187	12	-	1,778	-	1,977
June 30, 2023	187	12	26,649	1,778	-	28,626
Additions	-	-	-	68	939	1,007
Effect of foreign exchange translation	-	-	19	43	-	62
September 30, 2023	187	12	26,668	1,889	939	29,695
Accumulated amortisation						
June 30, 2022	-	-	(25,664)	-	-	(25,664)
Amortisation	(6)	(1)	(207)	-	-	(214)
Effect of foreign exchange translation	-	-	17	-	-	17
June 30, 2023	(6)	(1)	(25,854)	-	-	(25,861)
Amortisation	(12)	(1)	-	(185)	-	(198)
Effect of foreign exchange translation	-	-	1	(2)	-	(1)
September 30, 2023	(18)	(2)	(25,853)	(187)	-	(26,060)
Net book value						
June 30, 2022	-	-	985	-	-	985
June 30, 2023	181	11	795	1,778	-	2,765
September 30, 2023	169	10	815	1,702	939	3,635

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

5. Exploration and Evaluation Assets

	California Property \$	South West Arkansas Project \$	Commercial Plant Evaluation (Lanxess 1A) \$	Texas Properties \$	Total \$
Acquisition:					
Balance, June 30, 2022	18,460	14,230	-	-	32,690
Option payments	2,352	1,378	-	885	4,615
Lanxess brine supply costs	-	(7,953)	7,953	-	-
Effect of foreign exchange translation	527	406	-	-	933
Balance, June 30, 2023	21,339	8,061	7,953	885	38,238
Option payments	124	9	-	741	874
Effect of foreign exchange translation	523	198	195	22	938
Balance, September 30, 2023	21,986	8,268	8,148	1,648	40,050
Exploration and Evaluation:					
Balance, June 30, 2022	4,333	4,105	4,533	-	12,971
Exploration costs	9	17,429	-	18,175	35,613
Lanxess 1A evaluation costs	-	-	12,740	-	12,740
Effect of foreign exchange translation	124	136	130	-	390
Balance, June 30, 2023	4,466	21,670	17,403	18,175	61,714
Exploration costs	1	2,896	-	11,638	14,535
Lanxess 1A evaluation costs	-	-	4,307	-	4,307
Effect of foreign exchange translation	109	531	427	446	1,513
Balance, September 30, 2023	4,576	25,097	22,137	30,259	82,069
Balance, June 30, 2023	25,805	29,731	25,356	19,060	99,952
Balance, September 30, 2023	26,562	33,365	30,285	31,907	122,119

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

6. Intangible Assets

The carrying value of the intangible assets acquired is as follows:

	IP Assets	Patents	Total
Balance, June 30, 2022	\$ 1,501	\$ -	\$ 1,501
Additions	-	41	41
Amortisation	(110)	-	(110)
Balance, June 30, 2023	1,391	41	1,432
Amortisation	(21)	(1)	(22)
Balance, September 30, 2023	\$ 1,370	\$ 40	\$ 1,410

7. Demonstration Plant (formerly Pilot Plant)

As at September 30, 2023, and 2022, demonstration plant costs are comprised of the following:

	Three months ended September 30,	
	2023	2022
Internet	\$ 3	\$ 3
Personnel	1,190	1,309
Reagents	629	435
Repairs and maintenance	338	7
Supplies	385	751
Testwork	785	322
Office trailer rental	15	13
Utilities	24	36
Vehicle	9	-
Waste disposal & recycling	5	-
Total Demonstration plant operations costs	\$ 3,383	\$ 2,876

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FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

8. Share Capital

a) Authorized capital

The Company is authorised to issue an unlimited number of common voting shares without nominal or par value.

During the three months ended September 30, 2023, the Company issued a total of 100,000 common shares for the exercise of stock options. The Company received proceeds of \$140 and reclassified \$126 from reserve to share capital upon exercise.

b) Options

The Company has a stock option plan in place under which it is authorized to grant options to officers, directors, employees, consultants and management company employees enabling them to cumulatively acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the price permitted by any stock exchange. The options can be granted for a maximum term of 10 years.

The weighted average fair value at grant date of options granted during the three months ended September 30, 2023 was \$2.61 per option (June 30, 2023: \$3.45). The fair value was determined using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Q1-2024	FY2023
Expected stock price volatility	77%	84%
Risk-free interest rate	4.4%	3.16%
Dividend yield	-	-
Expected life of options	5 years	5 years
Stock price on date of grant	\$4.00	\$5.09
Forfeiture rate	-	-

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance at June 30, 2022	10,170,000	\$ 2.11
Options exercised	(5,950,000)	0.91
Options granted	3,950,000	5.09
Balance at June 30, 2023	8,170,000	\$ 4.43
Options exercised	(100,000)	1.40
Options granted	1,750,000	4.00
Balance at September 30, 2023	9,820,000	\$ 4.38

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

8. Share Capital – continued

b) Options – continued

The following table summarizes stock options outstanding and exercisable at September 30, 2023:

Exercise Price \$	Number of Shares	Options Outstanding		Options Exercisable	
		Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price \$	Number Exercisable	Weighted Average Exercise Price \$
1.40	1,350,000	.. ⁽¹⁾	1.40	1,350,000	1.40
3.43	400,000	0.54	3.43	400,000	3.43
7.55	500,000	1.38	7.55	500,000	7.55
3.39	1,200,000	2.30	3.39	1,200,000	3.39
6.08	200,000	2.81	6.08	200,000	6.08
6.31	200,000	3.43	6.31	200,000	6.31
8.25	170,000	3.46	8.25	170,000	8.25
9.40	100,000	3.53	9.40	100,000	9.40
5.08	3,750,000	4.53	5.08	3,750,000	5.08
5.23	200,000	4.65	5.23	200,000	5.23
4.00	1,750,000	4.99	4.00	-	-
	9,820,000	3.30	4.38	8,070,000	4.45

(1) Options expired on September 4, 2023, however, due to black-out of insider share transactions, these options will remain eligible for exercise for a period of 10 business days subsequent to the lifting of the black-out.

c) Long-term Incentive Plan

The Company has an equity incentive plan ("Plan") in accordance with the policies of the TSX whereby, from time to time at the discretion of the Board of Directors, eligible directors, officer and employees are awarded restricted share units ("RSUs") and performance share units ("PSUs"). The RSUs and PSUs that are subject to the recipient's deferral right in accordance with the Income Tax Act (Canada) convert automatically into common shares upon vesting. In addition, the Company may issue deferred share units ("DSUs"). DSUs may be redeemed upon retirement or termination from the Company. The plan is a fixed plan pursuant to which the aggregate number of common shares to be issued shall not exceed 10% of the Company's issued and outstanding common shares when combined with the aggregate number of Options, RSUs, PSUs and DSUs. As of September 30, 2023, the Company has granted 1,991,004 DSUs to the Board of Directors and Management which vest on April 11, 2024. The Company has recorded \$2,549 in share-based payment expense related to this grant during the three-month period ended September 30, 2023.

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

9. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include directors and officers of the Company.

Compensation to key management is comprised of the following:

	September 30, 2023	September 30, 2022
Management and director fees	\$ 586	\$ 514
Benefits	7	-
Share-based payments	2,549	-
	\$ 3,142	\$ 514

As at September 30, 2023, there is \$642 (June 30, 2023: \$1,373) in accounts payable and accrued liabilities owing to officers of the Company. Amounts due to/from the key management personnel are non-interest bearing, unsecured and have no fixed terms of repayment.

On June 17, 2022, the Company entered into a Master Services Agreement ("the MSA") with Telescope Innovations Corp. ("Telescope"). Robert Mintak, CEO of the Company and Dr. Andy Robinson, President and COO of the Company are directors of Telescope Innovations Corp. Under the MSA, Telescope provided various research and development ("R&D") services for the purpose of developing new technologies. The Company funded an initial project for one year under the MSA, which will aim to evaluate the use of captured CO₂ in the Company's various chemical processes, as well as investigating the potential for permanent geological sequestration of CO₂ within the lithium brine extraction and reinjection processes contemplated by the Company. Other R&D projects may be performed for the Company by Telescope as required. The Company incurred \$583 (June 30, 2023: \$764) of costs related to this agreement during the period ended September 30, 2023.

As at September 30, 2023, there is \$200 (June 30, 2023: \$115) in accounts payable and accrued liabilities owing to Telescope. Amounts due to Telescope are non-interest bearing, unsecured and have no fixed terms of repayment.

10. Financial Instruments and Financial Risk Management

The Company's financial assets and liabilities consist of cash, receivables, long-term investments, accounts payable and accrued liabilities. A fair value hierarchy is used to determine the financial instruments' fair value that are recorded on the consolidated statements of financial position.

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

10. Financial Instruments and Financial Risk Management - continued

The fair value hierarchy has three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for similar items in active markets. The Company maximizes the use of observable market data and relies on entity-specific estimates at least possible; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1, 2 or 3 for the period ended September 30, 2023 and the year ended June 30, 2023.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

September 30, 2023	Level 1	Level 2	Level 3	Total
Investment in Aqualung Carbon Capture SA	\$ -	\$ -	\$ 3,395	\$ 3,395

June 30, 2023	Level 1	Level 2	Level 3	Total
Investment in Aqualung Carbon Capture SA	\$ -	\$ -	\$ 3,314	\$ 3,314

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to the Company's activities. Management regularly monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company is exposed to various risks such as interest rate, credit, and liquidity risk. To manage these risks, management determines what activities must be undertaken to minimize potential exposure to risks. The objectives of the Company in managing risk are as follows:

- maintaining sound financial condition;
- financing operations; and
- ensuring liquidity to all operations.

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of Canadian Dollars, except where indicated and share and per share amounts - unaudited)

10. Financial Instruments and Financial Risk Management - continued

In order to satisfy these objectives, the Company has adopted the following policies:

(i) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from cash deposits. The maximum credit risk is the total of our cash. The Company maintains substantially all of its cash with two major financial institutions. The majority of cash held with these institutions exceed the amount of insurance provided on such deposits.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital (current assets less current liabilities) to try to ensure its expenditures will not exceed available resources. At September 30, 2023, the Company has working capital of \$23,845 (June 30, 2023: working capital balance of \$48,800).

(iii) Foreign exchange risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	September 30, 2023	June 30, 2023
	\$	\$
Cash	23,472	42,745
Accounts payable	(9,223)	(5,926)

At September 30, 2023, US Dollar amounts were converted at a rate of USD 1.00 to CAD 1.358. A 10% increase or decrease in the US dollar relative to the Canadian dollar would result in a change of approximately \$1,425 (June 30, 2023: \$3,682) in the Company's comprehensive loss for the year to date.

STANDARD LITHIUM LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

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11. Contingencies

On January 27, 2022, a putative securities class action lawsuit was filed against the Company, Robert Mintak and Kara Norman in the United States District Court for the Eastern District of New York, captioned *Gloster v. Standard Lithium Ltd., et al.*, 22-cv-0507 (E.D.N.Y.) (the “Action”). The complaint purports to seek relief on behalf of a class of investors who purchased or otherwise acquired the Company’s publicly traded securities between May 19, 2020 and November 17, 2021, and asserts violations of Section 10(b) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) against all defendants and Section 20(a) of the Exchange Act against the individually-named defendants. On April 27, 2022, the court granted Curtis T. Arata’s motion for appointment as lead plaintiff in the Action. Lead plaintiff filed an amended complaint on June 29, 2022, adding Andrew Robinson as a defendant and extending the class period to February 3, 2022. The amended complaint alleges, among other things, that during the proposed class period, defendants misrepresented and/or failed to disclose certain facts regarding the Company’s LiSTR DLE technology and “final product lithium recovery percentage” at its DLE Demonstration Plant in southern Arkansas. The amended complaint seeks various forms of relief, including monetary damages in an unspecified amount. Defendants filed a motion to dismiss the amended complaint on August 10, 2022, which became fully briefed on September 28, 2022. The Company intends to vigorously defend against the Action. As at September 30, 2023, the Company has not recorded any provision associated with this matter, as the outcome is undeterminable at this time.

12. Subsequent Event

On October 31, 2023, the Company exercised its option agreement with TETRA Technologies, Inc. to acquire brine production rights for the South West Arkansas Project.