Company Registration No: 10829496 (England and Wales)

ZINNWALD LITHIUM PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Chairman's Statement

The half year to the end of June has been extremely busy for Zinnwald Lithium. As is typical for development stage projects such as our integrated lithium hydroxide project ('the Project') in Germany, some of the work undertaken is not always immediately visible to investors as large pieces need to be completed and put in context before publication. The Preliminary Economic Assessment ('PEA') that we published post period end on 7 September is an example of this and is the culmination of a tremendous amount of underlying work by both the management team and external consultants.

As we have previously stated, we had identified the need to revise the development path for the Project by focusing on increasing its scale in terms of annual output, as well as pivoting it to focus on battery-grade lithium hydroxide as a primary product to better align with the requirements of European off-takers and overall developments in the battery market. The results of the PEA support this approach as highlighted by the robust economics showing a headline pre-tax NPV8 of US$1,605m, IRR of 39.0%, $192m average annual EBITDA and a payback of just 3.3 years. Furthermore, annual production capacity of 12,000t LiOH in the PEA compares to annual production of 5,000t lithium fluoride under the previous technical concept. In addition, significant progress has been made in designing a project that generates low or "zero" waste and where energy efficiency and minimisation of CO2 emissions is core.

Underlying the PEA was detailed work on the flow sheet to produce a battery grade lithium hydroxide product. Producing battery grade lithium products from zinnwaldite does differ from the process for producing these products from spodumenes, which represent the bulk of current hard rock sources of lithium. However, all aspects of the flow sheet incorporate tried and tested technologies applied in many other areas of mining. In addition, relative to the "typical" spodumene process, the flow sheet is less energy intensive and has a higher overall recovery than typical spodumene-based processes. The development of the flow sheet has been based on extensive work, including pilot scale test work.

Alongside the PEA, the Company continues to progress on multiple fronts. Not only have we commenced an in-fill drilling campaign at the Zinnwald deposit, which will assist with detailed mine planning but we also started an exploration drilling programme at our Falkenhain exploration license, which is located just 5km from the core Zinnwald deposit. A detailed review of historic drill data from this area indicated the clear potential for significant lithium resource at this location which, if it can be proven, could represent important upside for the Project.

In terms of the lithium market in 2022 thus far, pricing has continued to be extremely strong with spot prices for LiOH reaching levels in excess of US$70,000 / ton and contract prices reported by current producers such as SQM and Elkem of between US$35,000 and US$40,000 / ton. Many commentators point to an expectation for a continued supply deficit, which is supportive for pricing. EV demand remains robust and growing strongly despite broader economic headwinds. The PEA assumed a long-term price of US$22,500/t for LiOH, which we believe to be very defensible given the wider pricing backdrop in the sector.

It is also worth mentioning the importance of delivering sustainable lithium to the market. Currently, Europe imports all of the lithium needed for its rapidly growing battery industry, but to achieve its NetZero targets, it must develop its own resources. Our focus is on developing responsible mining and processing operations which help deliver these NetZero targets.

Our Project enjoys a number of key advantages that support this strategy: it is located close to its end markets meaning reduced transport emissions; it has access to existing infrastructure; it will bring industrial activity and jobs back to a region long steeped in mining history; it aims to utilise sustainable technologies and processes including the use of electric mining equipment; and it has the potential to produce a meaningful volume of a valuable commodity that supports the green energy transition at a competitive cost over a long period of time.

In terms of financial markets, share prices of junior mining companies have been under considerable pressure in the year thus far as investors have grappled with risks of an economic downturn exacerbated by the conflict in Ukraine and the resulting energy crisis. However, we are confident that the inherent strengths of our Project as enumerated in the PEA will ultimately be reflected in our market value as we continue to deliver against our plan.

Financials

The Company continues to maintain its extremely disciplined approach to expenditure and cash management and as such is well funded into 2023, with cash of €5.4m as at the date of this report.

Outlook

As we reflect on where we are now post the publication of the PEA, we are extremely proud of having moved Zinnwald from a company with 50% of a 5,000 tonne niche lithium product project, to full ownership of a 12,000 tonne lithium hydroxide one with what we hope is the scope to expand still further.

Looking ahead, we have an extremely active work schedule. We are already working on a Bankable Feasibility Study, which we intend to deliver by the end of 2023, and will continue to evaluate processing and manufacturing options to ensure the Project achieves economic and environmental excellence; our aim is to become one of the more sustainable and investable lithium projects worldwide.

In the short term we continue to make progress on our drill programmes as well as having an active schedule of mineral and chemical processing test work to further refine these aspects of the Project. Permitting is also another key work stream and progress on this is key to meeting the timelines that we have laid out.

We look forward to updating the market on progress on all of these fronts.

Jeremy Martin

Non-Executive Chairman

1. Highlights

6 Months to 30 June 2022

- Testwork confirmed viability to produce at least 10,000 tonnes annually of Lithium Hydroxide
- Testwork confirmed viability to produce economically significant by-products
- Hyper-spectral scanning tested to produce accurate quantitative information on ore types and ore grades
- Commenced discussions with owners of local infrastructure
- Engaged SRK Consulting (UK) Ltd to provide competent person support
- Joined the EU funded Horizon Europe "Exploration Information Systems" project
- Strengthened the operational team in Germany

Post period end to 14 September 2022

- Completion of PEA on revised Project plan showing robust economic results.
- Lithological ore-sorting proven to be viable in pilot tests carried out by Tomra
- Commencement of in-fill drilling campaign at Zinnwald license
- Commencement of exploration drilling campaign at Falkenhain
- Entered into Option Agreement to acquire more land in vicinity of Altenberg

2. Operational Review

The first half of 2022 saw Zinnwald Lithium Plc (the "**Company**") and its wholly owned subsidiary, Deutsche Lithium GmbH ("**DL**" and together the "**Group**") continue with the revised development strategy for its Zinnwald Lithium Project (the "**Project**"). The Group's management team took the decision following the completion of the acquisition of the remaining 50% of DL in June 2021 to reposition the Project to better reflect the significant and rapid developments in the Global and European Lithium markets.

The original scope of the Project, as defined in its 2019 NI 43-101 feasibility study ("**2019 FS**"), was based on a smaller scale, niche end-product (Lithium Fluoride) project designed to be internally financed and integrated to the original owners' operational strategy. The Project's revised strategy is now to focus on a larger scale operation that produces battery-grade Lithium Hydroxide Monohydrate ("**LiOH**") products; to optimise the Project from a cost perspective, and also to minimise the potential impact on the environment and local communities. All aspects of the Project from mining through to production of the end product will now be located near to the deposit itself.

To progress this revised strategy, the Group has completed a number of steps in the further definition, design and study work required. Some of these items were completed during the period of this report and others after period-end, all of which culminated in the publication on 7th September 2022 of the "Preliminary Economic Assessment ("**PEA**") for the revised Zinnwald Lithium Project.

2.1. Six months to 30 June 2022

Hydrometallurgy - Production of battery-grade LiOH and co-products

In March 2022, the Company announced the successful completion of pilot scale testwork that demonstrated the technical and economic viability of producing high purity (>99.9% purity) lithium hydroxide from Zinnwaldite concentrate is technically and economically viable. The test work also confirmed the potential to produce economically significant amounts of commercially saleable co-products, such as high-purity potassium sulphate ("**SOP**") and precipitated calcium carbonate ("**PCC**").

In these tests, almost 50kg of battery grade LiOH was produced out of several tons of Zinnwaldite concentrate. The test work was conducted in Germany by a leading industry specialist, K-UTEC AG Salt Technologies ('**K-UTEC**') and verified by a third-party laboratory through chemical and physical analysis. The lithium recovery from the Zinnwaldite concentrate to the LiOH was proven to be above 80% and comparable to lithium processes from other types of lithium resources. Non-saleable side streams were proven to contain very low amounts of soluble, possibly environmentally problematic elements.

The Company further commissioned K-UTEC to conduct an initial, scoping level study on upgrading the SOP and PCC by-products of the process. This new study will evaluate the commercial feasibility of the production of these high purity by-products. These by-product credits already have a meaningful impact on the operational cost economics of the Project, but could be even further improved as, for instance, the price of high purity SOP has historically been up to double that of fertilizer grade product.

Mining and Geometallurgy

TheiaX GmbH, a local German company, reported initial hyperspectral core scanning tests on both existing drill core from previous drilling campaigns, and crushed ore samples from the previous pilot tests. The hyperspectral scanning produced clear quantitative information on Zinnwaldite (Li-mineral), Muscovite, Clay minerals and Topaz from both the drill core and the crushed product. In comparison to standard one metre assay intervals, the hyperspectral imaging produced information on five cm intervals and detected lower grade inclusions from the core giving a very clear indication that online hyperspectral imaging could be used for value-based bulk or particle sorting of crushed ore.

In a separate campaign, Metso: Outotec / Tomra tested the amenability of Zinnwaldite ore for particle sorting. All Zinnwaldite lithologies, ore and waste, were tested. Different lithologies could easily be distinguished and hence particle sorting was found to be suitable for Zinnwald ore.

If successful, this could also lead to an increase in total Mineral Resources. The current Mineral Resource excludes Ore Type 1 lenses thinner than two meters due to processing cost per tonne waste rock mined. With better understanding of the small-scale grade variation and application of sorting process, it may be possible to lower the Li cut-off grade of Ore Type 1. In addition, a considerable amount of lithium at the Project is contained in the "Greisenized Granite" rock, which could potentially be included in Mineral Resources. This material can be understood as an alteration halo surrounding the Ore Type 1 and is estimated at 214 Mt at a Li grade of 1700 ppm. It is currently not included in the Project's Mineral Resources of 40.4 million tonnes (35.5 million tonnes measured and indicated plus 4.9 million tonnes inferred), as set out in the PEA.

Pyrometallurgy

Calcination (roasting of pre-treated Zinnwaldite concentrate) testwork was carried out by IBU-tec Advanced Materials AG. The calcination testwork focused on pre-treatment of the concentrate with different additives, agglomeration and roasting of the agglomerate. The test targeted the possibility of utilising cheaper additives and a higher leach rate of lithium and potassium from calcine. The tests for calcine leaching of the calcined material were carried out by K-UTEC.

The tests indicated that Flue Gas Desulfurization ('FGD') Gypsum is suitable for the purpose. FGD Gypsum is readily available and inexpensive and would represent a cost saving versus using primary gypsum. The tests also showed an increased lithium recovery rate of 90% (previously 87%) and an increased potassium recovery rate of 70% (previously 50%) from Zinnwaldite ore compared with what was demonstrated in the 2019 FS.

Access to Legacy Mining Infrastructure

In March 2022, the Company was granted access to portions of the existing mining infrastructure in the vicinity of the Project for inspection purposes. This infrastructure includes a 4km drainage tunnel, and disused ventilation and access shafts, which potentially could be used as part of its operations. The infrastructure was found to be in excellent condition and easily accessible. The Company continues to develop its plans for the possible utilisation of this infrastructure to beneficially impact the Project and is also in discussion with the owners of the assets for access and usage.

ESG Matters

In line with its progressive ESG policy, the Company is committed to delivering benefits to the local community. The Company has held several meetings with different stakeholders regarding its plans for the future. Members of the management team have met with local and provincial authorities to keep them updated regarding progress and plans for the Project.

As part of the public engagement effort, an encouraging consultation and information meeting was held in the village of Zinnwald in March 2022 to explain the drill programme and plans to develop the Project. In order to assist in keeping the public and the authorities informed about the Project, a local project office has now been established for the duration of the drilling campaign.

Occupational Health and Safety ('OHS')

As the team expands and new physical work stages advance, the OHS aspects have been reconsidered. The Company targets zero incidents through training, selection of work methods and continuous auditing.

Horizon Europe

In May 2022, the Company joined the "Exploration Information Systems" project, part of the EU funded Horizon Europe Research and Innovation scheme. The research project focuses on developing new exploration techniques that are based on large datasets, artificial intelligence and deep learning methods to identify new sources of raw materials. Precise techniques that can take several factors into consideration to determine prospectivity of deposits, aim to lead to more effective exploration decision making and consequently reduced project development costs. The Company believes that such projects are crucial in securing the necessary materials for future generations and is proud to contribute to this effort by providing a case study site in Germany.

Management and Staffing in Germany

Dr Armin Mueller stepped down from his role as Managing Director of DL to pursue other opportunities. He was succeeded by Dr Torsten Bachmann. Dr Bachmann is Dipl.-Ing. of Environmental Technology and has a PhD in Chemistry. He has over 15 years' experience in science and industry in the area of photovoltaics and inorganic chemistry and long-term experience in the management of national research projects. He was team leader in the "Lithium Zinnwald Project" from 2011 to 2015 and since 2017 has been responsible for "Chemical Processing" aspects of the Project.

In addition, the Company has further strengthened the team in Germany, adding skills in several key disciplines including geology, mining, and logistics.

2.2. Post Balance Sheet events to September 2022

In-fill drilling at Zinnwald Lithium Deposit

In August 2022, the Company received its final permits and started an in-fill drilling programme at the core Zinnwald Lithium license. The purpose of the in-fill drilling programme is to study the mining scale variability of the ore with the view of applying larger scale mining methods. The ultimate aim is to accommodate greater mining capacity for expanded Li-product output.

Zinnwald Lithium has engaged SRK Consulting (UK) Ltd to provide competent person support for the drill campaign and geometallurgy. The drilling is being conducted by GEOPS Bolkan Drilling Services Ltd. The Company has also leased and taken occupancy of new warehouse space in Freiberg that will be used for core storage and core logging and processing of new drill core when the drill programme commences. The facility is being outfitted with the latest safe and environmentally friendly equipment.

Exploration drilling at Falkenhain Licence Area

In September 2022, the Company received its final permits and started an exploration drilling programme at its Falkenhain Lithium license. This exploration licence is located 7km north from the core Zinnwald License. The licence area was historically extensively explored for occurrences of tin and tungsten with drilling undertaken most recently from 1963 to 1990. The Company has performed a detailed review of the historic data including assaying samples of the surviving core from these campaigns. The outcome from this work has identified the potential for a lithium resource. The Company has therefore designed an exploration drill campaign of ten diamond drill holes to test the historic drill data and better determine the resource potential of the licence.

Option on Land in Altenberg

In August 2022, the Company announced that it had entered into an option agreement with Projektgesellschaft Altenberg mbH, an entity owned by the town of Altenberg in Germany, that gives the Company the right to acquire approximately 14,000 square metres of industrial land in the Europark industrial area near to Altenberg. The option agreement is valid until August 2025. The land subject to the option agreement is adjacent to land already owned by the Company and combined would bring the Company's total land holding in this area to approximately 30,000 square metres. This industrial land has the potential to be used for access and other operational aspects of the Zinnwald Lithium Project.

Ore-sorting pilot test by Tomra

After successful preliminary test work, pilot ore-sorting tests were carried out by Tomra in Hamburg, Germany. The pilot confirmed that >10 mm crushed material particles can be effectively sorted with off-the-self ore-sorters.

The objective of these testwork campaigns is to reduce ore processing costs by removing waste and low-grade material from the Mineral Processing circuit before the expensive grinding, drying and magnetic separation stages, as well as minimising the quantity of fine material produced as by-product.

2.3. Preliminary Economic Assessment

On 7th September 2022, the Company published its NI 43-101 standard Preliminary Economic Study ('**The Technical Report**' or '**PEA'**) on the revised Zinnwald Lithium Project. The full report is published on the Company's website at https://www.zinnwaldlithium.com/investors/reports-and-presentations/. The economic analysis included in this Technical Report demonstrates the robust economics and financial viability of the Project.

As shown below, the PEA demonstrates the financial viability of the Project at an initial minimum design production rate of approximately 12,011 t/a LiOH (battery grade 99.5 %). The Project is currently estimated to have a payback period of 3.3 years. Cash flows are based on 100 % equity funding. The economic analysis indicates a pre-tax NPV, discounted at 8 %, of approximately US$ 1,605m and an Internal Rate of Return (IRR) of approximately 39%. Post-tax NPV is approximately US$1,012m and IRR 29.3%.

PEA Key Indicators	Unit	Value
Pre-tax NPV (at 8 % discount)	US$ m	1,605
Pre-tax IRR	%	39.0%
Post-tax NPV (at 8 % discount)	US$ m	1,012
Post-tax IRR	%	29.3%
Simple Payback (years)	Years	3.3
Initial Construction Capital Cost	US$ m	336.5
Average LOM Unit Operating Costs (pre by-product credits)	US$ per tonne LiOH	10,872
Average LOM Unit Operating Costs (post by-product credits)	US$ per tonne LiOH	6,200
Average LOM Revenue	US$ m	320.7
Average Annual EBITDA with by-products	US$ m	192.0
Annual Average LiOH Production	Tonnes per annum	12,011
LiOH Price assumed in model	US$ per tonne	$22,500
Annual Average SOP Production	Tonnes per annum	56,887
Blended SOP Price assumed in model	€ per tonne	875

The Project described in this Technical Report includes an underground mine with a nominal output of approximately 880,000 t/a ore at estimated 3,004 ppm Li and 75,000 t/a barren rock. Ore haulage is via a 7km partly existing network of underground drives and adits from the "Zinnerz Altenberg" tin mine which closed in 1991. Processing including mechanical separation, lithium activation, and lithium fabrication will be carried out at an industrial facility near the village Bärenstein, in close proximity to the existing underground mine access and an existing site for tailings deposition with significant remaining capacity.

The nominal output capacity of the project is targeted at c. 12,000 t/a LiOH with c. 56,900 t/a of SOP, which is used as a fertilizer, as a by-product. Another by-product that is contemplated is PCC, a key filling material in the paper manufacturing process. The estimated mine life covers >35 years of production. The optimisation of mining methods has been a key consideration to realise increased total mined tonnage from the Zinnwald mine. This includes utilising more efficient techniques such as sub-level stoping and Avoca wherever possible and in preference to the less efficient room and pillar method.

2.4. Lithium Market in 2022

Building on an extremely strong performance in 2021, the lithium market in 2022 has continued to perform strongly with very high levels of spot prices positively impacting contract pricing. There is a growing consensus around the worsening Supply / Demand imbalance, which is generally accepted economic pre-cursor to increased prices. In terms of what that means for long term lithium hydroxide prices, back in Q3 2021 Benchmark forecast a price of $12,110 long term, but this is before the step change in balance in the market. In March 2022, Roskill forecast an inflation adjusted long term price of $23,609 per tonne through to 2036 with a nominal rate of $33,200 by 2036.

The global lithium market is expanding rapidly due to an increase in the use of lithium-ion batteries for electric vehicle and energy storage applications. In recent years, the compound annual growth rate of lithium for battery applications was over 22% and is projected by Roskill to be more than 20% per year to 2028. This expansion is being driven by global policies to support decarbonisation towards carbon neutrality via electrification, which is underpinned by Carbon Emission Legislation (COP26, EU Green Recovery, Paris Accord); Government regulation and subsidies; and Automakers commitment to EVs. Global electric car sales totalled 4.2 million units in 2021, more than double the level in 2020 and up ~ 200% versus 2019 with no slowdown anticipated in 2022.

Benchmark Minerals highlighted that there are 282 Gigafactories at various stages of production/ construction, up from only 3 in 2015 (by May 2022, this number had gone over 300). If all these plants did come online in the planned 10-year timeframe, it would equate to 5,777 GWh of battery capacity, equivalent to 109 million EVs. But more relevantly it would require 5m tonnes of Lithium each year, as compared with 480,000 tonnes produced in 2021. They noted that the lack of supply is not due to any geological constraints but to a simple lack of capital investment to build future mines and estimated $42bn needs to be spent by 2030 to meet demand for lithium.

In April 2022, the Belgium-based research university KU Leuven published a report "Metals for Clean Energy" on behalf of Europe's metal industry group, Eurometaux, and endorsed by the EU. This report explored in detail the supply, demand and sustainability factors at play around critical raw materials, especially in Europe. It noted that Europe's 2030 energy transition goals would require 100-300kt of lithium rising to around 600-800kt by 2050, equivalent to 3,500% of Europe's low consumption levels today. In terms of direct European supply, Eurometaux comments that "Several projects are subject to local community opposition (most visibly in Portugal, Spain, and Serbia). Others are dependent on untested technologies to be viable or have less certain economics. However, the EU has made it a strategic priority to improve its self-sufficiency for lithium."

2.5. Ireland

The Company has retained its sole license at Abbeytown and has met all expenditure requirements to maintain the license through to June 2023. The license is being kept on care and maintenance, whilst the Company is seeking either a partner or purchaser for the assets. No expenditure was made on the license during the period.

2.6. Share Price performance in 2022

The Board shares the frustration of shareholders at the weakness of the Company's share price in 2022. The wider equity markets, especially for smaller companies, have been under sustained pressure in 2022 due to wider macro-economic factors. Zinnwald has had two specific equity events that occurred at the end of December 2021 (the distribution of 91m Zinnwald shares owned by Bacanora Lithium Plc on completion of its takeover by Ganfeng Lithium Ltd; and the expiration of the lock-in on the majority of the 50m Zinnwald shares originally issued to creditors of the SolarWorld AG estate) which resulted in there being a number of material shareholders that were unlikely to be natural holders of the Company's stock. The Board understands that a significant number of these shareholders have sold all or the majority of their holdings over the course of 2022. The Board is grateful for the new and existing shareholders that have absorbed this volume of stock.

2.7. Outlook

The Company has already commenced an infill drilling programme at the core Zinnwald license with the objective of better defining the Resources and Reserves that lie within the ore body, as well as determine the detailed early years' mining plan. This will likely lead to revised Resource and Reserves Estimate being included in the new Bankable Feasibility Study ("**BFS**") planned for the re-scoped Project as defined in this PEA Study. The Company has also commenced an exploration drilling campaign at its nearby Falkenhain license to determine the potential for expansion of both the project's resources and the production level. The Company's goal is to be able to publish this updated BFS by the end of 2023, subject to appropriate financing.

The Company will continue to develop the technologies planned for its processes. Individual processing methods and stages are well established in mining and other industries. As the recognition of Zinnwaldite as a source for battery metals is more recent, the application of methods such as high-intensity magnetic separation has not previously been used in beneficiation of this specific type of lithium ore but is utilised and well established in the beneficiation of other ore types. Evaporators and crystallizers are common processing methods in the production of fertiliser salts. The Company has also completed the initial phases of bulk and particle sorting techniques designed to increase the type of resource available to the Project. The Company will also continue to refine its plans for reducing its overall CO_2 footprint and operating costs, such as via the use of electric mining equipment.

The Company has already commenced its EIA and other permit application process, including baseline studies and other reports. This will be the highest priority area over the coming quarters.

The Company will continue to liaise with individual, State and Federal owners of local infrastructure regarding access rights and/or acquisition. The Company will also advance negotiations for service contracts for electric power and natural gas with local power companies as well as supply contracts for required reagents and materials.

3. Financial Review

Notwithstanding that the Company is a UK plc, admitted to trading on AIM, the Company presents its accounts in its functional currency of Euros, since most of the exploration expenditure, including that of its subsidiary Deutsche Lithium, is denominated in this currency.

The Group is still at an exploration and development stage and not yet producing minerals, which would generate commercial income. The Group is not expected to report overall profits until it is able to profitably commercialise its Zinnwald Lithium project in Germany or disposes of its historic exploration project in Ireland.

During the period, the Group made a loss before taxation of €1.4m compared with a loss of €0.9m for the period ended 30 June 2021. Whilst the overall amounts are relatively similar, the underlying expenditure areas are materially different. In the six months to 30 June 2022, administrative expenses increased to €0.9m compared with €0.4m in the previous period. This is due in part to the Company consolidating the costs of Deutsche Lithium in the current period, which it did not do in the comparator as it was still a Joint Venture. The Group has also increased its overall staffing levels to reflect the sole ownership of the Project and the increased workstreams to advance the Project. There was also a share-based payment expense of €0.6m in the current period, arising from the issuance of new Options and RSUs in January 2022. In the previous period to 30 June 2021, there was a project impairment charge of €1.55m for Abbeytown together with the revaluation gain of €1.03m on the original investment in Deutsche Lithium, such costs being one off in that period.

The Total Net Assets of the Group increased to €21.7m at 30 June 2022 from €16.8m at 30 June 2020, due to increased capital investment in the Intangible Assets of the Project, as part of the work on the PEA together with increased cash balances following the fund raise in December 2021.

The closing cash balance for the Group at the period end was €6.1m which is greater than the €2.9m at the end of the same period in the prior year, due primarily to the funds raised in December 2021, offset by ongoing development and operational expenditure. As at the date of this report, the Group's cash balance is €5.4m.

On behalf of the board

Cherif Rifaat,
CFO and Director

The directors present their report and financial statements for the six months ended 30 June 2022.

Principal activities

The principal activity of the Company and Group is that of developing the Zinnwald Lithium Project to become the next lithium producer at the heart of Europe. Details of future developments are included in the Strategic Report.

Results and dividends

The results for the period are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors and Directors' Interests

There were no changes to the directors who held office in the period or to their interests as disclosed in the 2021 Annual Report.

Substantial shareholdings

The directors are aware of the following substantial interests or holdings in 3% or more of the Company's ordinary issued share capital as at 14 September 2022:

Major Shareholder	No of Shares	% of Issued share capital
Henry Maxey	42,898,910	14.62%
Ganfeng Lithium	25,465,889	8.68%
Oberon Investments Limited	11,895,633	4.05%
Mark Tindall	9,292,444	3.17%

Directors' insurance

The Group has made qualifying third-party indemnity provisions for the benefit of its directors, which were made during the period and remain in force at the reporting date.

Supplier payment policy

The Group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code.

Working capital and liquidity risk, Foreign Currency Risk, Credit and Interest Rate Risk

There have been no changes to the risks or mitigating steps as noted in the 2021 Annual Report.

Streamlined Energy and Carbon Reporting

As per the Streamlined Energy and Carbon Reporting ("SECR") Regulations published in 2018 quoted companies and large unquoted companies that have consumed more than 40,000 kilowatt-hours (kWh) of energy in the reporting period must include energy and carbon information within their directors' report. Zinnwald Lithium Plc and the Group do not qualify as a quoted company or a large unquoted company and therefore are presently exempt from the SECR reporting requirements. However, in the first six months of 2022 the Group did not consume more than 40,000 kWh. As the Group will materially increase its operations and work on the Zinnwald Lithium Project in the second half of 2022, the Company intends to publish energy emissions data going forward.

Post reporting date events

There have been no material events to report since the reporting date.

On behalf of the board

Anton du Plessis
Director
14 September 2022

All members of the Board believe strongly in the value and importance of good corporate governance and in its accountability to all of the stakeholders in Zinnwald Lithium plc's ("Zinnwald" or the "Company") including our shareholders, advisers, regulators and other suppliers. Robust corporate governance improves performance and mitigates risk and therefore is an important factor in achieving the medium to long term success of the Company. In the statement which follows, we explain our approach to governance, and how the board and its committees operate.

Changes to the AIM Rules for Companies which were announced on 30 March 2018 required AIM companies to apply a recognised corporate governance code from 28 September 2018. Zinnwald has chosen to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (revised in April 2018) to meet the new requirements of AIM Rule 26.

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the board judges these to be appropriate in the circumstances.

Like all aspects of the QCA Code, addressing the disclosure requirements should not be approached as a compliance exercise; rather it should be approached with the mindset of explaining and demonstrating the Company's good governance to external stakeholders.

The role of the Chair is to lead the board and to oversee its function and direction. The Chair has the overall responsibility for implementing an appropriate corporate governance regime at the Company.

There have been no significant changes in governance arrangements during the period.

The Company's most recent annual report for the financial period ended 31 December 2021 was published on 22 February 2022 and contains the disclosures recommended by the QCA Code. Furthermore, the Company updates its annual QCA Statement on its website with the most recent version published in September 2021, which includes therein further additional detail on the Company's ongoing compliance.

	Notes	30 June 2022 Unaudited €	30 June 2021 Unaudited €
Continuing operations			
Cost of sales		-	(13,797)
Ireland and Sweden exploration projects impairment		-	(1,549,875)
Administrative expenses		(858,953)	(357,579)
Other operating income		2,187	-
Share based payments charge	**17**	(591,099)	-
Operating Loss	**5**	(1,447,865)	(1,921,251)
Revaluation gain on original joint venture holding	**6**	-	1,038,252
Share of loss of joint venture	**7**	-	(52,911)
Finance income	**8**	18	422
Loss before taxation		(1,447,847)	(935,488)
Tax on loss		-	-
Loss for the financial period		(1,447,847)	(935,488)
Other Comprehensive Income		-	-
Total comprehensive loss for the period		(1,447,847)	(935,488)
Earnings per share from continuing operations attributable to the owners of the parent company	**9**		
Basic (cents per share)		(0.49)	(0.44)
Diluted (cents per share)		(0.48)	(0.44)

Total loss and comprehensive loss for the year is attributable to the owners of the parent company.

	Notes	30 June 2022 Unaudited €	30 June 2021 Unaudited €	31 December 2021 Audited €
Non-current assets				
Intangible Assets	**10**	16,852,308	8,303,034	16,165,085
Goodwill	**11**	-	5,531,474	
Property, plant and equipment	**12**	188,062	46,974	48,621
		17,040,370	13,881,482	16,213,706
Current assets				
Trade and other receivables	**13**	194,918	122,137	121,845
Cash and cash equivalents	**14**	6,020,170	2,908,955	8,291,991
		6,215,088	3,031,092	8,413,836
Total Assets		23,255,458	16,912,574	24,627,542
Current liabilities				
Current tax liabilities		-	-	23,802
Trade and other payables	**15**	123,324	143,974	614,858
		123,324	143,974	638,660
Net current assets		6,091,764	2,887,118	7,715,176
Total liabilities		123,324	143,974	638,660
Total assets less current liabilities		23,132,134	16,768,600	23,988,882
Deferred tax liability		(1,382,868)	-	(1,382,868)
Net Assets		21,749,266	16,768,600	22,606,014
Equity				
Share capital	**16**	3,316,249	2,867,979	3,316,249
Share premium		20,289,487	14,112,654	20,289,487
Other reserves		1,413,880	818,654	822,781
Retained earnings		(3,270,350)	(1,030,687)	(1,822,503)
Total equity		21,749,266	16,768,600	22,606,014

	Share Capital	Share premium account	Other reserves	Retained earnings	Total
	€	€	€	€	€
Balance at 1 January 2022	3,316,249	20,289,487	822,781	(1,822,503)	22,606,014
Six months ended 30 June 2022					
Loss and total other comprehensive income for the period	-	-	-	(1,447,847)	(1,447,847)
Total comprehensive income for the period	-	-	-	(1,447,847)	(1,447,847)
Credit to equity for equity settled share-based payments	-	-	591,099	-	591,099
Total transactions with owners directly in equity	-	-	591,099	-	591,099
Balance at 30 June 2022	3,316,249	20,289,487	1,413,880	(3,270,350)	21,749,266

	Share Capital	Share premium account	Other reserves	Retained earnings	Total
	€	€	€	€	€
Balance at 1 January 2021	2,278,155	7,362,699	814,281	(95,199)	10,360,476
Six months ended 30 June 2021					
Loss and total other comprehensive income for the period	-	-	-	(935,488)	(935,488)
Total comprehensive income for the period	-	-	-	(935,488)	(935,488)
Issue of share capital	589,824	6,749,955	-	-	7,339,779
Credit to equity for equity settled share-based payments	-	-	3,833	-	3,833
Total transactions with owners recognised directly in equity	589,824	6,749,955	3,833	-	7,343,612
Balance at 30 June 2021	2,867,979	14,112,654	818,654	(1,030,687)	16,768,600

	Notes		30 June 2022 Unaudited		30 Junes 2021 Unaudited
Cash flows from operating activities					
Cash used in operations	**18**		(1,427,833)		(390,310)
Net cash outflow from operating activities			(1,427,833)		(390,310)
Cash flows from investing activities					
Investment in Deutsche Lithium as Joint Venture		-		(735,800)	
Purchase of remaining 50% of Deutsche Lithium		-		(1,500,000)	
Cash acquired on purchase of Deutsche Lithium		-		486,213	
Exploration expenditure in Germany		(687,664)		-	
Exploration expenditure in Ireland and Sweden		-		(3,764)	
Purchase of property, plant and equipment		(180,603)		-	
Proceeds from sale of tangible assets		26,471			
Interest received		18		422	
Net cash used in investing activities			(841,778)		(1,752,929)
Cash flows from financing activities					
Proceeds from the issue of shares		-		58,717	
Net cash generated from financing activities			-		58,717
Net (decrease)/increase in cash and cash equivalents			(2,269,611)		(2,084,522)
Cash and cash equivalents at beginning of period			8,291,991		4,846,528
Effect of foreign exchange rates			(2,210)		146,949
Cash and cash equivalents at end of period	**14**		6,020,170		2,908,955

1. Accounting Policies

Company Information

Zinnwald Lithium Plc ("the Company") is a public limited company which is listed on the AIM Market of the London Stock Exchange domiciled and incorporated in England and Wales. The registered office address is 29-31 Castle Street, High Wycombe, Buckinghamshire, United Kingdom, HP13 6RU.

The group consists of Zinnwald Lithium Plc and its wholly owned subsidiaries, as follows as at 30 June 2022.

Name of undertaking	Registered office	Nature of business	Class of shares held	Direct holding	Indirect holding
Deutsche Lithium Holdings Ltd	United Kingdom	Exploration	Ordinary	100.0%	-
Deutsche Lithium GmbH	Germany	Exploration	Ordinary	-	100.0%
Erris Zinc Limited	Ireland	Exploration	Ordinary	100.0%	-

The registered office address of Deutsche Lithium Holdings Ltd (formerly Erris Resources (Exploration) Ltd) is 29-31 Castle Street, High Wycombe, Bucks, HP13 6RU.

The registered office address of Deutsche Lithium GmbH is at Am Junger-Loewe-Schacht 10, 09599, Freiberg, Germany

The registered office address of Erris Zinc Ltd is The Bungalow, Newport Road, Castlebar, Co. Mayo. F23YF24.

1.1 Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention and in accordance with the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The unaudited interim condensed financial statements should be read in conjunction with the annual report and financial statements for the year ended 31 December 2021, which have been prepared in accordance with UK-adopted International Accounting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (except as otherwise stated).

The unaudited interim condensed consolidated financial statements do not constitute statutory financial statements within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of UK adopted international accounting standards. Statutory financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 22 February 2022 and delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified.

The same accounting policies, presentation and methods of computation are followed in these unaudited interim condensed financial statements as were applied in the preparation of the audited financial statements for the year ended 31 December 2021.

The financial statements are prepared in euros, which is the functional currency of the Company and the Group's presentation currency, since the majority of its expenditure, including funding provided to Deutsche Lithium, is denominated in this currency. Monetary amounts in these financial statements are rounded to the nearest €.

The € to GBP exchange rate used for translation as at 30 June 2022 was €1.16189.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Zinnwald Lithium Plc and all of its subsidiaries, as listed above (i.e., entities that the group controls when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity).

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company had a cash balance of €6.0m at the period end and keeps a tight control over all expenditure. Thus, the going concern basis of accounting in preparing the Financial Statements continues to be adopted.

1.4 Intangible assets

Capitalised Exploration and Evaluation costs

Capitalised Exploration and Evaluation Costs consist of direct costs, licence payments and fixed salary/consultant costs, capitalised in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources". The Group recognises expenditure in Exploration and Evaluation assets when it determines that those assets will be successful in finding specific mineral assets. Exploration and Evaluation assets are initially measured at cost. Exploration and Evaluation Costs are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Any impairment is recognised directly in profit or loss.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Nil
Plant and equipment	25% on cost
Fixtures and fittings	25% on cost
Computers	25% on cost
Motor vehicles	16.7% on cost for new vehicles, 33.3% on cost for second-hand vehicles
Low-value assets (Germany)	100% on cost on acquisition for items valued at less than €800

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.6 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet ready to use and not yet subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Joint Arrangements

Up to 24 June 2021, the Group's core activities in relation to the Zinnwald Lithium project were conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Group has a direct ownership interest in jointly controlled assets and obligations for liabilities. The Group does not currently hold this type of arrangement.

Joint ventures arise when the Group has rights to the net assets of the arrangement. For these arrangements, the Group uses equity accounting and recognises initial and subsequent investments at cost, adjusting for the Group's share of the joint venture's income or loss, dividends received and other comprehensive income thereafter. When the Group's share of losses in a joint venture equals or exceeds its interest in a joint venture it does not recognise further losses. The transactions between the Group and the joint venture are assessed for recognition in accordance with IFRS. The Group recognised a share of the Joint Venture's profit or loss up until 24 June 2021.

No gain on acquisition, comprising the excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of investment, has been recognised in profit or loss. The net fair value of the identifiable assets and liabilities have been adjusted to equal cost.

Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

2 Judgements and key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Joint venture investment

The Group applied IFRS 11 to all joint arrangements and classified them as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group held 50% of the voting rights of its joint arrangement with SolarWorld AG. The Group determined itself to have joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for certain key strategic, operating, investing and financing policies. The Group's joint arrangement was structured through a limited liability entity, Deutsche Lithium GmbH, and provided the Group and SolarWorld AG (parties to the joint venture agreement) with rights to the net assets of Deutsche Lithium under the arrangements. Therefore, this arrangement was classified as a joint venture up to 24 June 2021 when the Company acquired the remaining 50% of Deutsche Lithium and thereafter consolidated its full results

The investment was assessed at each reporting period date for impairment. An impairment is recognised if there is objective evidence that events after the recognition of the investment have had an impact on the estimated future cash flows which can be reliably estimated. In addition, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Under IFRS 3, on acquisition of the additional stake in the joint venture, the Company remeasured the fair value of its original investment in the joint venture and recognised a gain in the period to 30 June 2021.

Impairment of Capitalised Exploration Costs

Management tests annually whether capitalised exploration costs have a carrying value in accordance with the accounting policy stated in note 1.6. Each exploration project is subject to a review either by a consultant or an appropriately experienced Director to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure as well as the likelihood of on-going funding from joint venture partners. In the event that a project does not represent an economic exploration target and results indicate that there is no additional upside, or that future funding from joint venture partners is unlikely, a decision will be made to discontinue exploration.

The Company's sole focus is now on the Zinnwald Lithium Project and the majority of capitalised exploration and development expenses are held at Deutsche Lithium level. Management have reviewed the carrying value of these intangible assets at period end and do not believe that any impairment is required. Management believe that this is supported by the robust potential economic value of the Project, as identified by the recently published PEA.

In Ireland, the Group has retained the core license at Abbeytown (PL 3735), which remains valid until June 2023. The Board concluded that a full impairment of the carrying value of this license be incurred in 2021 and accordingly the Ireland assets are held on the balance sheet at a Nil value.

3 Segmental reporting

The Group operates principally in the UK and Germany with a largely dormant subsidiary in Ireland. Activities in the UK include the Head Office corporate and administrative costs whilst the activities in Germany relate to the work done by Deutsche Lithium on the Group's primary asset of the Zinnwald Lithium Project. The reports used by the Board and Management are based on these geographical segments. As noted earlier, the results of Germany were reported as an Investment in Joint Venture for the period to 24 June 2021, and from thereon are reported on a fully consolidated basis.

	Non-core Assets 2022 €	Germany 2022 €	UK 2022 €	Total 2022 €
Cost of sales and administrative	(3,172)	(225,941)	(1,218,729)	(1,447,842)
Project impairment	-	-	-	-
Gain/loss on foreign exchange	-	-	(2,210)	(2,210)
Other operating income	-	2,187	18	2,205
Share of loss from joint venture	-	-	-	-
Profit/(loss) from operations per reportable segment	(3,172)	(223,754)	(629,840)	(1,447,847)
Reportable segment assets	11,972	16,897,083	6,346,403	23,255,458
Reportable segment liabilities	-	71,237	52,087	123,324

	Non-core Assets 2021 €	Germany 2021 €	UK 2021 €	Total 2021 €
Cost of sales and administrative	(5,331)	-	(514,642)	(519,973)
Project impairment	(1,549,875)	-	-	(1,549,875)
Gain/loss on foreign exchange	11	-	148,586	148,597
Other operating income	-	-	1,038,674	1,038,674
Share of loss from joint venture	-	(52,911)	-	(52,911)
Profit/(loss) from operations per reportable segment	(1,555,195)	(52,911)	672,618	(935,488)
Reportable segment assets	19,032	14,395,408	2,498,134	16,912,574
Reportable segment liabilities	-	41,122	102,852	143,974

Non-Core Assets includes Ireland and Scandinavia. Ireland is the only one with material balances within this category and makes up a majority of the balances. The Scandinavia assets were fully disposed of in 2021.

4 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 €	2021 €
In respect of			
Intangible assets in Ireland and Sweden	10	-	1,549,875
Recognised in			
Administrative expenses		-	1,549,875

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

5 Operating loss

	Group 2022 €	2021 €
Operating loss for the year is stated after charging / (crediting)		
Exchange (gains)/losses	(2,210)	148,597
Depreciation of owned property, plant and equipment	18,980	488
Amortisation of intangible assets	442	-
Ireland and Sweden exploration projects impairment	-	1,549,875
Share-based payment expense	591,099	3,833
Operating lease charges	64,836	11,891
Exploration costs expensed	210,328	5,331

6 Other gains and losses

	2022 €	2021 €
Gain on re-measurement of initial 50% interest in Deutsche Lithium	-	1,038,252

7 Share of results in Joint Venture

	Group 2022 €	2021 €
Share of loss in joint venture	-	(52,911)

8 Finance income

	Group 2022 €	2021 €
Interest income		
Interest on bank deposits	18	422

9 Earnings per share

	2022 €	2021 €
Weighted average number of ordinary shares for basic earnings per share	293,395,464	213,439,290
Effect of dilutive potential ordinary shares		
- Weighted average number of outstanding share options	5,900,000	2,700,000
Weighted average number of ordinary shares for diluted earnings per share	299,295,464	216,139,290
Earnings		
Continuing operations	(1,447,847)	(935,488)
Loss for the period for continuing operations		
Earnings for basic and diluted earnings per share distributable to equity shareholders of the company	(1,447,847)	(935,488)
Earnings per share for continuing operations		
Basic and diluted earnings per share		
Basic earnings per share	(0.49)	(0.44)
Diluted earnings per share	(0.48)	(0.44)

There is no difference between the basic and diluted earnings per share for the period ended 30 June 2022 or 2021 as the effect of the exercise of options would be anti-dilutive.

10 Intangible Assets

Group	Germany €	Ireland €	Total €
Cost			
At 1 January 2022	16,165,914	2,059,272	18,225,186
Additions – group funded	687,665	-	687,665
At 30 June 2022	16,853,579	2,059,272	18,912,851
Amortisation and impairment			
At 1 January 2022	829	2,059,272	2,060,101
Amortisation charged for the period	442	-	442
At 30 June 2022	1,271	2,059,272	2,060,543
Carrying amount			
At 30 June 2022	16,852,308	-	16,852,308

Intangible assets comprise capitalised exploration and evaluation costs (direct costs, licence fees and fixed salary / consultant costs) of the Zinnwald Lithium project in Germany, as well as the now fully impaired Ireland Zinc Project.

11 Business Combination

Remeasurement of fair value of initial holding in Deutsche Lithium

Under IFRS 3, on acquisition of the controlling stake, the Company remeasured the fair value of its original investment in Deutsche Lithium. In terms of calculating that revaluation and any resulting gain or loss, the Directors noted that both transactions were conducted on an arms-length basis with unconnected third-parties. The Directors considered that there was a significant control premium in acquiring the second 50% of Deutsche Lithium and used an estimate of 30% in its calculations of the revaluation of the fair value of the initial shareholding.

	€		€
Value of second acquisition	8,781,062	Control premium (30%) of Net Value	2,388,525
Less: Cash in company	(486,213)	Fair Value of original investment	5,573,224
Less: Free Carry eliminated	(333,100)	Cash	486,213
		Release of obligation	333,100
Net Value of second acquisition	7,961,749	Value of second Acquisition	8,781,062
		Carrying Value at 24 June 2021	4,534,972
		Gain recognised on revaluation	1,038,252

On consolidation as at 24 June 2021, a calculation was required under normal acquisition rules to calculate the goodwill arising at the date of acquisition, but taking into consideration the 50% already owned at that date. The previously held 50% investment in Deutsche Lithium at Fair Value is derecognised and replaced with the assets and liabilities of Deutsche Lithium, so that going forward it is consolidated in full as normal as a subsidiary undertaking. The Directors have concluded that there should be no adjustment to the carrying value of Deutsche Lithium's Net Assets. The Directors undertook a detailed review of Deutsche Lithium's balance sheet at the time of the Company's acquisition of the remaining 50% of Deutsche Lithium it did not own and concluded that no adjustments were required. Since that date, Deutsche Lithium has continued with the same accounting policies, which are in accordance with those of the Company.

Fair Value of consideration given to acquire the controlling interest	**€**
Cash payment of €1.5m	1,500,000
Issuance of 49,999,996 new ordinary shares	7,281,062
Total consideration	8,781,062
Fair value of 50% investment in Deutsche Lithium as at 24 June 2021	5,573,224
	14,354,286
Fair value of net assets acquired in Deutsche Lithium as at 24 June 2021	(8,822,812)
Goodwill – re-allocated to Deutsche Lithium intangible exploration assets at 31 December 2021	5,531,474

12 Property plant and equipment

	Leasehold, land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	€	€	€	€
Cost				
At 1 January 2022	9,817	24,642	32,427	66,886
Additions – group funded	-	147,158	33,446	180,604
Disposals	-	-	(22,183)	(22,183)
Exchange adjustments	-	-	-	-
At 30 June 2022	9,817	171,800	43,690	225,307
Depreciation and impairment				
At 1 January 2022	-	13,143	5,122	18,265
Depreciation charged for the year	-	12,025	6,955	18,960
Exchange adjustments	-	-	-	-
At 30 June 2022	-	25,168	12,077	37,245
Carrying amount				
At 30 June 2022	9,817	146,632	31,613	188,062

13 Trade and other receivables

	30 June 2022	31 December 2021
Amounts falling due within one year:	**€**	**€**
Other receivables	120,610	83,982
Prepayments and accrued income	74,308	37,863
At period end	194,918	121,845

14 Cash and cash equivalents

	30 June 2022	31 December 2021
	€	**€**
Cash and cash equivalents	6,020,170	8,291,991
At period end	6,020,170	8,291,991

15 Trade and other payables

	30 June 2022	31 December 2021
Amounts falling due within one year:	**€**	**€**
Trade payables	68,562	313,391
Other taxation and social security	-	23,802
Other payables	7,893	13,509
Accruals and deferred income	48,869	287,958
At period end	123,324	638,660

16 Share Capital

	30 June 2022	31 December 2021
Ordinary share capital	**€**	**€**
Issued and fully paid		
293,395,464 ordinary shares of 1p each	3,316,249	3,316,249
	3,316,249	3,316,249

The Group's share capital is issued in GBP £ but is converted into the functional currency of the Group (Euros) at the date of issue of the shares.

17 Share based payment transactions

	Group	
	2022	**2021**
	€	**€**
Expenses recognised in the year		
Options issued under the Share Option Plan (2017)	490,705	3,833
RSUs issued under RSU Scheme (2020)	100,394	-
	591,099	3,833

Share Option Plan (2017)

A total of 4,000,000 Options were granted to employees, consultants and Directors of the Group on 15 January 2022 at a price of 18.10p. All awards vested 1/3 on award, 1/3 after 12 months and 1/3 after 24 months. They are expensed over the vesting period.

RSU Scheme (2020)

The first awards of RSUs under the new scheme were made on 15 January 2022 relating to the initial performance period from 1 October 2020 to 31 December 2021. A total of 1,909,531 RSUs were issued and have been expensed based on the share price at the date of issue being 18.10p and expensed over the vesting period.

18 Cash (used in)/generated from group operations

	2022	2021
	€	€
Loss for the year after tax	(1,447,847)	(935,488)
Adjustments for:		
Investment income	(18)	(422)
Impairment of intangible assets in Ireland and Sweden	-	1,549,875
Depreciation and amortisation of property, plant and equipment	19,422	488
Profit on disposal of fixed assets	(4,288)	-
Gain on remeasurement of initial interest in Joint Venture	-	(1,038,252)
Share of loss of Joint Venture	-	52,911
Equity-settled share-based payment expense	591,099	3,833
Exchange gains / (losses)	2,210	(146,949)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	(73,075)	79,674
Increase in trade and other payables	(515,336)	44,020
Cash used in operations	(1,427,833)	(390,310)

19 Approval of interim condensed consolidated financial statements

These interim condensed financial statements were approved by the Board of Directors on 14 September 2022.