

**ZINNWALD LITHIUM PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

ZINNWALD LITHIUM PLC  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2025

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<b>Directors</b>	Jeremy Martin Anton du Plessis Cherif Rifaat Graham Brown (resigned 24 February 2026) Peter Secker Dr Stefan Scherer Dominik Simler (appointed 24 February 2026)
<b>Secretary</b>	Cherif Rifaat
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ZINNWALD LITHIUM PLC  
CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025

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As Germany and the European Union intensify efforts to secure domestic supplies of critical raw materials, your Company has made solid progress over the past year advancing one of Europe's most strategically important lithium projects, the Zinnwald Lithium Project, which is positioned to deliver locally sourced, battery grade lithium hydroxide ('LHM').

We began the year with the publication of a Pre-Feasibility Study ('PFS') for the Zinnwald Lithium Project (the "Project"). This confirmed the technical and financial viability of a fully integrated mining and processing operation, supporting a mine life of more than 40 years and establishing Zinnwald Lithium as a potential major European producer of LiOH. The study also validated a phased development approach, with initial production of approximately 18,000 tonnes per annum ('tpa') of battery-grade LHM, expanding to over 35,000 tpa within the existing project footprint. The PFS included a maiden ore reserve that placed Zinnwald as the largest amongst all European lithium projects based on all published studies to date.

The Project's strong sustainability credentials were also reinforced by the PFS's findings. Underground mining, the use of a circa 9 km long underground ore transport tunnel, zero liquid discharge processing, and the planned reuse or backfilling of material streams reflect our commitment to responsible development in a region with a long mining heritage and high environmental standards. This approach was further reinforced by the execution of a Letter of Intent with solar developer Solar-Bau to explore long-term clean power offtake, and a Memorandum of Understanding with a local green cement producer to assess opportunities for third-party utilisation of selected by-products.

Permitting activities continued to advance during the year and, as part of this pathway, in December 2025 we published the Environmental and Social Impact Assessment ('ESIA') Scoping Study and associated stakeholder engagement frameworks. These represent an important step in defining the scope of the full ESIA and demonstrate our intention to meet both German regulatory requirements and international financing standards. The subsequent completion of the spatial planning process post period end further supports the development concept outlined in the PFS and provides a clear basis to progress into the next stages of permitting.

Community engagement is a core part of our approach, and ongoing dialogue with local stakeholders plays an important role in the development of the Project. Through the ESIA process, we have established a structured and transparent mechanism for engagement, ensuring that stakeholder feedback is considered in the Project's design and in the identification and management of environmental and social impacts. This supports responsible project development and helps build constructive, long-term relationships with the communities in which we operate.

As the Project has advanced, we have progressively strengthened our team in Germany. Furthermore, post period end, this focus on capability was extended at Board level with the appointment of Dominik Simler as a Non-Executive Director, adding strategic depth and German market experience.

Political and institutional support for the Project has continued to strengthen at both regional and federal levels. The Saxony State Government has consistently recognised the Project as being of outstanding importance, reflecting its contribution to regional development, industrial resilience and supply chain security. This has been reinforced by the German Federal Government, which has acknowledged the Project's alignment with national strategic raw material priorities and has committed to advocating for its recognition at European level. Site visits by senior representatives from the Federal Ministry for Economic Affairs and Energy underline the Project's relevance within Germany's broader industrial and energy transition strategy. We were also pleased to be awarded a Research Allowance for work done on our geological and processing development of up to €1.9m.

At European level, initiatives on critical raw materials, supply chain resilience and strategic stockpiling signal a clear shift towards greater self-sufficiency in materials such as lithium, reducing exposure to external suppliers and geopolitical risk. Zinnwald Lithium has been planned with this objective in mind and is well positioned to support Europe's ambitions.

After a period of oversupply and weak pricing, 2026 has seen the lithium market beginning to stabilise as demand strengthens. Electric vehicles remain the dominant driver, supported by rising use of batteries in energy storage, renewable power systems, and the electricity needs of data centres and artificial-intelligence infrastructure, as well as specialised applications in defence. Declining battery pack costs are also enabling broader adoption. Meanwhile, new high-quality supply is failing to keep up with demand, particularly in regions with tighter environmental and regulatory requirements such as Europe, once again highlighting the need to progress responsibly planned projects such as ours.

While there have been early signs of improvement in market sentiment, conditions during the period remained challenging. We were therefore delighted to complete a £3.4 million fundraise in June 2025 supported by existing shareholders and strategic investors. This strengthened the balance sheet and enabled us to continue to progress technical studies, permitting, and stakeholder engagement. The Board remains focused on disciplined capital allocation and prudent cash management as the Project advances.

ZINNWALD LITHIUM PLC  
CHAIRMAN'S STATEMENT  
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Zinnwald Lithium enters the next phase of development with a strong technical foundation, increasing policy alignment, and an improving lithium market backdrop. Europe's need for secure, domestic lithium supply has become a strategic imperative that will shape industrial and energy policy for decades; your Company is well positioned to contribute to this objective.

On behalf of the Board, I would like to thank our shareholders for their continued support, as well as our employees, partners and stakeholders whose commitment and professionalism underpin the progress we have made.



**Jeremy Martin**  
**Non-Executive Chairman**  
**30 March 2026.**

ZINNWALD LITHIUM PLC  
 THE ZINNWALD LITHIUM PROJECT  
 FOR THE YEAR ENDED 31 DECEMBER 2025

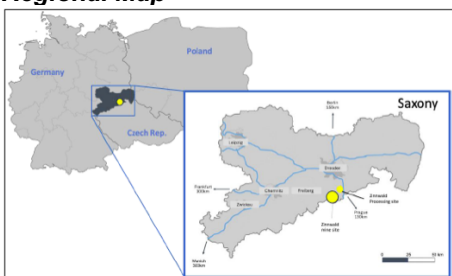
The Zinnwald Lithium project is located in east Germany, some 35 km from Dresden and adjacent to the border with the Czech Republic. Zinnwald Lithium’s strategy is to focus on advancing a large scale fully integrated operation that produces battery-grade Lithium Hydroxide product (‘LHM’); to optimise the Project from a cost perspective; and to minimise the potential impact on the environment and local communities. All aspects of the Project from mining through to production of the LHM are located near to the deposit itself in an area with developed infrastructure, energy sources, services, facilities, and access roads and rail. Power and water are provided by existing regional supply networks. It is also located close to the heart of the German automotive and chemical industries.

**Project location and license areas**

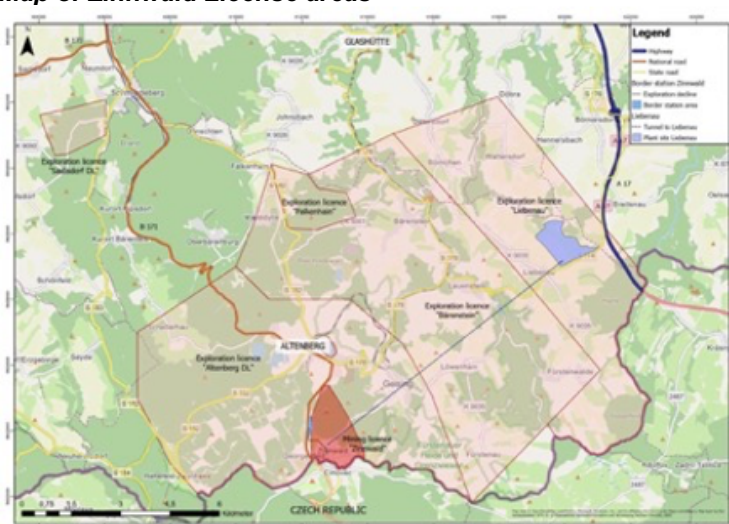
The Project falls entirely within the municipality of Altenberg, which covers an area of 145.8 km<sup>2</sup>. The municipality had a population of less than 8,000 in 2023. The orebody covered by Zinnwald Lithium’s primary licence is located beneath the village of Zinnwald which is some 4 km south of the small ex-mining town of Altenberg. Altenberg is the largest town in the municipality with a population of less than 2,000. The proposed process plant site is located to the north of the village of Liebenau. The terrain rises gradually to the south and creates a natural barrier between the village and the plant site. Liebenau is a small village, also in the municipality of Altenberg, and located approximately 7 km northeast of the town of Altenberg

The Project is in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten and lithium at different times over the past 400 years. Lithium is contained in lithium-bearing mica, which is called “zinnwaldite” taking its name from the nearby village. The Project comprises five license areas that total ~13,000 hectares, but the core license area where the Project’s resource has been defined is the Zinnwald license. This is a mining license which covers 256.5 ha and is valid to 31 December 2047.

**Regional Map**



**Map of Zinnwald License areas**



**Geology: Resource and Reserves**

Zinnwald conducted an 84 hole, 27,000m drill programme in 2022-2023 that culminated in an updated Mineral Resource Estimate (MRE) in 2024 prepared by Snowden Optiro. The Mineral Resource totals 193.5 Mt at 2,220 ppm Li (429 kt contained lithium metal) in the Measured and Indicated category at a cut-off grade of 1,100 ppm Li. The updated MRE established the Project as one of the largest lithium projects in the EU both in terms of resource size and contained lithium content.

Classification	Tonnes (Mt)	Mean grade		Contained metal	
		Li (ppm)	Li <sub>2</sub> O (ppm)	Li (kt)	LCE (kt)
Measured	36.3	2,500	5,380	91	483
Indicated	157.2	2,150	4,630	338	1,802
<b>MEASURED + INDICATED TOTAL</b>	<b>193.5</b>	<b>2,220</b>	<b>4,780</b>	<b>429</b>	<b>2,285</b>
INFERRED TOTAL	33.3	2,140	4,610	71	379

ZINNWALD LITHIUM PLC  
 THE ZINNWALD LITHIUM PROJECT  
 FOR THE YEAR ENDED 31 DECEMBER 2025

As part of the PFS, Snowden prepared a maiden Mineral Ore Reserve that totals 128 Mt (grading 2,056ppm Li) supporting a phased development strategy of 18,000 tpa of LHM in Phase 1 and increasing to a forecast peak production of 35,100 tpa LHM, effectively doubling the capacity within Phase 1 project footprint.

Classification	Tonnes (Mt)	Grade		Contained metal	
		Li (ppm)	Li <sub>2</sub> O (ppm)	Li (kt)	LCE (kt)
Proven	27.2	2,188	4,711	60	317
Probable	100.9	2,021	4,351	204	1,085
<b>Total</b>	<b>128.1</b>	<b>2,056</b>	<b>4,428</b>	<b>263</b>	<b>1,402</b>

### Technical concept

The Project encompasses the following main phases:

- Bulk underground mining and primary crushing.
- Ore transport from the mine to the mineral processing plant via a 9.1km tunnel
- Beneficiation stage comprising grinding, wet magnetic separation and dewatering resulting in the production of a **Zinnwaldite concentrate** (grade of circa 1.14% Lithium metal) as well as a quartz sand tailings partially backfilled underground and partially stored on TSF (if unable to be sold).
- Pyrometallurgical stage with calcination of concentrate
- Hydrometallurgical stage where the calcined material is leached with subsequent purification and crystallisation into battery grade **Lithium Hydroxide**. It includes output of saleable chemicals, such as calcium silicate, calcium fluoride, calcium carbonate and potassium chloride
- The processing plant has been designed to achieve Zero Liquid Discharge.
- Analcime residue, the main processing by-product, either used for backfilling the mined areas underground or potentially sold to the construction industry

### Pre-Feasibility Study and production plans

In March 2025, the Company published its PFS that demonstrates the financial viability of the Project with a Pre-tax Net Present Value (NPV) of €3.3 billion and a pre-tax Internal Rate of Return (IRR) of 23.6%. The after tax NPV is €2.2 billion and post-tax IRR is 19.8%. The Project has a mine life of over 40 years and the payback period is less than five years post commencement of production. This PFS included a development concept conceived as a multi-stage approach where Phase 1 will establish the necessary infrastructure, develop the mine and deliver approximately 18,000 tonnes of LHM per annum. Phase 2 will double production capacity and sees production peak at approximately 35,100 tonnes LHM per annum utilising the initial mining and tunnel infrastructure and benefiting from economies of scale.

### Permitting / ESIA

The Project will be permitted under German Mining Law and will follow an integrated permitting procedure under one unitary body, the Saxony Mining Authority ('SOBA'). A Spatial Planning Procedure was completed in December 2025 as a pre-cursor to the overarching permit, the General Operating Plan ('GOP'). As part of the GOP process, the Project will complete an Environmental Impact Assessment ('EIA'). The GOP requires various supporting documents including the EIA and other related documentation (e.g. Natura 2000 Impact Assessments, Landscape Management Plan and various environmental technical reports).

The Project has also commenced its work to produce an Environmental and Social Impact Assessment that will meet both the requirements for permitting under German Federal law as well as being completed to a level suitable for the purposes of seeking finance from International Financing Institutions, which are signatories to the Equator Principles 4 (and related standards).

### Site selection and impact on local communities

The Project has been designed to minimise the impact on local communities, the environment and protected areas in the vicinity (Natura 2000 and UNESCO World Heritage). This has been done despite a generally higher cost. This includes underground mining and continuous backfilling with mined waste, rather than open-pit mining; ore haulage via a tunnel to be constructed, rather than via truck transport on local roads or overland conveyor; and the selection of an area of ground adjacent to the A17 Highway as the main industrial site. This site is not in a protected area (such as Natura 2000) and is also not directly visible from the nearest village, Liebenau. The site is also well located with access to the A17 Highway and is near a planned solar park with the potential to supply a significant portion of the Project's electrical power needs from a renewable source.

The Directors present the strategic report for the year ended 31 December 2025.

## 1. Highlights

### **12 Months to 31 December 2025**

- Pre-Feasibility Study published on 31 March 2025 confirming the technical and financial viability of an integrated mining and processing operation
  - €3.3 billion pre-tax Net Present Value ('NPV') at 8% discount rate, post-tax €2.2 billion.
  - 23.6% pre-tax Internal Rate of Return ('IRR'), post-tax 19.8%.
  - Life of Mine ('LOM') free cash flow post-tax of €12.1 billion.
  - C1 cash operating cost of €8,403 per tonne lithium hydroxide monohydrate ('LHM') operating cost over the 41-year LOM.
  - 5 year payback period from start of production for Phase 1 of the planned phased project.
- Maiden Ore Reserve of 128 Mt grading 4,428ppm (0.44%) Li<sub>2</sub>O supporting a phased development strategy:
  - Phase 1: Forecast 18,000 tonnes per annum ('tpa') of LHM
  - Phase 2: Forecast peak production of 35,100 tpa LHM, effectively doubling capacity within Phase 1 project footprint.
- Publication of ESIA Scoping Study, Stakeholder Engagement Plan, Land Access, Acquisition and Compensation Framework, and Grievance Mechanism, representing another key milestone in the Project's permitting pathway.
- Awarded new exploration license at Liebenau to complete almost 13,000 Ha of continuous licence coverage from the main ore body to the planned processing plant area identified in the PFS.
- Awarded 3-year extension of exploration license at Falkenhain to December 2028.
- Completed £3.4m fund raise supported by three largest existing shareholders and existing retail shareholders.
- Received confirmation of research allowance tax credit under the German Forschungszulage R&D scheme.
- Saxon State Government recognition of Zinnwald Lithium as a "project of outstanding importance", reinforcing regional political support for the Project.
- German Federal Government support reported, noting alignment with national strategic raw materials priorities and advocacy for recognition at European level.
- Continued proactive engagement with local communities through regular dialogue and organised events.
- Entered into a LOI with solar developer Solar-Bau to explore long-term clean power offtake
- Entered into MoU with a local green cement producer to assess opportunities for waste-stream reuse.
- Ongoing development of geometallurgical model, testwork programme to optimise lithium recovery in beneficiation stage and initial testwork on option to use a tunnel kiln in calcination process
- Continue to strengthen German team with appointment of new permitting manager.

### **Post period end to 27 March 2026**

- Completion of the spatial planning process / spatial impact assessment for the proposed mining and processing project, supporting progression into the next stages of permitting.
- Appointment of Dominik Simler as a Non-Executive Director.
- Received official Seal and further confirmation of the research allowance tax credit of up to €1.9 million.

## 2. Operational Review

2025 saw Zinnwald Lithium continue to accelerate its development strategy for the Project, including achieving two key milestones. Firstly, the publication of the PFS that demonstrated both the scale of the Project, its long mine life and the robust economics. Secondly, the publication for formal stakeholder engagement of the Scoping Study for its E SIA, including associated stakeholder engagement plans and associated policies.

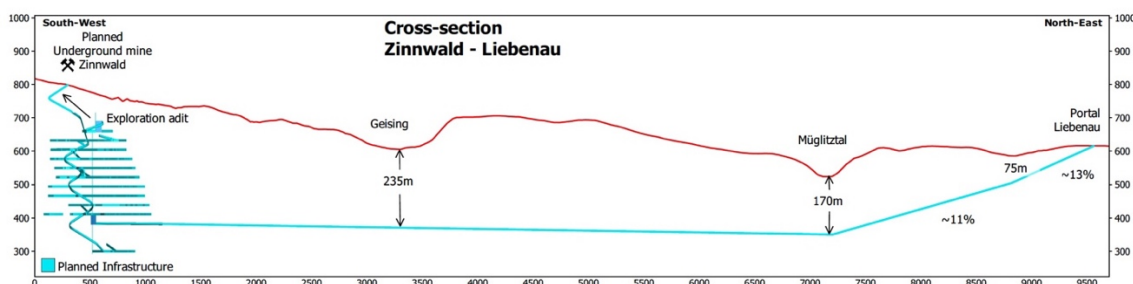
### **PRE-FEASIBILITY STUDY**

In March 2025, the Group published a PFS for the Project on a phased project basis with a mine life in excess of 40 years. The Project includes an underground mine with associated processing of mined ore to produce battery-grade LHM. Processing including beneficiation, pyrometallurgy and hydrometallurgy will be carried out at an industrial facility to be established near the village of Liebenau. Ore haulage from the mine to the processing facility is via electric conveyor in a 9.1 km tunnel that will be constructed utilising a tunnel boring machine ('TBM') to reduce the Project's impact on local communities.

The Project development concept has been conceived as a multi-stage approach where Phase 1 will establish the necessary infrastructure, develop the mine and deliver approximately 18,000 tonnes of LHM per annum. Phase 2 will double production capacity and sees production peak at approximately 35,100 tonnes LHM per annum utilising the initial mining and tunnel infrastructure and benefiting from economies of scale.

ZINNWALD LITHIUM PLC  
 STRATEGIC REPORT  
 FOR THE YEAR ENDED 31 DECEMBER 2025

The planned underground mine has been designed as a conventional longhole open stoping operation with paste backfill, utilising regional pillars to mitigate surface subsidence risks. Primary crushing will occur underground before ore is transported through the 9.1 km tunnel via conveyor to the industrial facility.



At the industrial facility, ore will be initially processed using conventional high intensity wet magnetic separation to recover a zinnwaldite concentrate. Benign quartz sand waste from this stage will either be returned to the mine for use as backfill material underground, stored on the adjacent tailings storage facility or sold to third parties for use in the construction industry.

Subsequent processing stages will include calcination of the zinnwaldite concentrate in a rotary kiln, pressure leaching and bicarbonation utilising a proprietary process developed by Metso and subsequent evaporation and crystallisation. The primary end product will be battery grade lithium hydroxide which will be shipped via the nearby autobahn to end-users in the German or EU battery chain. A number of by-products including analcime, calcium silicate, calcium fluoride, calcium carbonate and potassium chloride will also be produced. The process plant is designed to achieve zero liquid discharge.

In Phase 1, the Project is expected to deliver approximately 1.6 million tonnes per annum ('tpa') run of mine (ROM), providing approximately 300,000 tpa zinnwaldite concentrate which will be further processed into approximately 18,000 tpa LHM. Given the scale of the resource and the capacity of the planned processing site, the Project considers expansion through development of Phase 2, doubling capacity and allowing output to peak at approximately 35,100 t/a LHM after allowing for the forecast reduction in feed grade over the LOM. The Project implementation plan envisages the permitting and build-out of Phase 1 to demonstrate the viability of the Project before proceeding with Phase 2, assumed to begin operation in Year 7.

### Economic Analysis in the PFS

The economic analysis included in the PFS (summarised below) demonstrates the financial viability of the Project with a pre-tax Net Present Value ("NPV") of €3.3 billion and a pre-tax Internal Rate of Return ("IRR") of 23.6%. The post-tax NPV is €2.2 billion and post-tax IRR is 19.8%. The Project has a mine life of over 40 years and the payback period is less than five years post commencement of production.

PFS Key Financial Model Metrics	Unit	Value
Pre-tax NPV (at 8 % discount)	EUR €m	3,328
Pre-tax IRR	%	23.6%
Post-tax NPV (at 8 % discount)	EUR €m	2,187
Post-tax IRR	%	19.8%
Simple Payback (years post start of production)	Years	4.6
Initial Construction Capital Cost	EUR €m	1,048
Average LOM Unit Operating Costs (pre by-product credits)	EUR/t LHM	9,505
Average LOM Unit Operating Costs (post by-product credits)	EUR/t LHM	8,403
Average LOM Revenue	EUR €m p.a.	741
Average Annual EBITDA with by-products	EUR €m p.a.	484
Annual Average LHM Production	KTonnes per annum	27
LiOH Price assumed in model	EUR/t LHM	26,288

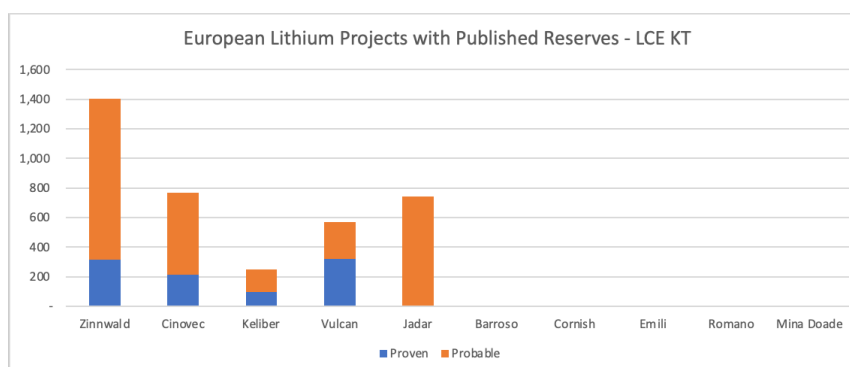
### MRE and Reserve

Zinnwald conducted an 84 hole, 27,000m drill programme in 2022-2023 that culminated in an updated Mineral Resource Estimate ('MRE') in 2024 (see table below) prepared by Snowden Optiro. The Mineral Resource totals 193.5 Mt at 2,220 ppm Li (429 kt contained lithium metal) in the Measured and Indicated category at a cut-off grade of 1,100 ppm Li. The updated MRE established the Project as the second largest hard rock lithium project in the EU both in terms of resource size and contained lithium content.

As part of the PFS, Snowden Optiro prepared a Mineral Reserve (see table below) estimated using accepted industry practices for underground mines. The identified economic mineralisation was subjected to detailed mine design, scheduling and the development of a cashflow model incorporating technical and economic projections for the mine for the duration of the Reserves case, which is the mining base case. This Maiden Ore Reserve totals 128 Mt grading 2,056ppm Li supporting a phased development strategy of 18,000 tpa of LHM in Phase 1 and increasing to a forecast peak production of 35,100 tpa LHM, effectively doubling the capacity within Phase 1 project footprint.

Classification	Tonnes (MT)	Mean Grade		Contained Metal	
		Li (ppm)	Li <sub>2</sub> O (ppm)	Li (Kt)	LCE (Kt)
<b>Resource (Jun 2024 MRE)</b>					
Measured	36.3	2,500	5,380	91	483
Indicated	157.2	2,150	4,630	338	1,802
<b>MEASURED + INDICATED TOTAL</b>	<b>193.5</b>	<b>2,220</b>	<b>4,780</b>	<b>429</b>	<b>2,285</b>
<b>INFERRED TOTAL</b>	<b>33.3</b>	<b>2,140</b>	<b>4,610</b>	<b>71</b>	<b>379</b>
<b>Reserve (Mar 2025 PFS)</b>					
Proven	27.2	2,188	4,711	60	317
Probable	100.9	2,021	4,351	204	1,085
<b>Total</b>	<b>128.1</b>	<b>2,056</b>	<b>4,428</b>	<b>263</b>	<b>1,402</b>

Under Ni 43-101, a Mineral Reserve is defined as the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. In terms of the lithium projects in Europe, only a few have published proven and probable reserve numbers. These are shown in the chart below and show that the Zinnwald Project has the largest published reserves in Europe on a contained LCE basis.



### PERMITTING AND STAKEHOLDER ENGAGEMENT

During the period, the Project completed two material milestones regarding permitting and engagement with the local community. These matters are covered in more detail in the report of the Sustainability Committee below.

In November 2025, the Project published the Environmental and Social Impact Assessment ('ESIA') Scoping Study, Stakeholder Engagement Plan, Land Access, Acquisition and Compensation Framework, and Grievance Mechanism. The Project has committed to undertaking an ESIA that goes beyond the national permitting requirements in order to meet the standards of International Financing Institutions. These documents were published on the Company's UK and local German language websites, they were also placed on display at the various Town Halls in the Altenberg Municipality. The Project and its consultants hosted a well-attended public information and dialogue event on 13 November 2025 to enable direct community participation. This formally started a consultation period, which completed in early 2026, enabling local communities, regional authorities, and other stakeholders to review the ESIA scoping findings, provide feedback, and engage directly with the Company on the proposed development.

In December 2025, the Project and the Saxon Mining Authority received the spatial planning assessment from the Saxony State Directorate Landesdirektion ('LDS') following its review of the public consultation phase of the assessment. This was subsequently published by LDS in January 2026 and concluded that the development concept set out in the PFS, including processing at Liebenau and ore transport via a conveyor tunnel, represents the most favourable option for large-scale development, and confirms the spatial compatibility of the Project. Whilst the assessment does not constitute a development approval it precedes the formal approval process under Federal mining law and provides the framework for further planning. The next stage of the Project will be progressed through the mining permitting process led by the Saxon Mining Authority.

**EXPLORATION LICENSES**

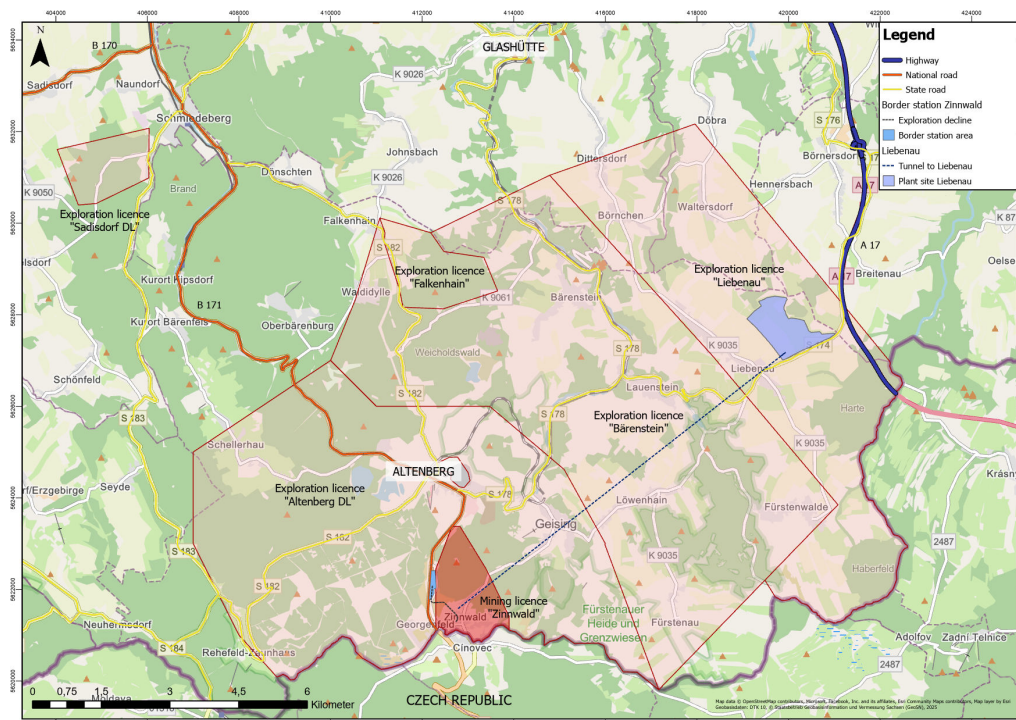
Whilst the Company's primary focus is on the development of its core Zinnwald Licence, it continues to advance targets on its surrounding 100% owned prospective exploration licence areas. Work on these licences has mainly involved relogging and sampling historical data and core. In November 2025, the Company received its second three year extension of its Falkenhain license that now expires at the end of 2028.

In addition, the team is evaluating an extensive historic geological database derived from historical drilling campaigns such as those undertaken by the former Wismut SAG, which has recently been made available to the public. Notably, there is data for over 900 drill holes of various depths within the areas of interest to the Company that has the potential to provide valuable geological and geotechnical information relevant to its licenses and site location options.

**Liebenau Exploration license**

On 7 April 2025, the Company announced that it had been granted an additional exploration licence (the 'Liebenau Licence') covering approximately 2,997 hectares in the Erzgebirge region of Saxony, Germany. The Liebenau Licence completes the licence coverage area for the Project's planned operations identified in the PFS and includes the site identified for the processing plant and tailings storage facility. It facilitates the ability for the required geo-technical and hydrogeological drilling to support the Project's next phase of work to complete a Definitive Feasibility Study ('DFS').

The Liebenau Licence adds a substantial land area to the mineral exploration titles of the Company in the region that now stands at combined 12,933 ha (see Map and Table below). Exploration activities on these licences have the potential to further expand the Company's lithium resources which could ultimately contribute to production. The location of the Liebenau Licence is based on the boundaries of previously granted exploration licences and takes into account the findings of extensive exploration work by the state geological institutions of the former GDR and the data obtained therein. These indicate that granite- and greisen-associated Li-Sn-W mineralisation extend into the proposed exploration area.



License	No	Interest	Category	Licence expiry date	License area (m <sup>2</sup> )
Zinnwald	2960	100%	Mining	31 December 2047	2,564,800
Falkenhain	1686	100%	Exploration	31 December 2028	2,957,000
Altenberg	1698	100%	Exploration	20 February 2027	42,252,700
Sadisdorf	1706	100%	Exploration	30 June 2026	2,249,000
Bärenstein	1713	100%	Exploration	30 June 2028	49,339,000
Liebenau	1733	100%	Exploration	01 April 2030	29,970,000
<b>Total</b>					<b>129,332,500</b>

## PROCESS DEVELOPMENT / TESTWORK / ENGINEERING

The Project has continued to advance the Project on a number of fronts including work on various of the optimisation recommendations included in the PFS to be completed ahead of starting the work on the DFS.

### **Geology**

The Project is further developing its geometallurgical model and has completed the further work on mineral characterisation, which will serve as the basis for selection of the variability testwork programme. Furthermore, the Project has also started the automated mineralogy works on zinnwaldite/Li-mica in tailings and feed samples, which will provide further insights into potentially non-recoverable lithium bearing minerals in the run-of-mine material. Additionally, the Project has completed the installation works for its hydrogeological monitoring, including measuring points in and around the proposed Zinnwald mine site. The Project has also completed a LIDAR drone survey at the Liebenau site, which will be used to integrate the plant and TSF into a 3D model for visualization purposes.

### **Processing Testwork**

With regard to processing, the Project is progressing further testwork to optimise and de-risk elements of the flow sheet that will underpin the definitive operating criteria in the DFS. This includes assessing the potential to further improve the lithium recovery level in the concentrator, as well as testing the potential to use a tunnel kiln rather than a rotary kiln in the calcination stage. This has the potential to reduce both capital and operating costs in this area as well as simplifying materials handling. Initial results have been encouraging.

### **LOI with local Cement Company**

The Project has signed a non-binding, non-exclusive Memorandum of Understanding ('MoU') with ECOMENT GmbH to develop options for commercialisation of the beneficiation tailings and further development of the backfilling concept. The MoU also includes work around the use of the Project's residues, such as analcime, as a clinker substitute in the cement industry, for which the initial test results have been encouraging.

### **Solar power opportunity**

In 2025, the Company signed a letter of intent ('LOI') with P+S Projektentwicklung Solar-Bau GmbH ('Solar-Bau') to explore the purchase of solar-generated power. Solar-Bau, a solar development company, plans to establish several solar power generation facilities near the Project. This partnership could therefore minimise environmental impact by using solar energy close to its source, thereby reducing energy transfer losses and infrastructure costs, while providing Zinnwald Lithium with a clean energy source to lower the CO<sub>2</sub> content of its LHM.

### **Staffing in Germany**

The Group has further strengthened the team in Germany in 2025 with the appointment of a new permitting manager. The local Project team now comprises 11 full time staff of which four are female. The Company also employed six full time consultants during the PFS stage. In total the Group has eighteen full-time professionals (including employees and directors) working across disciplines in both the Dresden and London office locations. In addition, more than 30 professionals work for the Project in partner organisations.

## GERMAN STATE AND FEDERAL SUPPORT

### **German research allowance tax credit under Forschungszulage scheme**

Zinnwald Lithium has been informed that it had been awarded a tax credit in the form of cash reimbursement of historic R&D expenses under the German Forschungszulage (Research Allowance) scheme. In March 2026, as part of this recognition, Zinnwald also received its official seal from the Bescheinigungsstelle Forschungszulage ("BSFZ") as proof of its 'entrepreneurial innovation competence'. This scheme was introduced in Germany in 2020 to promote and accelerate corporate research and development. It is a government-funded tax incentive scheme that reimburses eligible R&D expenses. Eligible projects must be in fundamental research, industrial research, or experimental development. Zinnwald submitted two applications, one for its geological R&D studies into the extraction of lithium from micas, and the other for its innovative processing development work, both of which were reflected in its PFS in 2025. Both applications were approved by the BSFZ resulting in an overall reimbursement of up to €1.9 million to be received later in 2026.

### ***Critical Raw Materials Act (“CRMA”)***

On 25 March 2025, the Company announced that its application under the Critical Raw Materials Act (‘CRMA’) had been unsuccessful in the first annual list of “strategic” projects. In its review of the Project, the CRMA committee noted that the Project has the potential to make a significant contribution to future supply of lithium for the EU. Despite this outcome, the Company remains optimistic about the Project’s long-term prospects as one of the few near-term, sustainable lithium production projects in Europe with the size of resource that can be a significant contributor to European supply. This was demonstrated in the PFS that was published shortly after the EU’s announcement and had not been available for review by the EU at the time of the Project’s application in August 2024.

### ***Saxony government support***

In an immediate response to the CRMA’s decision, on 2 April 2025, the Saxon State Government reaffirmed its strong support for the Project, emphasising its strategic significance in securing a sustainable and independent lithium supply for the Free State of Saxony, the Federal Republic of Germany, and Europe as a whole. Saxony’s Economics Minister, Dirk Panter, reiterated the government’s commitment to the Project, stating:

“Especially in light of increasing international tensions, reducing raw material dependence is crucial for Saxony, Germany, and the EU. The Zinnwald Lithium project plays an outstanding role in this effort. Ensuring an independent and sustainable supply of critical raw materials like lithium is vital for Saxony’s competitiveness as an industrial hub and for the transformation of the mobility and energy sectors.”

Minister Panter also emphasised the importance of international investment in large-scale projects such as Zinnwald Lithium and welcomed the Company’s successful demonstration of the Project’s economic feasibility, which highlights the attractiveness and economic significance of raw material extraction in Saxony and Germany. The Minister further confirmed that the Saxon Government will actively support the Project and has designated it a high priority. This commitment is formally acknowledged in the coalition agreement between the CDU and SPD in the Free State of Saxony.

### ***Federal government support***

In December 2025, Parliamentary State Secretary Stefan Rouenhoff from the Federal Ministry for Economic Affairs and Energy visited the Project site as part of a political raw materials tour to review progress and discuss ways to accelerate feasibility and approval processes. Discussions also covered opportunities linked to the new European RESourceEU action plan, which aims to speed up financing and permitting for critical raw material projects. He stated:

“The German economy depends on a reliable supply of raw materials and secure supply chains. They are the basic prerequisite for industrial value creation in our country. Increasing geopolitical tensions are putting pressure on business and politics to make further joint efforts at national and European level to secure the supply of raw materials. The National Raw Materials Fund, the Critical Raw Materials Act and the RESourceEU approach, which includes plans for a European centre for critical raw materials, will improve the framework conditions for strategic raw materials projects. The project in Zinnwald could also benefit from this. In any case, the project impressively demonstrates that modern extraction of strategic raw materials is possible in Germany.”

Both Mr Rouenhoff and the State Secretary of Saxony Dr Andreas Handschuh promised that the federal and state governments would advocate for the recognition of Zinnwald Lithium as a CRMA Strategic project in the 2026 round of applications. In light of these strong expressions of support, the Company has made an application in January 2026 and final decisions by the EU are expected later in 2026.

### ***Temporary Crisis and Transition Framework (‘TCTF’)***

In 2024, the Company applied for public grant funding under the Federal Government’s TCTF programme to support the “Resilience and Sustainability of the Battery Cell Manufacturing Ecosystem” in Germany. The Project underwent detailed technical review and was invited to formally apply for the envisaged funding. While the invitation did not guarantee funding, it acknowledged the Project’s strong potential. In June 2024, the Saxony Government announced its commitment to provide its portion of any funding. One of the specific terms of this TCTF programme was that construction of any successful project needed to commence by the end of 2025. Accordingly, the Company elected to withdraw its application under this specific programme and is exploring other grant funding opportunities.

## CORPORATE MATTERS

### **Fundraise**

On 18 June 2025, Zinnwald completed a £3.4m fundraise at a placing price of 5p per share. The Board continues to recognise the importance of giving retail shareholders and investors an opportunity to participate in the Company's ongoing funding and utilised the RetailBook Platform for new and existing shareholders located in the United Kingdom, which raised £0.25m in total. AMG Lithium B.V. ('AMG'), a wholly owned subsidiary of Euronext Amsterdam-listed AMG Critical Materials N.V, supported the fund raise and increased its shareholding in the Company from 25.1% to 29.6%. Two other significant and longstanding shareholders in the Company, Henry Maxey and Mark Tindall, also subscribed to increase their respective shareholdings to 14.7% and 5.2%.

### **Brokers**

The Company has elected to go forward with a single broker for the time being and Oberon Capital Ltd has been performing that role with effect from 30 September 2025.

### **New Director**

In February 2026, the Company welcomed Dominik Simler as a new independent non-executive Director in replacement of Graham Brown who has stepped down from the Board. Mr Brown has taken up a new role as Senior Operating Partner of the private equity group, Appian Capital, based full time in Dubai. Mr Simler, a German national, brings over 20 years of pan-European investment and advisory experience, with a particular focus on the central European German speaking region. He has extensive experience in structuring and sourcing capital and working with stakeholders across various industries, having held senior roles at leading private equity and investment firms.

## **3. Lithium Market – 2025/26**

### ***Lithium Demand Trends – 2025-2026 – Electric Vehicles ('EVs')***

EVs saw strong growth again in 2025 with global sales increasing 20% year on year to 20.7m sales in the passenger car and light-duty vehicle segment. Benchmark noted that the European EV market grew by 33% in 2025 compared with 2024, with 31% growth coming from Battery Electric Vehicles and 38% from Plug-in Hybrid Electric Vehicles over the same period. The European electric vehicle market was marked by a year of legislative change, as EU tailpipe emissions targets were softened throughout the year. There was also increased support for consumer EV purchases, with several major European countries expanding or increasing subsidies. Over 2025, EV sales accelerated in several major markets, including in Germany where they grew by 48%. The softening of the 2025 EU emissions targets in May 2025, shifting compliance to an average of 2025–27 emissions rather than just 2025, provided car manufacturers with some relief. However, many manufacturers had already put plans in place to increase EV sales in order to meet these targets.

Looking ahead to 2026, the key development in Europe is the proposed watering down of the 2035 emissions targets, reducing the requirement from a 100% tailpipe emissions reduction (relative to 2021 levels) to 90%, provided certain conditions are met, including the use of low-carbon steel credits and renewable fuel credits. Under the proposed Automotive Package, manufacturers would also benefit from additional compliance flexibilities, including banking and borrowing of emissions performance for the 2030–32 period. Additional measures include new targets for corporate fleets, super-credits for small vehicles, and increased support through the EU's Battery Booster initiative. Benchmark expects car manufacturers to maintain strong EV sales momentum, as they must still comply with the 2025–27 emissions standards. The revival of consumer subsidies will also play a key role, with several countries, including France, Germany, and Sweden, announcing support targeted at low- and middle-income households. As a result, the European EV market is expected to grow by 14% in 2026.

### ***Lithium Demand Trends – 2025-2026 – Battery Energy Storage Systems ('BESS')***

In 2025, BESS was the fastest growing battery demand market at around 45% growth year on year, with 315 GWh installed across the grid and behind the meter markets. The grid market was the largest driver with over 240 GWh installed, China and the US continued to be the leading markets here. Notably, China commissioned more BESS capacity in December alone than the US, the world's second-largest market, added over the entire year. Gigascale projects entered the mainstream in 2025, with 46 projects over 1 GWh entering operation according to the Benchmark BESS database, compared to 17 in 2024 and just four in 2023. These projects are capable of transforming a minor market to a major player, such as seen in Saudi Arabia, now a top five largest BESS market by operational grid capacity on the back of a handful of gigascale projects.

Benchmark believes that in 2026, BESS is set for another record year, with over 450 GWh set to enter operation globally. The Benchmark BESS Forecast foresees China and the US continuing to dominate installations, though reducing their combined market share slightly to less than 70% of global installations. Twelve countries have a 2026 pipeline of over 5 GWh, compared to just four countries that exceeded this in 2025, China, US, Saudi Arabia and Australia. Several European countries are also set to enter the mix, with the UK, Germany, Greece, Spain and Italy all exceeding this threshold.

**Lithium Supply Trends – 2025-26**

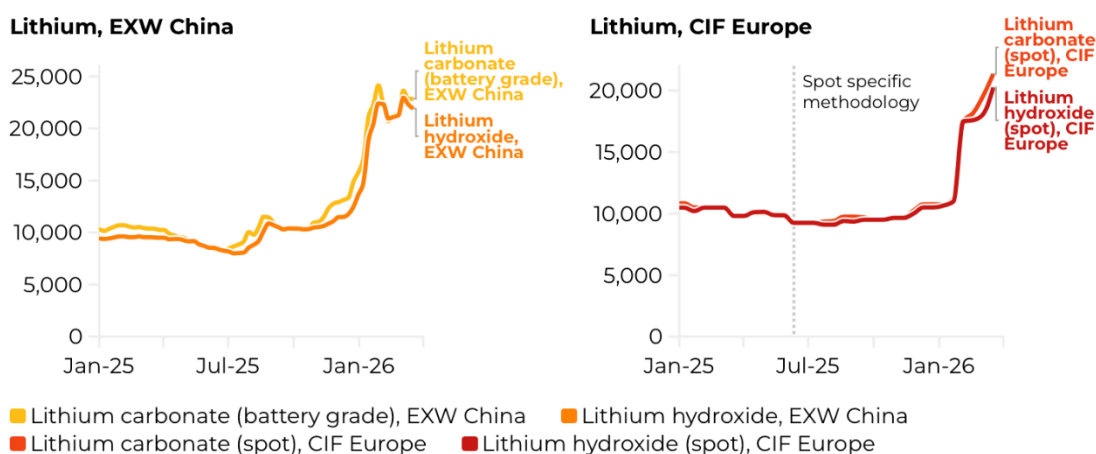
Benchmark noted that global lithium supply in 2025 increased by approximately 16%, reaching approximately 1.6 million tonnes of lithium carbonate equivalent, up from an estimated 1.4 million tonnes in 2024, driven by rapid project development in Africa, South America and China. This growth in supply is aimed at meeting robust demand, which grew by 29% for battery applications in 2025. Africa has been the largest source of new supply, with significant contributions from Zimbabwe and Mali, exceeding the growth of the rest of the world combined. There was also continued expansion in South American brine projects (Argentina, Chile) and Chinese projects. Several direct lithium extraction projects have moved towards production, but as yet not contributed materially to overall supply.

The majority of global 2026 supply growth is expected from China. The restart of CATL’s Jianxiawo lepidolite mine, at the time of writing expected for Q2 2026, plus Zijin’s Hunan and Tibet forays into lithium, as well as Qinghai brine sources will be the major contributors. Africa’s 20% year-on-year growth is expected to come from a diverse set of projects in Western and Southern Africa. Mali’s Goulamina mine is set to add the most in the region. Following net-flat 2024 and 2025 production figures, Australia is set to add at least 20,000 tonnes LCE this year. Should prices remain elevated, Australian producers could add further to production. Compared to 2025, South American supply is projected to grow by a similar volume. Argentina will account for most of this increase, followed by Chile and Brazil. Most additional output will come from the ramping and expansion of existing operations.

One key driver of long-term supply is around strategic investments to reshape supply security: The US, Europe and major energy companies are making significant long-term moves to secure lithium supply and reduce their reliance on China. The International Energy Agency ranks lithium’s geopolitical risk at 3 out of 58, with 85% of global lithium production concentrated in three countries: Australia, Chile and China. With control over refining 60% of the world’s lithium, China’s threats to disrupt global supply chains for its own political interests clearly pose a threat to lithium accessibility. By securing future production, governments and corporations are mitigating geopolitical risk, enhancing cost visibility and laying the groundwork for sustained demand growth. For lithium miners, this translates into stronger pricing support, improved margins, and a more favourable investment climate.

**Lithium Pricing Trends – 2025-26**

Lithium sentiment became sharply more bullish at the end of 2025 as strengthening demand expectations outside the US could prompt a market surplus to turn into a deficit some years sooner than previously anticipated. Lithium pricing has remained volatile in recent years, with lithium prices increasing sharply until they peaked in November 2022, followed by a prolonged and steep decline that lasted until the market found its footing again in June 2025. This rebound has been driven by robust demand growth and ongoing inventory reduction, alongside regulatory tightening, including the shutdown of a major Chinese lithium mine by CATL and new government measures aimed at preventing producers from selling lithium at unsustainably low prices.



Source: [prices.benchmarkminerals.com](https://prices.benchmarkminerals.com) · All prices are in USD per tonne, except lithium prices which are in USD per tonne lithium carbonate equivalent, and black mass payables which are expressed as a percentage



Sprott noted at the end of 2025 that while the extreme peaks of late 2022 are unlikely to return, the price history of the past five years illustrates how periods of imbalance can create significant volatility in either direction. With prices recovering, fundamentals strengthening, and inventories normalising, the market appears to have entered a better position. Sprott believes that lithium’s positive momentum marks the beginning of a new chapter, shaped by strategic investment and innovation, ensuring its central role in powering progress across various sectors, including electric vehicles, defence and data centres, for decades to come.

#### 4. Shareholder Evolution in 2025

During 2025, the Company's underlying shareholder base shows an ever-increasing ownership by German and EU investors. Whilst the Company has no formal listing in Europe as yet, independent brokers trade the Company's shares on eight separate OTC markets in Germany and Europe. Analysis of trading data shows that since the publication of the Project's updated MRE in 2024, the combined trading volumes in Europe are averaging around half of those on AIM. The Company intends to use this interest to increase its exposure to European investors in 2026. Based on the latest share register, it shows that German and other EU holders own over half of the Company.

#### 5. Outlook

The PFS has demonstrated the size, long mine life and robust economics of the Project and its relevance to the long-term development of the German and EU battery chain. The Company will continue to advance the technical development work required ahead of commencing the DFS. The Company will also continue its work on the permitting and ESIA process and ensuring its social license to operate with the local community, supported by its strong relationship with the local government in Saxony. Alongside this, the Company will continue to advance its long-term financing strategy including discussions with potential financing partners.

#### 6. 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 the majority of its expenditure, including that of its subsidiary Zinnwald 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.

During the year, the Group made an operating loss of €3.5m compared with a loss of €3.1m in 2024. Administrative expenses increased from €2.5m to €2.9m and these include the costs related to being a public listed company, including the costs of non-executive directors, brokers, nominated adviser and other advisers. There was also a share-based payment expense of €0.6m in 2025, compared with €0.7m in 2024, arising from the issuance of various new incentives.

During the year, the Group made an overall loss before taxation of €3.4m compared with a loss of €2.7m for the year ended 31 December 2024. This included interest income of €0.1m on the Group's cash balances compared with €0.4m in 2024. The overall operating loss for the Group for the year improved to €1.5m for 2025 compared with a €2.7m loss for 2024. This improvement is due to the accrued tax credit of €1.85m related to the Forschungszulage research allowance approved in 2025..

The Total Net Assets of the Group increased to €40.7m as at 31 December 2025 from €37.7m at 31 December 2024 due increased capitalised spend on the Project. The Group spent €3.4m on direct development work on the Project focussed on completion of the PFS and ongoing permitting and ESIA work. This increased the Group's Intangible asset balance to €37.6m at year end from €34.2m at the end of 2024 and cash balances decreased to €2.7m from €5.2m at the end of 2024.

The closing cash balance for the Group at the period end was €2.7m. As at today's date, the Group's cash balance is €1.8m with the up to €1.9m cash proceeds from the research allowance tax credit expected later in 2026.



**Cherif Rifaat**  
**Director, CFO**  
**30 March 2026**

*The technical information relating to geology, the Mineral Resource and Reserve Statements and disclosure on other Project matters, particularly the Flowsheet, has been extracted and summarised from the Company's Pre-Feasibility Study Ni 43-101 report. The executive summary of this report was published on 31 March 2025. The independent Qualified Persons are Laurie Hassall (MSci FIMMM QMR FGS) and Rodrigo Pasqua (FAusIMM, BEng (Mining)) of Snowden Optiro and are both Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.*

## 7. Strategic Review

### 7.1. Company Overview – Background and ownership structure

Zinnwald Lithium Plc ('ZLP' or the 'Group') is the ultimate owner of the Project. It is a UK public limited company and has been quoted on the AIM market of the London Stock Exchange since December 2017. ZLP is the Project promoter and fund-raising vehicle and provides funding required by the operational subsidiaries in Germany. ZLP owns 100% of Zinnwald Lithium Holdings Ltd ('ZLH'), which is a UK company, that acts as the holding company for the Project. ZLP acquired its initial 50% stake in Zinnwald Lithium GmbH ('ZLG') in October 2020 by way of reverse takeover from the previous owner, Bacanora Lithium Plc (Bacanora). In June 2021, ZLP consolidated its ownership by acquiring the remaining 50% of ZLG from the bankrupt estate of SolarWorld AG.

ZLG is the main operational company in the Group that is developing the Project. It owns the various mining and exploration licenses in Germany. ZLG will apply for the General Operating Plan permit that will govern the Project as a whole, as well as the subsidiary Main Operating and Special Operating Permits.

### 7.2. Company Strategy and Business Plan

#### *Value Proposition*

Zinnwald Lithium's core value proposition is that it will be a fully integrated, large, long life and scalable project, permitted under a strict permitting regime. It is also situated in the heart of the EU's battery chemical and car industries thereby limiting transport / logistics costs and emissions and ensuring security of supply. The integrated nature of the Project means that it will produce battery-grade lithium chemicals within 10km of the ore body itself. This is in stark contrast to most of the lithium industry that involves supply chains and their attendant emissions that often span thousands of miles.

The Project is one of the largest hard rock lithium deposits in the EU. Its 2025 PFS shows plans for a phased development to scale from 18,000tpa LHM in Phase 1 and then to 35,000 in Phase 2, whilst still having a more than 40-year mine life. This would position the Project as a globally significant producer and a long-term anchor to EU supply security in a crucial part of the overall industry chain that supports both the EU Car industry and also the EU's renewable power storage plans. The Project will be permitted under Germany and EU mining laws, which incorporate a strict environmental permitting regime. The Project is also going further than just meeting the permitting requirements by completing an ESIA to meet international finance standards. This will result in an end product with the highest sustainability rating.

Zinnwald Lithium's strategy continues to be underpinned by a technically led team with extensive experience in bringing projects from the feasibility stage through to mine production, as well as the capital markets experience to source the funding required for these types of mining projects. The Company will focus on further de-risking the Project as it is advanced towards a financing decision. The overall strategy can be split into the following key work areas across the operational, financing and commercialisation parts.

#### *Operational Strategy*

The Project's core operational strategy as it moves towards construction is focused on technical de-risking and optimisation of the Project to enable it to be both financeable and also to be executed in an efficient manner. The Project is building on two material operational milestones of the 2024 MRE and the 2025 PFS that that demonstrated the scale of the resource, the efficacy of the mine plan and processing flowsheet as well as a site location at Liebenau that can enable execution of the Project.

The Project will continue to work with its internationally respected consultants and partners as it moves through the next key operational stages. Firstly, the steps to completion of a full DFS to AACE class 3, which will include ongoing optimisation testwork to improve recoveries, lower Capex and Opex and reduce carbon footprint and minimise waste. Secondly, the pilot plant stage to prove continuous production of the end-product of battery-grade LHM. This will be crucial for both the production of a DFS, but also for securing meaningful offtake partnerships that will underpin the financing stage. Thirdly, the ongoing permitting and ESIA work, which has already commenced to secure its General Operating Permit as well as its wider social license to operate. Concurrent with this work, the Project is permitting an exploration tunnel that, amongst other wider objectives, will enable the extraction of large-scale representative samples direct from the ore body itself.

### **Commercialisation Strategy**

As the Project is conceived as an integrated operation from mining to producing a battery-grade lithium product, its commercial strategy will be focused on securing a commercial offtake partner for that product rather than producing a basic concentrate. In terms of offtake partners, the lithium industry is unusual in the commodity sector in terms of how offtake arrangements are structured. This is primarily due to the lack of homogeneity in high purity lithium products (different levels of contaminants etc) and the requirement to qualify products with specific customers. The result is that any offtake arrangements entered into too far ahead of final production are necessarily somewhat contingent and therefore do not provide material support for traditional project debt financing.

As such, while the Company has held several discussions with potential off-takers in Europe, the strategy has been to keep the off-take "free" for as long as possible such that the value of this strategic aspect of the Project can be maximised. However, the intention is clearly for the material ultimately produced to be supplied to the battery industry in the EU. The demand for this exists in the EU and will also increase significantly in the coming years with the "ramp-up of e-mobility". Our goal is to find an offtake partner that will commit to either a meaningful advance payment on the offtake and/or a meaningful investment in the Company which it must maintain through to production. Zinnwald has had several discussions with potential offtake partners on these terms and continues to be involved in discussions about the progress of the Project.

The Project will also, as part of future phases of work, conduct continuous pilot plant test runs to demonstrate the production process and the product quality. Zinnwald Lithium believes that this will significantly de-risk the Project by giving both finance providers and potential off-takers comfort that the production of qualifying material is feasible.

### **Financing Strategy and Business Plan**

Zinnwald Lithium's Board will continue to run the Group with an efficient overhead cost base in order to focus resources on advancing the Project. The main challenge faced by the Company is securing sufficient funding to execute the development programme for the Project. The Company maintains a tight control on its budgets and reviews spend against budget on a monthly basis. The Directors' extensive experience of mining projects helps to ensure that funds are spent in the most effective way possible both on a cost basis and in relation to targeting the most effective areas to move the Project through to production and revenue generation.

The Company's quoted status has enabled the Group to target a wide pool of investors, as demonstrated by the issuance of new equity, for cash and assets, several times over the last three years. In the last five years, since the Company first became involved in the Project, the Company issued shares to the value of circa €11m to acquire the Project and has raised a further €38m in cash from investors to finance the Project's development.

The Company will continue to work to secure short term finance to fund near term expenditures necessary to advance the Project to a construction ready state (preparation of a DFS, advancing permitting, construction of initial infrastructure, the FEED Engineering work, and orders for long lead items). This financing activity will involve existing investors as well as the identification of and negotiation with further long-term cornerstone investors. The Company will also identify and negotiate with potential project financing partners that could include banks and national and transnational development organisations. The Project has also already engaged with German Federal and State bodies with regard to securing grant funding to further de-risk the financing of the Project.

## **7.3. Principal Risks and Uncertainties**

Set out below are the principal risks and uncertainties facing the Group, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The risks are split into Business, Operational and ESG/Sustainability.

### **Business Risks**

#### **7.3.1. Ongoing Funding requirements**

Additional funding will be required to complete the proposed future exploration and development plans towards a DFS and in the longer term for construction of the Project. While the Group has been successful in the past in obtaining equity financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Group and its shareholders.

### **Mitigation**

The Group continues to engage with potential investors that could support the Project in the longer term. It will also continue to endeavour to add complimentary sources of funding as it progresses, which may include debt, offtake investment, royalties, grants or governmental funding. Since its acquisition of its original 50% of the Project, the Group has issued new shares to the value of almost €50 million (€38m issued for cash and almost €11m as part consideration to the previous owners of Zinnwald Lithium GmbH).

**Trend:**

Unchanged – The Group is fully funded through 2026 and continues to engage with potential additional cornerstone investors, as well as other sources of future funding. This risk will remain a key risk beyond Final Investment Decision and the raising of construction financing and likely throughout the construction and commissioning phase.

**7.3.2. Project Costs underestimated**

The risk that the capital costs of construction as well as ongoing operational costs have been materially underestimated. There are many elements that are exposed to forces beyond any project's control – prices for key inputs such as steel, supply chain disruption, competition for large capital items, unforeseen infrastructure issues, ongoing energy prices, labour costs, reagent costs etc.

**Mitigation**

The Project completed its 2025 PFS to AACE Class 3 for the mining and beneficiation plants and AACE Class 4 for the Processing plants. The Project used globally respected consultants to complete this work and obtained indicative quotes from key suppliers. The Project is now in the phase of delivery of a DFS with cost estimates to AACE Class 3 for all areas, which requires more detailed engineering design and quotation from suppliers. Thereafter it will move through FEED engineering and ultimately to formal contracting of suppliers. Ultimately raising construction financing will also include contingency for capital over-runs. As the Project moves through this technical de-risking, it will undertake several continuous pilot tests to confirm the process parameters.

**Trend**

Unchanged - this risk is a key inherent and critical risk to delivery of the Project and its business plan, as large-scale mining and industrial projects are rarely delivered on time and on original budget. The long-life nature of the Project should enable it to operate over multiple commodity prices cycles that should even out overall returns over the Project's life of mine of more than 40 years.

**7.3.3. Commodity Price - market forces of supply and demand**

The Group intends to produce a battery-grade Lithium Hydroxide product ('LHM') from the Project. and sell most or all of its production to future offtake partners on long-term supply contracts for on-sale to battery manufacturers. The market for these long-term supply contracts is opaque and not subject to any globally accepted or hedgeable spot market price. Whilst growth in demand for lithium has been strong in recent years due primarily due to increased usage of electric vehicles and grid storage, there is no guarantee that this growth will continue at the same rate. The Group will compete with established producers, who may be able to increase their production to fill any supply shortfalls.

Furthermore, reserve estimates and feasibility studies using different commodity prices than the prevailing market price could result in material write-downs of the Group's investment in its assets, increased amortisation, reclamation and closure charges or even a reassessment of the feasibility of the Project. Downside price cannot currently be mitigated as no derivatives are currently available on the market.

**Mitigation**

In the PFS, Zinnwald Lithium applied a long term LHM price of €20,000 per tonne for the first five years and a longer-term price of €26,500 thereafter. Whilst 2024 and 2025 has seen prices closer to \$10,000 per tonne, most industry commentators continue to forecast a supply/demand imbalance in the latter part of the decade that requires an incentive price of at least \$20,000 per tonne to meet the ongoing growth in demand from EVs and BESS. Indeed, Vulcan's December 2025 construction fund raise was predicated on the assumption of €20,500 per tonne. Since December 2025, the spot price for lithium carbonate has risen dramatically to almost \$23,000 per tonne in mid-March 2026.

**Trend:**

Unchanged – Lithium product prices will remain one of the Group's most significant financial risks.

**7.3.4. Geopolitical / Country Risk**

The political climate in Germany and Europe is stable and generally held to offer a favourable outlook for foreign investments, but there is no guarantee that it will remain so in the future. Resource nationalism around Critical Raw Materials ('CRMs') has increased materially in recent years, as countries and economic blocs have realised the importance of security of supply to support the ongoing development of domestic battery industries. There have been multiple examples of this in nationalisation of mining assets (Mexico, Bolivia ongoing), demand for processing to occur in country of extraction (Africa), aggressive royalty structures (Chile, various in Africa) and China's periodic flexing of its dominant position in refined CRMs (REE restrictions, lithium technology transfer restrictions). Indeed, the EU's Critical Raw Materials Act ('CRMA') came into force partly in response to the US's Inflation Reduction Act of 2022 that offered \$370 billion in incentives for local projects, but also to address the dominance of China. The CRMA details the measures that it will take to protect and support domestic European industries, including the

strengthening of its own CRM supply lines. The CRMA specifically refers to a goal of 10% of all mined and 40% of all refined CRM production to come from European sources by 2030.

#### **Mitigation**

The Project is ideally placed strategically to support Germany's and the EU's future plans to develop its CRM supply. It is one of the largest hard rock lithium deposits in Europe and is a German project specifically designed to directly feed into and support the German (and EU) CRM supply chain. Whilst the Project did not obtain Strategic Project Status in the first round of announced projects in 2025, the Project believes that the advances it has made on a technical front with the PFS and also the steps taken in its ESIA and Permitting process should support its application. The Project also enjoys strong support from the Saxony Government, which will be the ultimate permitting authority, as well as the German Federal government.

#### **Trend:**

Improved – On a global level, resource nationalism has only increased in 2025 as well as the concerns around China's market dominance of refined production of all CRMs. Ultimately geopolitical risk will always be an issue, but likely a reduced one for Zinnwald Lithium as it is an EU project to specifically support the EU battery chain.

### **7.3.5. Competition in the Lithium Industry**

The Group's battery-grade lithium products are expected to compete primarily for market share with existing lithium producers and spodumene concentrate producers. The Group is expecting to compete based on the quality of its end product, consistent and long-term production and cost per tonne. The Group's competitors, some of which are large multinational corporations, may have substantial strategic advantages over the Group, including existing infrastructure, greater financial resources, strategic relationships with customers and logistical advantages in certain markets and could enhance their competitive position through acquiring, or consolidating interests in, other lithium producers. In addition, new competitors could obtain access to reserves of lithium through new discoveries or to the extent existing or greenfield projects become more economically viable.

#### **Mitigation**

There is currently only one hard-rock lithium project that has reached construction stage in Europe (Keliber). Of the other large hard-rock European integrated projects, Jadar in Serbia has been put on indefinite care and maintenance, Cinovec in Czech has published a DFS showing production only in Q3 2031, and Emili's latest forecast is for a DFS to be completed late in 2026. Vulcan has recently raised construction financing and will commence construction of its geothermal DLE project in 2026. However, even if all of these projects do eventually come to fruition, they will not be able to supply the expected long-term demand for lithium from EU end users by 2030 and beyond.

#### **Trend:**

Unchanged – Zinnwald Lithium's eventual products will inherently face competition from other sources of supply.

### **7.3.6. Change in Battery Technology**

There is no guarantee that lithium-ion batteries will remain the dominant technology in either the EV battery market or in the expanding grid storage sector. Advances have been made in alternative technologies such as solid-state batteries, hydrogen fuel cells, lithium-sulphur, vanadium redox flow, aluminium-graphite, sodium-ion and iron-based batteries. Any one of these new technologies may have the potential to supplant or reduce demand for lithium, if sufficient resources are dedicated to commercialising it. However, the basic attractiveness of lithium as one of the lightest elements on the periodic table produce chemical bonds that are some of the strongest per unit of weight and volume. It is also one of the most abundant minerals on Earth.

#### **Mitigation**

In terms of type of lithium product, the Project will eventually produce LHM, which is the primary lithium product in the nickel-based batteries used by European car makers. A significant part of the industry, especially in China, has increasingly moved towards iron-based EV batteries ('LFP'), which use Lithium Carbonate as the source. The Project's flowsheet already goes through a lithium carbonate phase as part of the production of LiOH, so is inherently agnostic to the choice of lithium chemistry. In terms of other battery types, both EV and Grid Storage battery manufacturers have invested heavily in lithium-ion technology and, as yet, show relatively little sign of changing their approach. The price per kilowatt hour of a lithium-ion battery has fallen by more than 97% since 1991 and is now below \$100. This has traditionally been seen as the point at which the purchase price of EVs can become comparable with conventional internal combustion engine Cars. From a grid storage aspect, the benefits of incumbency and manufacturing scale as well as inherent advantages in terms of longevity and has given lithium-ion batteries a material head start on other battery types.

#### **Trend:**

Unchanged – This will likely always be a strategic risk on a macro level, as technology is always evolving, but lithium's inherent chemical advantages and integration into global infrastructure should maintain demand.

### 7.3.7. Foreign currency exchange rates

The Group's operational and functional currency is the Euro, whilst lithium products are generally priced and transacted in US dollars. The Group's ongoing capital and operational expenditures will primarily be in Euros with some exposure to GBP. The Group's operations and profitability may be adversely affected by movements in foreign currency exchange rates, particularly by movements in the US dollar and/or Euro relative to GBP.

#### Mitigation

The Group's current primary exposure to the GBP is in relation to the currency of its listed shares and the Group takes the appropriate hedging steps to mitigate the risks on fund-raising, primarily by keeping most of its cash in Euros.

#### Trend:

Unchanged - This is an inherent financial risk, as long as the US Dollar remains the primary driver of Lithium pricing. Zinnwald will hedge its finances to mitigate it as best as possible.

### 7.3.8. Market Perception and Share Price Risk

The share price of quoted companies can be highly volatile and the market for traded shares can be illiquid, especially for smaller companies typically valued at less than £100m. These types of companies are generally less well covered by the press and analysts and may not receive coverage and exposure to institutional investors.

The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by many factors, some specific to the Group and its operations and others which may affect quoted companies generally. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying net asset value or the prospects of the Group. The market price of the Ordinary Shares could be negatively affected by sales of substantial blocks of shareholdings in the public markets, or the perception that these sales could occur.

#### Mitigation

Zinnwald Lithium's share price was relatively volatile over the course of 2025 with lows of around 4.5p in March and highs of around 8p in October and finished the year at around 7p. Over the last three years, as noted in the Remuneration report, the Company's share price performance against its peer group put it in the second quartile. The Company continues to advance the Project and has materially improved its profile within Germany, the EU and in the wider stock market in recent years with the publication of its MRE and PFS. The Company's goal is to improve its perceived value by de-risking the Project from a technical point of view and advance permitting.

#### Trend

Unchanged - This is an inherent financial risk to the Project and will always remain so, especially as lithium company stocks often trade as a proxy for movement in the general lithium commodity price.

### Operational Risks

#### 7.3.9. Mining and Exploration Risks.

There is no certainty that the expenditure to be made in the exploration and development of the Group's properties in which it has an interest will result in profitable commercial operations. Most exploration projects do not result in the discovery of commercially mineable deposits. The successful exploration and development of mineral properties is speculative and subject to a number of uncertainties and hazards, which even a combination of careful evaluation, experience and knowledge may not eliminate.

#### Mitigation

In 2024, the Project published an updated MRE derived in large part from the 84 hole, 27,000m drill campaign that established the Project one of the largest hard rock lithium projects in Europe. In total, the Group was able to use the data from 109 drill holes and 34,000m of drill core to derive a resource totalling 193.5 Mt at 2,220 ppm Li (429 kt contained lithium metal) in the Measured and Indicated category. In 2025, the Project published a maiden reserve showing a total of 128.1 Mt (1,402 kt LCE) with 27.2 Mt in the Proven category (317 kt LCE) and 100.9 Mt in the Probable category (1,085 kt LCE). These reserves underpin a mine life of more than 40 years.

#### Trend

Improved - The inherent risk around all mining projects remains the same, but with the publication of the maiden reserve that supports a mine life of more than 40 years, the Company has demonstrated the size and long term mine life of the Project. Zinnwald Lithium continues to take the required steps to de-risk the Project moving forward.

### **7.3.10. Technical Processing Development Risks.**

There is no certainty that the technical development work around the Project's flowsheet will result in profitable commercial operations. The successful development of chemical processing plants is speculative and subject to a number of uncertainties and hazards, which even a combination of careful evaluation, experience and knowledge may not eliminate. The production of battery grade lithium products is notoriously difficult to achieve with extremely low tolerance levels for deleterious elements in the end-product. The Project remains focussed on using Metso's proprietary alkaline leach flowsheet, which is a novel approach for production of lithium from zinnwaldite. There is also the risk around the ability to produce saleable by products and handle effluent streams.

#### **Mitigation**

Metso has a similar lithium process plant under construction with Keliber in Finland albeit utilising a different feedstock (spodumene). Metso are experts in the field of process design and have many years of experience in this area. In 2025, the Project published its PFS that included mineral processing plant engineering work and design to AACE Class 3 level (DFS level) and the calcination and hydrometallurgical work completed to AACE Class 4 level (PFS). The Project is continuing its testwork to optimise all areas of the flowsheet as it moves towards completion of a DFS. This includes optimisation work in the beneficiation process, evaluation of a tunnel kiln in the calcination stage and plans for large scale continuous hydrometallurgical Pilot Plant utilising a representative ore sample to replicate operating conditions. Examples of zinnwaldite projects successfully reaching commercial production in China are beginning to emerge, which provides evidence that zinnwaldite is a valid source of lithium for the battery industry.

#### **Trend**

Unchanged – The Group will continue to advance its technical studies and de-risking of all parts of its flowsheet with its consultants. This risk will remain inherent to delivery of the Project and its Business Plan, not simply in the completion of its DFS, FEED engineering, but even more importantly as it constructs, commissions and moves through the production phases.

### **7.3.11. Access to Utilities – water and power.**

The mine, tunnel construction and the processing plants will require a dedicated high voltage electricity source. The pyrometallurgical plant will also require a gas supply for the kiln and will require a dedicated feed supply from the regional gas supply network. Access to water will be one of the key environmental matters for the Project, although the area in general is not one that has experience of water shortages or major issues. Processing of the material requires a material volume of water. This will need to be factored into the general demands for water in the area and will clearly be a major area with regards to permitting and alleviating local social concerns. There may also be cross-border implications that will need to be considered in design and operation in conjunction with the Cinovec lithium project in the Czech Republic.

#### **Mitigation**

The Project has continued discussions with local providers, the Federal and State Governments for supply solutions on both power and gas supplies. For electricity, the PFS was predicated on a connection to the national power grid via a 110 kV powerline at Altenberg. The Project also signed a letter of intent with a photovoltaic (PV) plant to be established at Waltersdorf approximately 1 km from the Liebenau site and via the PV plant to the national grid. This option offers potentially significant advantages in terms of lower capex and less time to create the grid connection as well as providing a source of low carbon energy. For gas, the local supplier SachsenEnergie provided a quote regarding a connection to the major gas pipeline that runs south of Dresden with the local distribution grid extending to Zinnwald and Lauenstein. For water, the primary approach is expected to focus on mine dewatering and water recycling, minimising the need for external sources. All options will be thoroughly evaluated in compliance with environmental and regulatory requirements. The current site-wide water balance suggests that, under average conditions, the process water demand can be met from process water recycling, dewatering and rainfall runoff from the Liebenau site. In terms of wastewater disposal, the construction of a separate onsite water treatment plant is planned and is included in the capex estimate for the Project.

#### **Trend**

Unchanged – The access to power and water will be a critical aspect in terms of both permitting and ongoing operations. The group continues to take the necessary steps to address these risks.

### **7.3.12. Further operating licences and permitting requirements**

The Group will need to obtain further environmental and technical permits for the construction, development and operation of its commercial operations. There is a risk that these further permits, concessions and licences may not be granted. In addition, the granting of such approvals and consents may be withheld for lengthy periods or granted subject to satisfaction of certain conditions which the group cannot or may consider impractical or uneconomic to meet.

### **Mitigation**

The Group has already commenced the permitting process including starting its EIA baseline studies and has engaged with the relevant permitting bodies. In 2024, after engagement with the relevant permitting authorities, the Project identified a site location at Liebenau and method of access to the mine site (via underground tunnel) that minimises the surface footprint of the Project, minimises impact on Natura 2000 and World Heritage Sites and generally materially reduces the direct impact on local communities. In 2025, the Project published its ESIA Scoping Study and related stakeholder engagement policies that demonstrates how the Project will go beyond the basic permitting requirements to ensure it secures its social license to operate with all stakeholders. In December 2025, the local authority (LDS) finalised its Spatial Planning Assessment Report, a pre-cursor stage to the Project's main operating permit (GOP) that confirmed the Liebenau site as the preferred option.

### **Trend**

Unchanged - This risk will remain an inherent one to the Project, even after it receives its permits to operate and construct, as the Project will need to maintain these permits as well as its wider social license.

#### **7.3.13. Personnel retention and recruitment**

The Group's ability to compete in the competitive resource sector depends upon its ability to retain and attract highly qualified management, geological, technical and industry experienced personnel. Such personnel are expected to play an important role in the development and growth of the group, in particular by maintaining good business relationships with regulatory and governmental departments and essential partners, contractors and suppliers.

### **Mitigation**

In production of the PFS in 2025, the Group had a direct headcount in Germany of 14, six in the UK (including directors) and a further six full time in-house consultants working on the Project. The company has continued to build out its operational team in Germany in 2024, including the appointment of a project director, permitting manager, construction engineer and other senior hires.

### **Trend**

Unchanged – This will remain an inherent risk to the practical delivery of the Project and its Business Plan, as it will continue to need to compete for experienced personnel with other mining and chemical projects, not just in Europe, but on a global scale.

## **ESG / Sustainability Risks**

#### **7.3.14. Local Stakeholder Acceptance**

The support and acceptance of local stakeholders will be key to advance and permit the Project, in particular from the local communities that will be most directly affected by physical operation, as well as the wider state and federal stakeholders. Failure to share the benefits of our operations with local communities such as creation of jobs, local procurement or community investment activities, may cause delays or disruptions to our operations and may undermine our social licence to operate.

### **Mitigation**

The Company understands that its social licence to operate will be an intrinsic part of the Project's success. The Project will ultimately create a significant number of local jobs and has the potential to generate material tax revenues, a large portion of which will flow directly to the local municipality in which the Project is located. Zinnwald recognises that the Project will result in potential social impacts on the local community and other stakeholders. Meaningful engagement and information disclosure with the local community and other stakeholders on the Project, its impacts and mitigation measures are essential to facilitate community and stakeholder acceptance. In 2025, the Company launched its German language local community website that contains extensive detail on the Project and offers a forum for direct engagement. The Company held a town hall meeting at its Altenberg visitor centre to present the results of the PFS published on 31 March 2025. In November 2025, the Company published its ESIA Scoping Study, Stakeholder Engagement Plan (SEP), Land Access, Acquisition and Compensation Framework (LAACF), and Grievance Mechanism (GM). This was followed by a public dialogue event at Liebenau, attended by circa 150 members of the local community, local municipal and state level politicians. The focus of this event was the disclosure of the ESIA Scoping Report and to facilitate dialogue on the scope of the ESIA. Stakeholder feedback is being compiled and reviewed on the scoping report in order to update and finalise the ESIA Scoping Report.

### **Trend**

Unchanged - Meaningful engagement with local communities in and around the Project as well as other stakeholders will remain a high priority for Zinnwald throughout the life of the Project.

### **7.3.15. Environmental laws and regulations**

All phases of the Group's existing and planned operations in Germany will be subject to environmental regulation at a state and federal level concerning, among other things, water discharges, air emissions, waste management, use of toxic materials and environmental clean-up. Environmental laws and regulations continue to evolve, and it is likely the environmental laws and standards that regulate the operations will continue to be increasingly stringent in the future.

#### **Mitigation**

The Group will at all times adhere to environmental regulations and endeavour to ensure that the Project will be as "low waste" and environmentally sustainable as possible.

#### **Trend**

Unchanged - there has been no significant change to the assessment of this Risk.

### **7.3.16. Government regulatory risk - supply chains and processes**

The mining industry in Germany is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record, but the Group is unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including tax and environmental laws and regulations which are evolving in these countries, or more stringent implementation thereof, could have a material adverse impact on the Group and its business.

In Germany, effective from the start of 2023, companies that supply large German businesses are being questioned about their own supply chains in greater detail. The law requires German businesses with more than 3,000 employees to assess their supply chains for environmental, social or governance issues and then address them, or face fines of up to 2 per cent of their global turnover and exclusion from public contracts for up to three years. From January 2024, smaller German companies will also be included in the requirements. The law is broader than the UK's 2015 modern slavery legislation, and it covers seven other areas, including union rights, environmental degradation, employment of minors and disposal of waste.

#### **Mitigation**

Whilst the Group as a standalone operation will not be covered by the new legislation, as it is too small, in the long run its battery products will likely be supplied to companies that do meet these criteria and will hence expect the Group to comply. The Group takes all ESG and Sustainability matters extremely seriously and seeks to embed best practice at all levels of its operations. The Project will be permitted under German regulations, which are some of the most stringent globally.

#### **Trend**

Unchanged - there has been no significant change to the assessment of this Risk.

### **7.3.17. Health and Safety**

Protecting the safety and health of employees, contractors and local community and other stakeholders is a fundamental issue facing the group and the wider mining industry. Mine sites (including drill sites) are, by their nature, dangerous places to work particularly due to the use of heavy machinery. Inappropriate use of heavy machinery or the failure to wear appropriate PPE and follow health and safety protocols may lead to serious injuries or loss of life.

#### **Mitigation**

The Group complies with the applicable laws and regulations of Germany. Safety is a paramount consideration, and Zinnwald Lithium aims to provide a place of work that is safe for everyone. Policies and procedures have been constituted with the aim of identifying the hazards associated with mining activities and that they are effectively managed. All occupational health and safety incidents are recorded, categorized and investigated and where required corrective and preventive actions are implemented. As at the end of 2025, the group had gone 750 days without an incident of lost-time due to injury.

#### **Trend**

Unchanged - as the Group moves forward with the Project towards construction, the potential for health and safety incidents to occur may increase.

## 8. Directors' Section 172 Statement

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company operates as a lithium exploration and development company with its sole focus on the Zinnwald Lithium Project and ancillary exploration licenses. The Company is currently undertaking additional work to further expand and develop the Project to enable it to raise the debt and equity required to finance the construction phase of the Project. As such, the Project is at pre-revenue stage and inherently speculative in nature. It does not currently generate regular income and is dependent upon fund-raising for its continued operation. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors seek to provide transparency about the Company's cash position and funding requirements as is allowed under applicable regulations.

We have split our analysis into two distinct sections, the first to addresses stakeholder engagement, which provides information on stakeholders, issues and methods of engagement, disclosed by stakeholder group. The second section addresses principal decisions made by the Board and focuses on how the regard for stakeholders influenced decision-making.

### Section 1. Stakeholder mapping and engagement activities within the reporting period.

The Company continuously interacts with a variety of stakeholders important to its success, such as equity investors, royalty holders, workforce, government bodies, local community and vendor partners. The Company strives to strike the right balance between engagement and communication. Furthermore, the Company works within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality of market and/or commercially sensitive information.

Key Stakeholders – Engagement Rationale and Objectives	How Zinnwald engaged with the stakeholders	What came of the engagement
<b>Investors</b>		
<p>The Company requires further funding to develop the Project. As such, existing and prospective equity investors and project finance partners are important stakeholders. Without the provision of further financial investment, the Company cannot create value for our shareholders.</p> <p>We are seeking to promote an investor base that is interested in a long-term holding in the Company and will support the Company in achieving its strategic objectives.</p> <p>Over the course of 2025, the Company has continued to increase the size of its German and EU ownership to more than 50% of its shareholder base.</p>	<p>The existing substantial shareholders have regular meetings with the CEO and CFO.</p> <p>The Company has engaged with new potential cornerstone and offtake partners during the period.</p> <p>Engagement with prospective and existing investors is via:</p> <ul style="list-style-type: none"> <li>• The AGM and Annual and Interim Reports</li> <li>• Investor roadshows and presentations</li> <li>• One-on-one investor meetings with the CEO and CFO.</li> <li>• Access to the Company's brokers and advisers</li> <li>• Discussions with providers of research on the Company</li> <li>• Regular news and project updates</li> <li>• Social media accounts</li> </ul>	<p>We engaged with investors on topics of strategy, governance, project updates and performance.</p> <p>The CEO and CFO presented at a number of investor roadshows and one-to-one meetings and have increased the profile of the Group with an international base of potential investors.</p> <p>Discussions with cornerstone investors and potential offtake partners are an inherently long-term process.</p> <p>The Company raised £3.4m from its three largest existing shareholders as well as from retail investors.</p>

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Key Stakeholders – Engagement Rationale and Objectives	How Zinnwald engaged with the stakeholders	What came of the engagement
<b>Workforce</b>		
<p>The vast majority of the workforce in future will be based in Germany, and the Directors consider workforce issues holistically for the Company and the Project as a whole.</p> <p>The Company and the Project’s long-term success is predicated on the commitment of our workforce to our vision and the demonstration of our values on a daily basis.</p> <p>The Board has identified that reliance on key personnel is a known risk (see the Principal Risks and Uncertainties).</p> <p>Stakeholder Interests include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Job creation, fair worker pay and conditions</li> <li>• Development opportunities and interesting work</li> <li>• Clear communication with employees</li> <li>• Excellence in health and safety</li> </ul> <p>The Company has seven UK employees including its Directors, all of whom are UK based. The rest of the Company’s workforce is based in Germany.</p>	<p>UK: The CEO and CFO report regularly to the Board, including the provision of board information.</p> <p>Germany: The Company maintains an open line of communication between its employees, senior management and Board of Directors.</p> <p>The Company is currently too small to require a formal HR Function in Germany, but this will be instituted as the Company grows in size.</p> <p>Senior management regularly visit the operations in Germany and engage with its employees through one-on-one and staff meetings, employee events, project updates, etc.</p> <p>Safety is a key factor in the governance of the Group and senior management hold regular safety meetings.</p>	<p>Board reporting includes sections on engagement with workforce.</p> <p>Meetings are regularly held with staff to provide project updates and ongoing business objectives.</p>
<b>Government Bodies – State and Federal</b>		
<p>The Company requires a number of different licenses to undertake activities. The Company has a mining license and will apply for a General Operating Plan (GOP) permit that will include an EIA.</p> <p>It will only be able to commence production once it receives these licenses and permits. These licenses will come from both State and Federal bodies.</p> <p>The Company will also need to engage with state suppliers of utilities such as power, gas and water.</p>	<p>The Company maintains good relations with the respective government bodies at both a state and federal level and communicates progress.</p> <p>The Company engages with the relevant departments of the Saxony Government in order to progress the operational licences it will require, especially with the Saxony Mining Authority (SOBA). The Project is currently working with the Spatial Planning authorities on their scoping plans.</p> <p>The updated MRE published in 2024 and subsequent PFS in 2025 that demonstrated the size of reserves and the mine life of the Project has materially increased the profile of the Project with Government.</p>	<p>The Project received its spatial planning assessment from the LDS in December 2025 that confirmed the Liebenau site and access tunnel as the preferred development option.</p> <p>The Project has hosted several state and federal visits and key political representatives have publicly stated their support for the Project.</p> <p>The Company has been approved for a Research allowance tax credit for up to €1.9m from the federal authorities in relation to the technical development completed to date on the Project.</p> <p>The Company has applied for a permit to construct its exploration adit from Zinnwald and expects a final decision in 2026.</p>


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Key Stakeholders – Engagement Rationale and Objectives	How Zinnwald engaged with the stakeholders	What came of the engagement
<p><b>Local Community</b></p> <p>The local community at the Zinnwald site and surrounding area will provide both immediate access rights for drilling and in the longer term the social license to operate.</p> <p>We need to engage with the local community to build trust. Having the community’s trust will mean it is more likely that any fears the community has can be assuaged and our plans and strategies are more likely to be accepted. Community engagement will inform better decision making.</p> <p>The local community will provide employees and suppliers to the mine and chemical plant.</p> <p>The Company will in due course have a social and economic impact on the local community and surrounding area. The Company is committed to ensuring sustainable growth minimising adverse impacts. The Company will engage these stakeholders as appropriate.</p>	<p>Zinnwald Lithium GmbH has its registered office, visitors centre and core storage facility in Altenberg and staffs the office at least one day per week to answer community questions.</p> <p>The Company continues to make several donations to local bodies.</p> <p>As part of the ESIA Scoping Study work, the Company has identified all key stakeholders within the local community.</p> <p>The Group has open dialogue with the local town government and community leaders regarding the project development.</p> <p>The Company has existing ESG/ CSR policies at corporate level. The Company will expand on these policies and structures at a local project level as the Company moves through development and on into construction.</p>	<p>The Company held two major, well-attended town hall meetings following the publication of the PFS in March and the ESIA documents in November.</p> <p>The Spatial planning assessment included an extensive formal public engagement process.</p> <p>The ESIA Scoping Study also includes extensive public consultation, which the Company extended the timeframe from the required 4-6 weeks to more than two months to enable more parties to engage.</p> <p>The Company engages with the local community as part of the development of its sustainability initiatives.</p>
<p><b>Suppliers</b></p>		
<p>Our suppliers are fundamental to ensuring that the Company can develop a financeable project and ultimately construct the Project on time and budget.</p> <p>Using quality suppliers ensures that as a business we meet the high standards of performance that we expect of ourselves and vendor partners.</p> <p>At a local level, we may also partner with a variety of smaller companies, some of whom may be independent or family run businesses.</p>	<p>The Company has a policy of working with internationally respected consultants for its PFS and will continue to do so as it moves towards BFS and permitting. The Company will use similar quality engineering groups when it comes to construction of the Project.</p> <p>Management team continue to work closely with engineering and specialised consultancy firms including:</p> <ul style="list-style-type: none"> <li>• One on one meetings between management and suppliers</li> <li>• Vendor site visits to ensure suppliers able to meet requirements</li> <li>• Contact with procurement departments and accounts payable</li> </ul>	<p>During the period, the Company has contracted and engaged with the following (see Operations report for more detail):</p> <ul style="list-style-type: none"> <li>• Snowden Optiro – QP, Mining</li> <li>• Metso – Process flowsheet</li> <li>• Fichtner – Infrastructure</li> <li>• K-Utec – Back-fill</li> <li>• DMT – Electrics and comms</li> <li>• ERM – ESIA and Hydrogeology</li> <li>• Knight Piesold – Tailings</li> <li>• Dr Sauer - Tunnel</li> <li>• Gicon/GLU – Planning</li> </ul>

## Section 2. Key Decisions made by the Board within the reporting period.

The Board defines principal decisions as both those that have long-term strategic impact and are material to the Group, but also those that are significant to its key stakeholder groups. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company. The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2025:

- **Pre-Feasibility Study.** The publication in March 2025 of the PFS confirmed not just the robust economics of the Project but also its technical feasibility. But as importantly, the scale of the proven and probable reserves demonstrated that the Project is one of the largest in Europe and can support a mine life of more than 40 years. The Board believes that this increases the relevance of the Project to the European battery materials markets
- **Liebenau Site Selection and Access.** The Board confirmed as part of both the PFS and the spatial planning application that it had settled on Liebenau as the site for the processing facilities. This site offers numerous advantages in being a large area of low-quality agricultural land, next to an autobahn exit and, crucially, out of sight of the village nearby. The PFS also demonstrated that the cost of the access tunnel from the ore body to Liebenau was reasonable in context of the overall capital costs while at the same time significantly reducing ore transfer costs over the life of the project. The selection of the site and access tunnel was also informed by the Board's determination to minimise the impact of the Project on local stakeholders and protected areas, even if it increased the overall cost. This decision was endorsed by the local State directorate in its spatial planning assessment published in January 2026 following extensive public consultation.
- **Engineering and Design Consultants.** The Board has continued to prioritise the use of internationally credible consultants to assist the Project through the PFS phase and onwards to the DFS. The Board believes that this will lend the credibility required by permitting authorities and ultimately finance partners. For the PFS, the Company worked with Metso for mineral processing and pyro- and hydrometallurgical process design and engineering, Snowden Optiro for mine planning, Knight Piesold for design of the tailings storage facility, K-Utec for backfill design, DMT for mining electrical and communications, ERM for hydrogeology and ESIA scoping, Fichtner for infrastructure and Dr Sauer & Partners for tunnel development.
- **Permitting and ESIA.** The Project will complete an EIA as part of its application for its overarching General Operating Plan permit. In addition to this process, the Board has continued to drive the production of an ESIA that will meet not just permitting requirements but will be completed to levels typically required by international financing institutions. Especially in regard to the area of social and community impact, the requirements for the ESIA will be significantly more extensive than the permitting process. In November 2025, the Board approved the publication of the ESIA Scoping Study and other community engagement plans to enable the detailed public consultation phase to commence. In December 2025, the Board approved the request from local government bodies to extend the consultation period to enable as long a period of engagement as possible.



Anton du Plessis  
Director, CEO  
30 March 2026

ZINNWALD LITHIUM PLC  
DIRECTORS' RESPONSIBILITY STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025

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The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent company financial statements in accordance with UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors present their annual report and audited financial statements for the year ended 31 December 2025.

### **Principal activities**

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

### **Results and dividends**

The results for the year are set out on page 52.

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

### **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

- Jeremy Martin (Non-executive Chairman)
- Anton du Plessis (CEO)
- Cherif Rifaat (CFO)
- Graham Brown (Non-executive Director) – resigned 24 February 2026
- Peter Secker (Non-executive Director)
- Dr Stefan Scherer (Non-executive Director)
- Dominik Simler (Non-executive Director) – appointed 24 February 2026

### **Directors' interests**

The Directors' interests in the shares of the Company are set out on page 38.

### **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 27 March 2026:

<b>Major Shareholder</b>	<b>No of Shares</b>	<b>% of Issued share capital</b>
AMG Critical Materials N.V.	158,996,738	29.3%
Henry Maxey	79,236,495	14.6%
Mark Tindall	30,828,445	5.7%
Ganfeng Lithium	25,465,898	4.7%

### **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 (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

### **Working capital and liquidity risk**

Cashflow and working capital forecasting is performed in the operating entities of the Group and consolidated at a Group level basis for monthly reporting to the Board. The Directors monitor these reports and rolling forecasts to ensure the Group has sufficient cash to meet its operational needs. The Board has a policy of maintaining at least a GBP 0.5m cash reserve headroom. The Group has no material fixed cost overheads other than its costs of being listed on the AIM market and its leases in Dresden and Altenberg. None of its employee contracts have notice periods of longer than six months and its development expenditure is inherently discretionary.

**Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from one main currency exposure, namely GBP for its Head Office costs and the value of its shares for fund-raising and Euros for most of its operating expenditure. The Group's Treasury risk management policy is currently to hold most of its cash reserves in Euros, as the majority of its current and planned expenditure will be on the Zinnwald Lithium Project in Germany.

**Credit and Interest Rate Risk**

The Company has no borrowings and a low level of trade creditors and has minimal credit or interest rate risk exposure.

**Auditor**

PKF Littlejohn LLP has expressed its willingness to continue in office and a resolution proposing that they be re-appointed will be put at a General Meeting.

**Statement of disclosure to auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

**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 UK in the reporting period must include energy and carbon information within their directors' report.

Zinnwald Lithium Plc does not qualify as a quoted company or a large unquoted company and therefore is presently exempt from the SECR reporting requirements. It also has minimal UK carbon usage, as its primary base of physical operations is Germany. However, in the interests of disclosure, it is estimated that in 2025, the Group as a whole consumed circa 520,000 kWh (2024: 1,090,000 kWh) of energy, mainly related to a reduced number of flights between the two periods. The Group is developing its reporting systems and KPI metrics to establish baselines for a wider range of energy and carbon reporting metrics for future reporting and will publish these as the Project develops.

On behalf of the board



**Jeremy Martin**  
Director  
30 March 2026

ZINNWALD LITHIUM PLC  
CORPORATE GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025

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Zinnwald Lithium Plc (the 'Company') adheres to the Quoted Company Alliance's ('QCA') Corporate Governance Code for Small and Mid-Size Quoted Companies (revised in November 2023) to meet the requirements of AIM Rule 26. The Company includes below the material disclosures required under these QCA guidelines. The Company also publishes a more detailed QCA Statement on its website, which is updated annually and last updated in October 2025. This statement includes more comprehensive disclosures considered to be more appropriate in that format.

### **Board Composition**

As at 31 December 2025, the Board comprised two Executive Directors, a Non-Executive Chairman and three other Non-executive Directors. Details of the current Directors are set out within the list of Directors below. The Board will continue to review its structure in order to provide what it considers to be an appropriate balance of executive and non-executive experience and skills.

The Board considers the following Non-Executive Directors to be independent – Jeremy Martin, Graham Brown Peter Secker and Dominik Simler. None of these Directors have been employees, have a significant business relationship or close family ties with related parties or represent significant shareholders. The Board notes that the Company follows the QCA guidelines on Corporate Governance that does not prohibit non-executive Directors participating in performance related remuneration schemes, provided that it is mindful of any potential effects on objectivity and director independence. The Board believes that the number of Options granted to Non-Executive Directors is not material in either value or in relative terms to issued share capital. The Board believes that issuing these Options strikes an appropriate balance that preserves the Company's cash whilst enabling it to recruit and retain the calibre of its technically and commercially experienced Directors. The Board is in regular contact with its significant shareholders, none of whom have expressed any concerns around the award of these Options and continue to overwhelmingly vote in favour of resolutions proposed at the Company's AGMs.

Dr Stefan Scherer was appointed as a Non-Executive Director in April 2023 under the terms of the relationship agreement signed with AMG Critical Minerals N.V. ('AMG') as part of its participation in the fundraise in March 2023 that resulted in it owning 25% of the enlarged share capital of the Company. Under the agreement, AMG has undertaken to the Company and Allenby Capital, the Company's Nominated Adviser, that, for so long as it is interested in Ordinary Shares carrying 15% or more of the Company's voting share capital, it will not act to unduly influence the Company or its Board and will ensure that transactions entered into by it with the Company are on an arms' length basis and independently considered by the Company. The Agreement provides AMG with the right to maintain its 25% shareholding in future fundraises. The Agreement also provides that for so long as AMG is interested in Ordinary Shares carrying a minimum of 15% of the Company's voting share capital, AMG shall be entitled to appoint one Director to the board of the Company. Accordingly, Dr Scherer is not considered independent.

### **Board Terms of Reference and Powers**

The Board sets the Company's strategic aims and ensures that necessary resources are in place in order for the Company to meet its objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

The Board has adopted a 'Charter' that sets out the role and responsibility of the Board and the manner in which it will exercise and discharge these duties. The role of the Board is to determine the strategic direction of the Company, regularly review the appropriateness of it and oversee its implementation. It is not the role of the Board to manage the Company itself but rather to monitor the management and performance of the business. It does this in the following areas:

- Board composition and organisation;
- Strategy, financial and operational matters;
- Financial expenditure;
- Shareholder engagement and communications;
- Governance and general sustainability (ESG) matters; and
- Designated positions of responsibility. The roles of management are covered in relation to their interaction with the Board rather than their day-to-day operational tasks.

The Non-Executive Directors have a particular responsibility to challenge constructively the strategy proposed by the Chairman and the Executive Directors; to scrutinise and challenge performance; to ensure appropriate remuneration and that succession planning arrangements are in place in relation to the Executive Directors and other senior members of the management team. The Executive Directors enjoy open access to the Non-Executive Directors with or without the Chairman being present.

### **Director Commitments**

The Executive Directors, Anton du Plessis and Cherif Rifaat, are employed on full-time contracts.

All Non-Executive Directors acknowledge in their letters of appointment that the nature of the role makes it impossible to be specific on the maximum time commitment and that at certain times of increased activity, then preparation for and attendance at meetings will increase. All Directors are expected to attend all Board meetings (either in person or by phone), the AGM and Board Committee meetings.

### **Board Meetings**

The Board looks to meet in a formal manner on a quarterly basis, with additional meetings held as required to review the corporate and operational performance of the Group.

Each Board Committee has compiled a schedule of work, to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year.

The Chairman, aided by the Company Secretary, is responsible for ensuring that the Directors receive accurate and timely information. The Company Secretary compiles the Board and Committee papers which are circulated to Directors well in advance of all meetings. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns minuted.

A summary of Board meetings attended in the 12 months to 31 December 2025 is set out below:

	25 March	16 June	1 July	25 September	4 December
Jeremy Martin	✓	✓	✓	✓	✓
Anton du Plessis	✓	✓	✓	✓	✓
Cherif Rifaat	✓	✓	✓	✓	✓
Graham Brown	✓	✓	✓	✓	✓
Peter Secker	✓	✓	✓	✓	✓
Stefan Scherer	✓	✓	✓	✓	✓

### **Board Committees**

The Board has delegated specific responsibilities to the Audit, Remuneration, Sustainability and Nominations Committees, details of which are set out below. Each Committee has written terms of reference setting out its duties, authority and reporting responsibilities. It is intended that these will be kept under continuous review to ensure they remain appropriate and reflect any changes in legislation, regulation or best- practice.

There is currently no internal audit function, given the size of the Group, although the Audit Committee keeps this under annual review.

### **Audit Committee**

The Audit Committee's overall goal is to ensure that the Group adopts and follows a policy of proper and timely disclosure of material financial information and reviews all material matters affecting the risks and financial position of the Group. The Committee is responsible for overseeing for the Company, its major subsidiaries and the Group as a whole, in relation to the following matters:

- Financial reporting;
- Internal control and risk management systems;
- Internal audit function;
- External audit and the relationship with the external auditors; and
- Whistleblower and fraud programme.

The Audit Committee meets at least twice a year and comprises independent Non-Executive Directors only, with the Chief Financial Officer in attendance and not a member. The external auditors may attend all meetings. During 2025, the Audit Committee comprised Graham Brown as Chairman and Jeremy Martin. In February 2026, Dominik Simler replaced Graham Brown as Chairman.

### **Remuneration Committee**

The Remuneration Committee assumes general responsibility for assisting the Board in respect of remuneration policies and strategies for the Company and ensuring they are designed to support strategy and promote long-term sustainable success. It ensures that the Company offers competitive remuneration that is aligned to Company purpose and values, and clearly linked to the successful delivery of the Group's long-term strategy, whilst remaining financially responsible. It also ensures formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration.

- Remuneration policies, including long and short-term incentives;
- Review of executive management performance and recommendations for incentive awards;
- Annual reporting of the Company's remuneration activities;
- Administration of the New Share Incentive Schemes;
- Company policies regarding pension and other benefits; and
- The engagement and independence of external remuneration advisers.

The Remuneration Committee meets as and when necessary. The Remuneration Committee is comprised exclusively of independent Non-Executive Directors and, in 2025 comprised Graham Brown, Peter Secker and Jeremy Martin as Chairman. No Director is permitted to participate in discussions or decisions concerning his own remuneration.

### **Sustainability Committee**

The Board and Management of the Company are committed to maintaining a high standard of corporate governance. The Company has chosen to adhere to the Quoted Companies Alliance ("QCA") Corporate Governance Guidelines for Small and Mid-Size Companies, which was revised in November 2023 and comprises ten key principles. The purpose of the Sustainability Committee is to provide for the Board's effectiveness and continuing development in meeting these ten principles.

The Sustainability Committee is also responsible for overseeing, on behalf of the Board, the development, implementation and monitoring of the Company's sustainable development in all its internal policies and operations around the three pillars of the Group's Sustainability framework. These are based on the United Nations' set of 17 Sustainable Development Goals (SDGs), of which for mining companies, the key takeaways are to extract responsibly, waste less, use safer processes, incorporate new sustainable technologies, promote the improved wellbeing of local communities, curb emissions, and improve environmental stewardship.

The Sustainability Committee is responsible for overseeing for the Group as a whole, the following matters:

- Corporate Governance matters highlighted by the QCA Code;
- Sustainability matters and policies;
- Undertake and report on an annual basis an ESG Materiality assessment to identify key issues as the Company moves through its evolution from exploration to construction and into production; and
- Reporting of all ESG and Corporate Governance matters in Company publications.

The Sustainability Committee is comprised of Jeremy Martin (Chairman), Graham Brown, Peter Secker and Anton du Plessis. Cherif Rifaat has been appointed the Designated Director for sustainability matters and will report to the Sustainability Committee. The Sustainability Committee meets at least twice per year.

### **Nominations Committee**

The Nominations Committee's role is to assist the Board of Zinnwald Lithium plc (the "Board") in regularly reviewing its composition and those of its Committees. The Committee shall be responsible for overseeing for the Company, major subsidiaries and the Group as a whole, the following matters:

- Lead the process on reviewing and recruiting new Board members;
- Regularly review the membership of Board committees; and
- Ensure effective succession planning for the Board and senior management.

The Committee comprises the three independent non-executive Directors, namely Graham Brown, Peter Secker and Jeremy Martin as Chairman. The Committee will meet for the first time in 2025 to discuss the search and appointment of a new independent non-executive Director to replace Graham Brown.

### ***Board as a whole***

The skills and experience of the Board are set out in their biographical details below. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. The Board believes it has a mix of technical skills (e.g. geologists), sector experience (exploration through to production with resources companies), public company experience and financial expertise to enable it to deliver on its strategy. Whilst there is not currently a balance of genders on the Board, the Company's directors look to appoint individuals with complementary skills and experience to fulfil the Company's strategy, regardless of gender.

The Board does not believe that any of the Directors have too many directorship roles at other listed companies and are hence at risk of "over-boarding" as defined by ISS voting guidelines but will continue to monitor this on an ongoing basis. The Board is satisfied that the Chairman and each of the Non-Executive Directors is able to devote sufficient time to the Group's business.

The Directors keep their skillsets up to date by attending industry and qualification relevant seminars and training sessions.

### ***List of Directors in 2025***

#### *Jeremy Martin: Non-Executive Chairman*

Mr Martin was one of the original founders of the Company in 2012 and has performed both non-executive director and non-executive chairman roles. He is a geologist with over 25 years' experience with a track record of discovery and project development in precious and critical minerals across Latin America and Europe. He has a strong technical background covering early-stage exploration, feasibility study, project evaluation, permitting, sustainability reporting and structuring, and ultimately to project development. He has broad capital markets experience on AIM and the TSX, having completed a number of IPOs, and established JVs and or partnerships with some of the leading major mining companies, including AngloGold, Teck, Glencore and Vale. Mr Martin holds a BSc (Hons) from the Camborne School of Mines and MSc.

#### *Anton du Plessis: Chief Executive Officer*

Mr du Plessis joined the Company, originally as Chief Executive Officer, in October 2018. He has over 25 years' experience in the mining, industrial and finance sectors. During this time, he held senior positions at several international investment banks including CIBC, Bank of America Merrill Lynch and Morgan Stanley with a focus on advising natural resources companies on the execution of strategic and financing transactions. He has worked on transactions across a range of commodities and for several leading global companies including AngloGold Ashanti, Rio Tinto and BHP Billiton. Prior to embarking on his investment banking career, He worked for the Anglo American group in a corporate finance and business development capacity.

#### *Cherif Rifaat: Chief Financial Officer*

Mr Rifaat has been Chief Financial Officer of the Company since 2017. He is a UK chartered accountant with more than 20 years of venture capital, corporate finance, operational turnaround and investor relations experience since his qualification with KPMG. He has primarily worked with technology, mining and real estate companies, with an emphasis on those in a start-up, pre-IPO or restructuring phase. He has been a corporate and financial adviser to the lithium mining company, Bacanora Lithium Ltd, since it listed on AIM in 2014, and remained as its company secretary to January 2026. He has been a member of the ICAEW since 1998.

#### *Graham Brown: Non-Executive Director – resigned 24 February 2026*

Mr Brown has served as a non-executive director of the Company since 2017. He has been a Fellow of the Society of Economic Geologists ("SEG") since 1999, participated in the Colombia Senior Executives programme in 2004 and the Duke Business Leaders programme in 2007. He is a past councillor of the SEG and current British Geological Survey industry adviser and Natural History Museum honorary research fellow. In 2011, he was the co-recipient of the PDAC Thayer Lindsley Award and from 2013 attained both Chartered Geologist and European Geologist professional status. Graham joined Amax as an exploration geologist in 1980 and worked on a variety of exploration and mining operations in the Circum-Pacific region. For almost a decade, he worked as a consultant involved with the exploration and evaluation of a number of major discoveries in both Asia and Europe. In 1994, he joined Minorco as Chief Geologist. Subsequently he became the Europe-Asia region's Vice President Exploration and following the Minorco-Anglo American plc merger in 1999, he served as Vice President Geology. In 2003 he was appointed Senior Vice President Exploration and managed geosciences, technical services, and R&D programmes. In 2005 he was promoted to Head of Base Metals Exploration and in 2010 he took up the position of Group Head of Geosciences for the Anglo American Group. At the end of 2025 he was appointed Senior Operating Partner of Appian Capital Advisory based in Dubai, a prominent private equity fund focussed on mining.

*Peter Secker: Non-Executive Director*

Mr Secker has served as a non-executive Director of the Company since October 2020. He is a mining engineer with over 35 years' experience in the resources industry. During his career, he has built and operated a number of mines and metallurgical processing facilities in Africa, Australia, China and Canada. His operating and project experience spans several commodities, including titanium, copper, iron ore, gold and lithium. For the past 15 years, Peter has been Chief Executive of several publicly listed companies in Canada, the UK and Australia; he is currently CEO of Bacanora Lithium Ltd.

*Dr Stefan Scherer: Non-Executive Director*

Dr Scherer has served as a non-executive director of the Company since April 2023. He has more than 20 years' experience in the speciality and fine chemical industries having studied chemistry at the Technische Hochschule Darmstadt and completed a PhD in Organic Chemistry at the Goethe University in Frankfurt. He is currently Chief Executive Officer of AMG Lithium GmbH and Chief Commercial Officer of AMG Lithium BV, where he is responsible for AMG's downstream lithium business and its overall lithium development strategy. Prior to this, he held various R&D, operational, and management positions including roles at Albemarle and Rockwood Lithium/Chemetall.

*Dominik Simler: Non-Executive Director – appointed 24 February 2026*

Mr Simler brings over 20 years of pan-European investment and advisory experience, with a particular focus on the central European German speaking region ("DACH"). He has extensive experience in structuring and sourcing capital and working with stakeholders across various industries, having held senior roles at leading private equity and investment firms including AEA Investors, Investcorp International and L-GAM Advisors. Dominik is the Founder and Managing Director of Brenta Partners LLP and also serves as Senior Advisor for the DACH region at All Seas Capital. He holds a Bachelor of Arts (Honours) in International Business, Finance and Economics from the University of Manchester. He holds German and British nationality.

**Board Advice during the year**

During the year, the Board did not commission any external advice for its own matters.

**Lead Independent Director**

Due to the size of the Company, the Board does not feel it necessary to appoint a Lead Independent Director. The Board will keep this under review as it progresses towards a financing decision and ultimately construction of the Project.

**Company Secretary**

The Chief Financial Officer undertakes the role of Company Secretary, as the Board does not feel the size of the company warrants an individual to be employed specifically for this role. Mr Rifaat is an experienced Plc company secretary with extensive experience of the AIM market. The Board will look to appoint an individual company secretary when it is closer to its financing decision on the Project.

**Annual Board appraisal**

In accordance with current best practice and the Code, the Board conducts an annual formal evaluation of its performance and effectiveness and that of each Director and its Committees. This is conducted during the year by way of interviews with the Chairman. In addition, the Non-Executive Directors meet, informally, without the Chairman present and evaluate his performance. The Board currently considers that the use of external consultants to facilitate the Board evaluation process is unlikely to be of significant benefit to the process, although the option of doing so is kept under review.

**Ongoing Board Development**

The Executive Directors are subject to the Company's annual review process through which their performance against predetermined objectives is reviewed, as part of the new incentive scheme review, as well as their personal and professional development needs considered.

Non-Executive Directors are encouraged to raise any personal development or training needs with the Chairman or through the Board evaluation process.

The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Company's advisers where appropriate.

### ***Succession Planning***

The Board has a minuted emergency succession plan for the Senior Management Team. On an ongoing basis, Board Directors maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current board members.

### ***Committee Reports***

See separate documents for the Audit, Remuneration and Sustainability committees within this Report.

The Nominations committee met for the first time at the end of 2025 and again in early 2026 to discuss and review the process for finding a replacement for Graham Brown, who has now moved full time to Dubai to be the Senior Operating Partner at Appian Capital Advisory. The Committee's considered its own terms of reference for identifying and nominating for approval by the Board candidates to fill Board vacancies.

The Committee identified Dominik Simler, a dual German-British national, as having the appropriate skills and experience for the role. The Company believes that he brings insight and contacts in terms of potential sources of funding in the German speaking world. He comes from outside of the specific world (mining / lithium) that assists in the role of neutral party in dealing with key stakeholders. He has extensive board experience (albeit not on public boards) and so is an experienced voice to help the Company consider key decisions in new ways. The Committee also considered him to be independent of the Company in line with AIM Rule 26 and the QCA Corporate Governance guidelines. Accordingly, the Committee recommended his appointment, which was approved at a meeting on 24 February 2026.

### ***Engagement with all shareholders***

The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategy and financial position. General communication with shareholders is co-ordinated by the Chairman, Chief Executive Officer ("CEO") and Chief Financial Officer.

The Company publishes on its website the following information, which the Board believes plays an important part in presenting all shareholders with an assessment of the Group's position and prospects:

- The Company's latest Investor presentation;
- The Company's most up to date technical reports on each of its projects;
- Annual and Half-Yearly Financial Statements;
- All company press releases issued under the RNS service;
- Notice of any General Meetings will be posted on the website as well as announced via RNS;
- Details on the results of all resolutions put to a vote at the most recent AGM;
- Contact details including a dedicated email address (info@zinwaldlithium.com) through which investors can contact the Company; and
- The results of voting on all resolutions in future general meetings will be posted to the Group's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent. of independent shareholders.

The Company's Annual General Meeting (AGM) will generally be held in London in June following the publication of its annual results and all shareholders are invited to attend.

### ***Institutional Investors***

In general, the Board maintains a regular dialogue with its institutional investors, providing them with such information on the Company's progress as is permitted within the guidelines of the AIM Rules, MAR and requirements of the relevant legislation. The Company typically holds meetings with institutional investors and other large shareholders following the release of interim and financial results.

### ***Private Investors***

The Company is committed to engaging with all shareholders and not just institutional shareholders. As the Company is too small to have a dedicated investor relations department, the CEO is responsible for reviewing all communications received from shareholders and determining the most appropriate response. The CEO works in conjunction with the Company's public relations advisers including the InvestorHub platform to facilitate engagement with its shareholders.

### ***Board review***

The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the Chief Executive Officer, Chairman and the Company's brokers.

ZINNWALD LITHIUM PLC  
 AUDIT COMMITTEE STATEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2025

**Part 1 - Background Statement from the Chairman**

On behalf of the Board, I am pleased to present this report on behalf of the Audit Committee (the “Committee”), covering the activities for the twelve months ended 31 December 2025.

During 2025, the Committee’s agenda has continued to be built around its primary key recommendations to the Board being the Annual Budget, Review and Approval of the Audited Annual Financial Statements and the review of the half year results. As well as the ongoing reporting requirements, the Committee has also paid close attention to the cash flow requirements of the Group to ensure that the Company maintains a tight control on expenditure and remains well financed.

The Committee is responsible for assuring accountability and effective corporate governance over the Company’s financial reporting, including the adequacy of related disclosures, the internal financial control environment and the processes in place to monitor this. The Committee is also responsible for assessing the quality of the audit performed by and the independence of the auditor.

**Part 2 – Matters for consideration in 2025**

**Significant issues and judgements**

In considering the financial results contained in the 2025 Annual Report and Financial Statements, the Audit Committee reviewed the significant issues and judgements made by management in determining those results. A summary of these issues is detailed below:

<b>Accounting Issue</b>	<b>Summary</b>	<b>Action Points by Committee</b>
<b>Critical Judgement and estimates</b> Impairment assessment of Zinnwald Lithium Project	Review of impairment indicators under IFRS 6 resulted in recommendation of no impairment of Zinnwald Lithium Project assets.	Review of estimates and accounting treatment prepared by CFO. Recommended to the Board for no impairment.
<b>Going concern</b> Accounting basis of preparation	Reviewed detailed budget and cashflow forecasts for 2026-2027 and whether it is prudent to account on a going concern basis under IAS 1.	Review and interrogation of cashflow forecasts prepared by management; consideration of existing cash balances and development plans for 2026. Recommended approval of the budget and a going concern accounting basis be adopted.
<b>Financial Processes</b> Review of key financial procedures and controls	Review of existing systems, controls and procedures to fully incorporate the financial systems, approval levels and controls of Zinnwald Lithium.  The CFO has commenced the early stage planning to scale up the Group’s accounting systems to support the Project when it moves into construction phase.	Review of updated Financial Reporting Procedures manual. Recommended approval of the updated manual to the Board.  The Committee will continue to monitor plans for Group accounting systems as the Project progresses.
<b>Risk Management Process</b> Continued development of the risk management process	The Company updates its risk register and disclosures on an annual basis and continues to develop a long-term control framework for the management and mitigation of risk. In 2025, the register was updated to include technical risks identified during the PFS.	Review of updated risk register and disclosures of steps taken to mitigate key risks and trends in the Risks themselves.  The Risk control process will continue to be monitored over the coming period.

ZINNWALD LITHIUM PLC  
AUDIT COMMITTEE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025

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**External auditor**

The Company's external auditor, PKF Littlejohn LLP ('PKF') presented their detailed audit plan and final audit findings and recommendations for the twelve months ended 31 December 2025. The Audit Committee agreed with the audit approach at the planning stage and agreed with the materiality thresholds, identification of the key risk areas and significant judgements and estimates.

The Audit Committee and the Board monitored the auditor's objectivity and independence. The Audit Committee and the Board was satisfied that PKF and the Group have appropriate policies and procedures in place to ensure that these requirements are not compromised in the interim accounts review and the year-end audit.

The Committee recommends that PKF be reappointed at the June 2026 AGM as the auditor for the coming year ended 31 December 2026. The Committee notes that this period will be PKF's tenth year as auditor, although it notes that the Audit partner was rotated after the fifth anniversary set of annual accounts to 31 December 2021. Whilst AIM regulations do not require an automatic change of auditor after ten years, in line with best practice guidance for AIM companies, Zinnwald intends to conduct a formal competitive tender process for the next ten year cycle commencing with the accounts for the year ended 31 December 2027.

There was no material non-audit work carried out by PKF during the period with the only work being the tax compliance work to assist with the Company's annual returns. Note 6 to the Consolidated Financial Statements provides full details of fees paid during the period.

**Whistle blower process**

One of the Committee's key delegated responsibilities is to oversee the whistle blower policy and process. The Company is committed to conducting its business with honesty and integrity and expect all staff to maintain high standards in accordance with its Code of Conduct. The Board approved an updated group policy at the time of the RTO in October 2020. The Committee continues to monitor this process and the consideration on when the Company's scale of operations will require a dedicated independent whistle blower hotline.

**Internal Auditor**

The requirement for the appointment of an internal auditor has been assessed by the Committee and the Board; the level of spend and complexity of the operations being taken into account when considering this decision. To date, the Board has decided that an internal audit function is not required but will continue to assess the situation on a regular basis.

**Going Concern**

The Directors considered it appropriate to continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements. The going concern statement is detailed in full in Note 1.4 to the Consolidated Financial Statements.

For and on behalf of the Audit Committee



**Dominik Simler**  
**Chairman of Audit Committee**  
**30 March 2026**

ZINNWALD LITHIUM PLC  
 REMUNERATION COMMITTEE STATEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2025

**Part 1 - Background Statement from the Chairman**

On behalf of the Board, I am pleased to present the Directors' Remuneration Report summarising the Company's remuneration policy and providing information on the Company's remuneration approach and arrangements for Executive Directors, Non-Executive Directors ('NEDs') and senior executive management for the year ended 31 December 2025.

This report is prepared in accordance with the Quoted Companies Alliance ('QCA') Remuneration Committee Guide for small and mid-sized quoted companies, revised in 2020. A summary of the Remuneration Committee's role, membership and relevant qualifications can be found in the corporate governance section herein or the QCA statement on the website.

Remuneration Committee meetings are ordinarily held at least twice a year with the primary focus of setting goals for the coming period and then assessing results at the end of that period. In December 2025, the Remuneration Committee met to undertake its initial review of performance in 2025 and set targets and KPIs for 2026. The Remuneration Committee has met twice since the year end to review and score the targets for the 2025 period and made its recommendations to the Board in regard to awards under all schemes, which are detailed below and were issued on 12 February 2026.

**Part 2 – Remuneration Policy**

Zinnwald Lithium's remuneration policy for executives, directors and employees is designed to support the delivery of the Group's sole focus being the development of the Project from exploration stage through to being a meaningful supplier of battery-grade lithium products to the European battery industry. Basic annual remuneration is set at a level to compete with other rival employers to ensure the development of an owners team that can deliver the project. The various short- and long-term incentives schemes, originally developed under advice received from independent consultants and approved by shareholders at the time of the 2020 RTO, are designed to specifically link rewards with long term performance both in terms of delivered key strategic milestones as well as overall returns to shareholders. This policy has been reviewed by major shareholders, which have continued to support the Company by consistently voting significantly in favour of resolutions proposed by Directors at the AGMs. The Board has no plans to amend this overall remuneration policy.

**Part 3 - Director remuneration**

**Remuneration for Executive Directors and Senior Management**

All Executive Directors are paid a fixed annual salary and, subject to meeting appropriate targets within their scorecard, are included in the 2020 RSU and PSU share-based incentive plans noted below. All Executive Directors have a six month notice period in their contracts and no "loss of office" payments bar the notice period. All Non-Executive Directors entered into appointment letters at the time of the RTO in October 2020 on a fixed annual fee basis. The Non-Executive Directors have three month notice periods in their letters, apart from the Chairman who has a six-month period to reflect the significance of the role. There are no "loss of office" clauses in the letters.

The tables below detail total emoluments received by each Director for the periods covered by this report, split between cash costs to the Company and non-cash share incentive charges for the period. The Share Incentive Charge represents the value charged to the income statement in the relevant period, which is charged across the total of the relevant vesting periods. It does not represent the value received by the recipient on vesting, in particular the RSUs, which is disclosed separately.

Group 2025	Cash costs to Company				Total	Non-cash Share Incentive Charge	Grand Total
	Salary / Fees	Other taxable	Pension Costs	Social Security Costs			
	£	£	£	£	£	£	£
<b>Executive Directors</b>							
Anton du Plessis	300,000	-	30,000	43,350	<b>373,350</b>	227,564	<b>600,914</b>
Cherif Rifaat	250,000	-	25,000	36,000	<b>311,000</b>	161,169	<b>472,169</b>
<b>Non-Executive Directors</b>							
Jeremy Martin <sup>[1]</sup>	124,200	-	-	17,461	<b>141,661</b>	15,704	<b>157,365</b>
Graham Brown	47,600	-	-	6,247	<b>53,847</b>	11,217	<b>65,064</b>
Peter Secker	47,600	-	-	6,247	<b>53,847</b>	11,217	<b>65,064</b>
Stefan Scherer	-	-	-	-	-	-	-
<b>Total</b>	<b>769,400</b>	-	<b>55,000</b>	<b>109,305</b>	<b>933,705</b>	<b>426,871</b>	<b>1,360,576</b>

Following the year end, the Committee recommended a 2% inflationary increase to salaries and Directors fees that took effect on 1 January 2026.

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[1] Effective 1 January 2024, the Company engaged Jeremy Martin in a 12 month consultancy agreement to provide specific technical support to the operational team with the development of the resource and processing parts of the Project's flowsheet. As a related party transaction, this was reviewed by the Board, excluding Mr Martin, which concluded that the agreement was fair and reasonable for the Company's shareholders on the grounds that: the deliverables are directly related to Mr Martin's professional qualifications and extensive experience in the specific fields of Geology, Mining and Mineral Processing; and the rate charged is not materially different to those already being charged to the Company by its existing consultants in these fields. The Board also concluded that the agreement does not impact on Mr Martin's independence in his existing role as Non-Executive Chairman. In December 2024, the Board elected to extend this agreement into 2025 on a three month notice period and the agreement was terminated effective 30 September 2025. The payment received by Mr Martin under the agreement in the year ended 31 December 2025 was £46,800 (2024: £44,200).

Group 2024	Salary / Fees	Cash costs to Company			Total	Non-cash Share Incentive Charge	Grand Total
		Other taxable <sup>[1]</sup>	Pension Costs	Social Security Costs			
	£	£	£	£	£	£	£
<b>Executive Directors</b>							
Anton du Plessis	288,500	92,803	28,850	51,364	<b>461,517</b>	247,800	<b>709,317</b>
Cherif Rifaat	240,400	42,964	24,040	37,848	<b>345,252</b>	160,434	<b>505,686</b>
<b>Non-Executive Directors</b>							
Jeremy Martin	118,600	-	-	15,111	<b>133,711</b>	15,777	<b>149,488</b>
Graham Brown	45,800	-	-	5,065	<b>50,865</b>	11,270	<b>62,135</b>
Peter Secker	45,800	-	-	5,065	<b>50,865</b>	11,270	<b>62,135</b>
Stefan Scherer	-	-	-	-	-	-	-
<b>Total</b>	<b>739,100</b>	<b>135,767</b>	<b>52,890</b>	<b>114,453</b>	<b>1,042,210</b>	<b>446,551</b>	<b>1,488,761</b>

[1] Other taxable costs relate to the vesting of the RSUs in January 2024. On 15 January 2024, the first tranche of 1,909,531 RSUs originally issued in January 2022 reached their vesting date, and in accordance with the rules of the scheme vested at a price of 7.11p being the 20 Day VWAP price at close on 12 January 2024. The gross value of these vested RSUs equated to £92,803 to Anton du Plessis and £42,964 to Cherif Rifaat as compared with the associated share incentive charge expensed over 2022 and 2023 of £189,000 and £87,500 respectively. The vesting of these RSUs is treated as if a cash bonus and is taxed accordingly through payroll. The Board has discretion under the scheme rules to either pay the tax due from its own cash reserves and issue the net number of shares, which is 53% of the number of RSUs (income tax of 45% and NI of 2%); or to issue the full number of RSUs as shares and the recipients must sell the effective 47% to settle the tax due. The Board concluded that, due to the low-level of current trading volumes in the Company's shares and that a TR-1 showing share sales by Directors, these could risk a negative impact on the Company's share price. The Board elected to settle the tax due from cash reserves with the proviso that this does not create a precedent for future vestings and each annual decision will be made at that date. Accordingly, 691,782 shares were issued to Anton du Plessis (being 53% of 1,305,249 RSUs) and 320,269 shares were issued to Cherif Rifaat (being 53% of 604,282 RSUs).

#### Part 4 – Directors interests in shares

The table below shows the movement in each Director's interests in shares of the Company. There have been no further movements since the year end.

	Opening at 1 January 2025	Shares acquired / (disposed of)	Shares issued on vesting of incentives	Closing at 31 December 2025
Anton du Plessis	1,418,133	-	-	1,418,133
Cherif Rifaat	1,115,315	-	-	1,115,315
Jeremy Martin	27,000	-	-	27,000
Graham Brown	-	-	-	-
Peter Secker	178,695	-	-	178,695
Stefan Scherer	-	-	-	-

#### Part 5 – Awards under the 2017 Option Scheme

This Option scheme was put in place at the time of the Company's original IPO on AIM in November 2017. It is now only eligible for Group Employees, Consultants and Non-Executive Directors (Executive Management are covered by the 2020 RSU and PSU schemes). The basic terms of this scheme are as follows:

- Options are granted at the start of each year based on performance against KPIs for the prior year;
- Options vest one third on date of grant, one third after 12 months, one third after 24 months;

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- Options expire 90 days after recipient ceases to be an employee, consultant or Director, unless the Board specifically agrees in writing otherwise; and
- Options expire on the fifth anniversary of the date of grant, if unexercised.

The table below shows full details on all existing Options as at 30 March 2026. The table includes awards made after year end, but which relate to a performance period that completed during the 2025 financial year. For further detail on all Option movements in 2025, see Note 22 to the Consolidated Financial Statements:

Name	Grant date	Vested Options	Unvested Options	Expiry Date	Exercise Price
Jeremy Martin	15-Jan-22	250,000	-	15-Jan-27	£0.1810
	23-Mar-23	350,000	-	23-Mar-28	£0.1041
	15-Jan-24	350,000	-	15-Jan-29	£0.0675
	31-Jan-25	233,333	116,667	31-Jan-30	£0.0750
	12-Feb-26	116,667	233,333	12-Feb-31	£0.0710
Graham Brown	15-Jan-22	150,000	-	15-Jan-27	£0.1810
	23-Mar-23	250,000	-	23-Mar-28	£0.1041
	15-Jan-24	250,000	-	15-Jan-29	£0.0675
	31-Jan-25	166,667	83,333	31-Jan-30	£0.0750
	12-Feb-26	83,333	166,667	12-Feb-31	£0.0710
Peter Secker	15-Jan-22	150,000	-	15-Jan-27	£0.1810
	23-Mar-23	250,000	-	23-Mar-28	£0.1041
	15-Jan-24	250,000	-	15-Jan-29	£0.0675
	31-Jan-25	166,667	83,333	31-Jan-30	£0.0750
	12-Feb-26	83,333	166,667	12-Feb-31	£0.0710
Stefan Scherer		-	-		
<b>Total Directors</b>		<b>3,100,000</b>	<b>850,000</b>		
Staff & Consultants	15-Jan-22	3,350,000	-	15-Jan-27	£0.1810
	23-Mar-23	1,600,000	-	23-Mar-28	£0.1041
	15-Jan-24	2,700,000	-	15-Jan-29	£0.0675
	31-Jan-25	1,333,334	583,333	31-Jan-30	£0.0750
	12-Feb-26	868,333	1,736,667	12-Feb-31	£0.0710
<b>Total Staff &amp; Consultants</b>		<b>9,851,667</b>	<b>2,320,000</b>		
<b>Total</b>		<b>12,951,667</b>	<b>3,170,000</b>		

The Board notes that the Company follows the QCA guidelines on Corporate Governance that does not prohibit non-executive Directors participating in performance related remuneration schemes, provided that it is mindful of any potential effects on objectivity and director independence. The Board believes that the number of Options granted to Non-Executive Directors are not material in either value or in relative terms to issued share capital. The Board believes that issuing these Options strike an appropriate balance that preserves the Company's cash whilst enabling it to recruit and retain the calibre of its technically and commercially experienced Directors. The Board is in regular contact with its significant shareholders, none of whom have expressed any concerns around the award of these Options and continue to overwhelmingly vote in favour of resolutions proposed at the Company's AGMs.

#### Part 6 – Awards under the Executive RSU and PSU Incentive Schemes

With effect from 1 October 2020, the Company adopted the RSU and PSU Schemes for Executive Management, both of which were approved by shareholders on 26 October 2020 as part of the RTO of Bacanora's original stake in Deutsche Lithium into Zinnwald. The rules of both schemes replicate scheme structures devised for Bacanora by Pearl Meyer in an independent review of executive remuneration in February 2020.

##### Short Term RSU Scheme ("2020 RSU Scheme")

The RSU scheme, in essence, is effectively an annual cash bonus system where the pay-outs are in a form of deferred equity. It is a three-year scheme, in line with best practice, comprising one year performance assessment followed by two years to automatic vesting in full on that date. Other important terms are as follows:

- Vesting of RSUs after two years is taxed through payroll as if a cash bonus on that date;
- Value on vesting is the number of RSUs multiplied by the share price on date of vesting;
- Company has sole discretion to make any net after tax payout in cash or ordinary shares;
- Awarded RSUs cannot vest early, unless there is a change in control; and
- Standard good-leaver / bad-leaver provisions, malus and claw-back.

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In 2025, the Board amended the vesting provisions of the Scheme Rules, such that the two year basic vesting period from date of award remains unchanged, but the RSUs no longer automatically exercise on the vesting date. The exercise date shall be triggered by the recipient but shall not be later than 24 months from the vesting date. If the RSUs are not exercised by this date, they shall expire. The Board retains the right, at its sole discretion (not the recipient), to extend this automatic termination date by a period up to a further 12 months depending on its assessment of market conditions. The change is effective for all awards due to vest from 2025 onwards. All other scheme rules shall remain unchanged.

All awards granted under the RSU Scheme are based on assessed scores against KPIs agreed at the start of the year by the Committee relating to personal, financial, strategic and 'Environmental, Social, and Corporate Governance' ("ESG") metrics. The Committee scores performance as a percentage of salary for the period, up to a pre-agreed maximum at the start of the year, divided by the 5 Day VWAP share price at the end of the performance period. The Board has agreed KPIs for the 2026 Performance period with the maximum potential payout is 100% as a percentage of salary for the period.

The table below shows full details on all outstanding RSUs as at 30 March 2026, including the relative achievement as % of salary, the associated VWAP and the value of the award. The table includes awards made after year end, but which relate to a performance period that completed during the 2025 financial year. For further detail on all RSUs movements in 2025, see Note 22 to the Consolidated Financial Statements:

Name	Number	Grant date	Vest date	Implied award Valuation at Grant			Value at Exercise	
				% Salary	Price	Value	Price	Value
Anton du Plessis	2,135,593	23-Mar-23	23-Mar-25	60%	£0.0708	£151,200	n/a	n/a
	2,306,441	15-Jan-24	15-Jan-26	60%	£0.0732	£168,831	n/a	n/a
	1,431,762	31 Jan-25	31 Jan-27	40%	£0.0806	£115,400	n/a	n/a
	1,592,080	12-Feb-26	12-Feb-28	31%	£0.0584	£92,977	n/a	n/a
Cherif Rifaat	1,271,186	23-Mar-23	23-Mar-25	60%	£0.0708	£90,000	n/a	n/a
	1,922,034	15-Jan-24	15-Jan-26	60%	£0.0732	£140,693	n/a	n/a
	1,193,052	31 Jan-25	31 Jan-27	40%	£0.0806	£96,160	n/a	n/a
	1,326,733	12-Feb-26	12-Feb-28	31%	£0.0584	£77,481	n/a	n/a

### Long Term PSU Scheme ("2020 PSU Scheme")

#### General criteria

The PSU scheme is a five-year scheme, in line with best practice, comprising three-year performance assessment followed by two years to automatic vesting in full on that date. The maximum potential payout of PSUs is calculated at the start of a performance period, based on a fixed percentage of salary and the share price at the start of the period. Other important terms are as follows:

- PSUs vest on the second-year anniversary of grant, but exercise is at the discretion of the recipient;
- PSUs are taxed through payroll on exercise, as if a cash award on that date;
- Value on vesting is the number of PSUs multiplied by the share price on date of vesting;
- Awarded RSUs cannot vest early, unless there is a change in control; and
- Standard good-leaver / bad-leaver provisions, malus and claw-back.

Awards are awarded solely based on results against objective corporate metrics set by the Committee at the start of each year, as follows:

- 50% based on an objective goal(s) relating to corporate strategy for the three-year measurement period, if deemed appropriate at the beginning of the period, and
- 50% based on 'Relative Total Shareholder Return ("RTSR")' against the relevant peer group. In terms of assessing the RTSR payout, the objective criteria were agreed as:
  - 1<sup>st</sup> Quartile vs Peer Group (i.e. above 3<sup>rd</sup> ranked peer). PSUs = 100% of RTSR Maximum
  - 2<sup>nd</sup> Quartile vs Peer Group (i.e. above 5<sup>th</sup> ranked peer). PSUs = 50% of RTSR Maximum
  - 3<sup>rd</sup> Quartile vs Peer Group (i.e. above 7<sup>th</sup> ranked peer). PSUs = 25% of RTSR Maximum
  - 4<sup>th</sup> Quartile vs Peer Group (i.e. below 7<sup>th</sup> ranked peer). PSUs = Nil

In terms of the base criteria for each performance period currently still "live", they are as follows. With effect from 2026 onwards Remco has simplified the Strategic goal criteria to reflect that there are 3 key milestones for the Company for the next few years, namely a fully permitted Project, full construction funding secured; and construction of the Project is complete. Once any of these strategic goals are complete a new long term one will take its place.

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- 1 January 2024 to 31 December 2026
  - Maximum Base case payout of 50% of salary divided by 1 January 2024 VWAP of 7.32p. Stretch cash payout of 100% of Base salary if share price stays above 30p for six months.
  - Strategic goals being the following:
    - 50% - Secured a portion (>20%) of total project capital requirements in grant funding from EU and/or German state sources, and
    - 50% - Formal Board approval for the construction of the Project by end H2 2026
- 1 January 2025 to 31 December 2027
  - Maximum Base case payout of 50% of salary divided by 1 January 2025 VWAP of 8.06p. Stretch cash payout of 100% of Base salary if share price stays above 30p for six months.
  - Strategic goals being the following:
    - 50% - the Project being in construction by the end of 2027, and
    - 50% - no fatalities in the 3 years
- 1 January 2026 to 31 December 2028
  - Maximum Base case payout of 50% of salary divided by 1 January 2025 VWAP of 8.06p. Stretch cash payout of 100% of Base salary if share price stays above 30p for six months.
  - Strategic goals being the following:
    - 50% - the Project being in construction by the end of 2027, and
    - 50% - no fatalities in the 3 years

*Third Performance Period – 2023 to 2025*

The third performance period completed at the end of the 2025 financial year. The strategic goal of completion of construction funding by end of H1 2025 and start of construction by end of H2 2025 were not achieved. The Company's RTSR performance ranked the Company above the 4<sup>th</sup> ranked peer. Accordingly, an overall award of 25% of the maximum potential was granted, being Nil% for achievement of the strategic goal and 25% (50% quartile x 50% for RTSR metric).

The table below shows full details on all outstanding PSUs as at 30 March 2026. The table includes awards made after year end, but which relate to a performance period that completed during the 2025 financial year. For further detail on all PSUs movements in 2025, see Note 22 to the Consolidated Financial Statements.

Name	Number	Grant date	Vest date	P&L Valuation at Grant Price	Value	Actual Value at Exercise Price	Value
Anton du Plessis	3,000,000	15-Jan-24	15-Jan-26	£0.0732	£219,600	n/a	n/a
	435,083	31-Jan-25	31-Jan-27	£0.0806	£35,068	n/a	n/a
	480,508	12-Feb-26	12-Feb-28	£0.0584	£28,062	n/a	n/a
Cherif Rifaat	1,500,000	15-Jan-24	15-Jan-26	£0.0732	£109,800	n/a	n/a
	258,978	31 Jan-25	31 Jan-27	£0.0806	£20,874	n/a	n/a
	400,424	12-Feb-26	12-Feb-28	£0.0584	£23,385	n/a	n/a

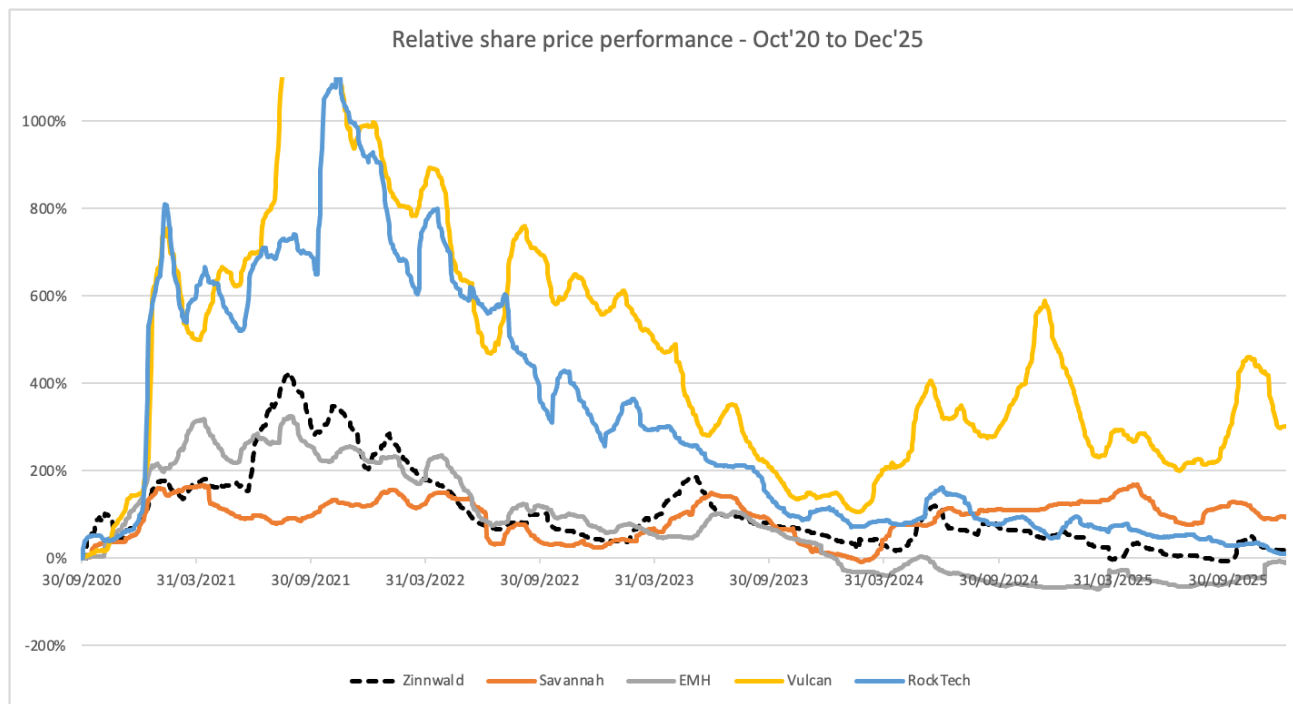
*Peer Groups for the PSUs*

As the overall market of "Listed" Lithium companies has evolved since 2020, in 2024 the Committee reviewed the Peer Group for the fourth performance period and recommended the replacement of Critical Elements (Canadian spodumene) and Kodal Minerals (African spodumene) with Bradda Head (UK listed Lithium company) and RockTech Lithium (German focussed lithium company). In 2025, the Committee has maintained the same peer group for the fifth performance period being European Metals Holdings (AIM: EMH), Savannah Resources (AIM:SAV), Infinity Lithium (ASX:INF), Vulcan Energy Resources (ASX:VUL), European Lithium (ASX:EUR), Atlantic Lithium (AIM:ALL), Bradda Head (LSE:BHL) and RockTech Lithium (TSX:RCK).

In 2026, as both European Lithium and Infinity Lithium are no longer Lithium focussed companies, the Committee recommended an expansion of the peer group to include the Standard Chartered list of Lithium Developers with companies in the A\$50-200m market capitalisation range. This comprises 20 companies on various global exchanges.

**Part 7 – Relative Share Price performance**

In accordance with guidance from the QCA recommendations for remuneration reports, the chart below tracks relative share price growth of the Company against its most relevant peers since the Company was readmitted to AIM in October 2020 on completion of its RTO. The peers chosen are all listed companies with projects in Europe, namely European Metals Holdings (Czech), Savannah Resources (Portugal), Vulcan Energy Resources (Germany) and RockTech Lithium (Germany).



For and on behalf of the Remuneration Committee

**Jeremy Martin**  
**Chairman of Remuneration Committee**  
**30 March 2026**

**Part 1 – Sustainability Statement from the Chairman**

On behalf of the Board, I am pleased to present this report on behalf of the Sustainability Committee (the 'Committee'), covering the activities for the twelve months ended 31 December 2025. We use the words Sustainability and ESG (Environmental, Social and Governance) on an interchangeable basis. A summary of the Committee's role, membership and relevant qualifications can be found in the corporate governance section herein or the QCA statement on the company website. The Committee has met regularly during 2025 to assist the Executive team with its three main areas of focus to drive its social license to operate. Namely, permitting and environmental studies, its Economic and Social Impact Assessment (ESIA); and direct engagement with the local communities.

Zinnwald continues to comply with the QCA corporate governance code and its guidance on sustainability matters. The Board views sustainability as a guiding principle of its development strategy and is dedicated to delivering on the commitments to its shareholders, future investors, clients, employees, local communities and other stakeholders with this in mind. The Company believes that transparency and ethical behaviour are central to any successful group and undertakes all development with respect to the environment and neighbouring communities

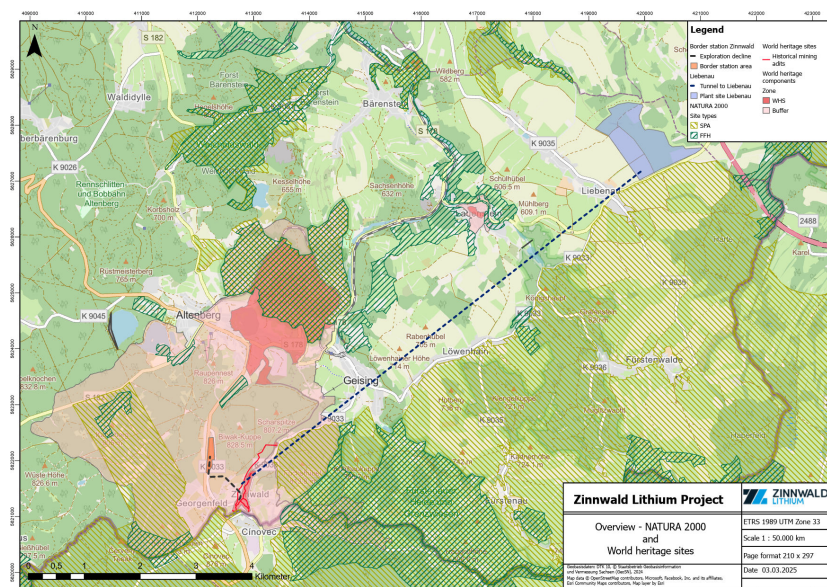
The Board continues to provide leadership and support to our senior management team in order to achieve sustainable added value for shareholders. The Board believe strongly in the value and importance of good corporate governance and in its accountability to all of its stakeholders. Robust corporate governance improves performance and mitigates risk and therefore is an important factor in achieving the medium to long-term success of the Group. The Group maintains a Code of Conduct that includes clear guidance on what is expected of every employee and officer of the Group. Adherence of these standards is a key factor in the evaluation of performance within the Group, including during annual performance reviews.

Zinnwald regards sustainability as a core element of its development strategy and is committed to fulfilling its obligations to all its stakeholders, be they local communities, regulators, employees, investors, customers, suppliers or other impacted parties. Zinnwald fully understands that its social license to operate will be an intrinsic part of the Project's future success. Meaningful and transparent engagement and information disclosure with the local community and other stakeholders on the Project, its impacts and mitigation measures are essential to facilitate community and stakeholder acceptance.

**Part 2 – Sustainability of the Zinnwald Project**

The Project is designed in its entirety to deliver the most sustainable outcomes:

**Low impact:** The Project will incorporate a wholly underground mine linked to the processing plant site at Liebenau by tunnel. This minimises surface impact to nearby Natura 2000, UNESCO World Heritage sites and to local communities, despite it adding additional capital cost to the Project, as shown in the Map below. In addition, the Project's initial mined waste product, quartz sand, is benign and can be used as back fill for the mine and potentially in the construction industry. The analcime residue from the hydrometallurgical process is being evaluated for its use as a clinker substitute for the cement industry and the initial tests with local cement company have been encouraging. The project will also produce several saleable co-products including calcium silicate, potassium chloride, calcium fluoride and precipitated calcium carbonate.



**High Regulatory standards:** The Project will be permitted under German environmental rules, which are some of the strictest globally. Ultimate end users, such as car manufacturers, will be able to rely on the production being in compliance with EU Battery Chain directives. The Project is producing an ESIA to the level required for the purposes of seeking finance from International Financing Institutions (e.g. Equator Principle 4 and IFC Performance Standards), which in multiple areas go beyond the requirements of the national permitting authorities, especially in regard to social impact assessment. Furthermore, the Board and management are committed to maintaining the highest levels of transparency and corporate governance consistent with being a UK listed Plc.

**Sustainable:** The Project incorporates several key elements that are advantageous in terms of sustainability relative to competing global sources of lithium supply. The process has limited water use relative, in particular, to brine producers. The process flowsheet is less energy intensive than traditional spodumene-based production as it involves a single pyrometallurgical step at a lower temperature than is required in a spodumene-based process. The Metso pyro and hydrometallurgical flowsheet does not require material volumes of reagents, unlike sulphation roast technologies. Overall transport costs and emissions are reduced by being an integrated operation located close to end markets especially when compared to Australian sourced spodumene concentrate processed in China. The Project is also exploring the ability to utilise carbon neutral power sources from nearby solar facilities, in conjunction with general German energy sources that currently include a higher overall “low carbon” component than some regions that are currently important suppliers of lithium.

### **Part 3 – Progress made in 2025**

#### ***Flowsheet development***

The PFS, published in March 2025, provided further levels of technical confirmation around the delivery of as sustainable as possible flowsheet from an environmental aspect. The study was completed to AACE Class 3 (DFS) level for the mining and mineral processing and AACE Class 4 (PFS) level for the chemical processing parts of the Project. The testwork and engineering design confirmed the expected lithium recovery levels together with the throughput from the mine to the processing sections and the end production volumes of lithium, saleable chemical by-products and other benign tailings. The PFS confirmed the efficacy of the Metso alkaline leach process, which requires minimal reagent consumption compared with, for example, a sulphation roast process. The PFS outlined the volumes that will be backfilled underground into the mined-out areas, or alternatively stored above ground if unable to be sold to local industrial partners.

#### ***Environmental and Social Impact Assessment (“ESIA”) Scoping Study***

In November 2025, the Company published its ESIA Scoping Study, Stakeholder Engagement Plan (“SEP”), Land Access, Acquisition and Compensation Framework, and Grievance Mechanism (together the “Documents”). These represent another key milestone in the Project’s permitting pathway and underscores the Company’s commitment to sustainable development in line with international best practice. The Documents were produced in conjunction with the German office of ERM, one of the largest global sustainability consultancies. The Documents provide an initial evaluation of the potential environmental and social impacts of the proposed mining operation. They define the framework for upcoming environmental and social studies, clarifies the permitting pathway, and further de-risks development.

The ESIA goes beyond the national permitting requirements to meet the standards of International Financing Institutions, including the European Bank for Reconstruction and Development’s Environmental and Social Requirements, the European Investment Bank’s Environmental and Social Standards, Equator Principle 4 and related guidance. The social performance and stakeholder engagement requirements and guidance for ESIA’s as outlined by the international financing standards require additional rigour and a wider scope than the national requirements. International financing standards contain requirements for stakeholder engagement, information disclosure and grievance management. The national and EU legal framework requires public participation, including stakeholder engagement and information disclosure, although there are some gaps when compared to the requirements contained in international financing standards. These key gaps relate to identification of stakeholders, requirement for a SEP, information disclosure, a grievance mechanism and meaningful consultation comprising a two-way process. Where there are gaps, the Project intends to meet the more stringent requirement.

#### ***Direct stakeholder engagement***

Engagement with the local community of Zinnwald remains a priority for the Company to ensure it has a social license to operate. Accordingly, the Company’s local MD, Marko Uhlig, holds regular meetings with local and regional representatives to foster collaboration and dialogue on community-related matters. The Company has established a visitors’ centre at its registered office in Altenberg, which also houses its extensive core storage facility, and already staffs the site once per week for any interested party to come and ask questions about the Project and other community engagement activities.

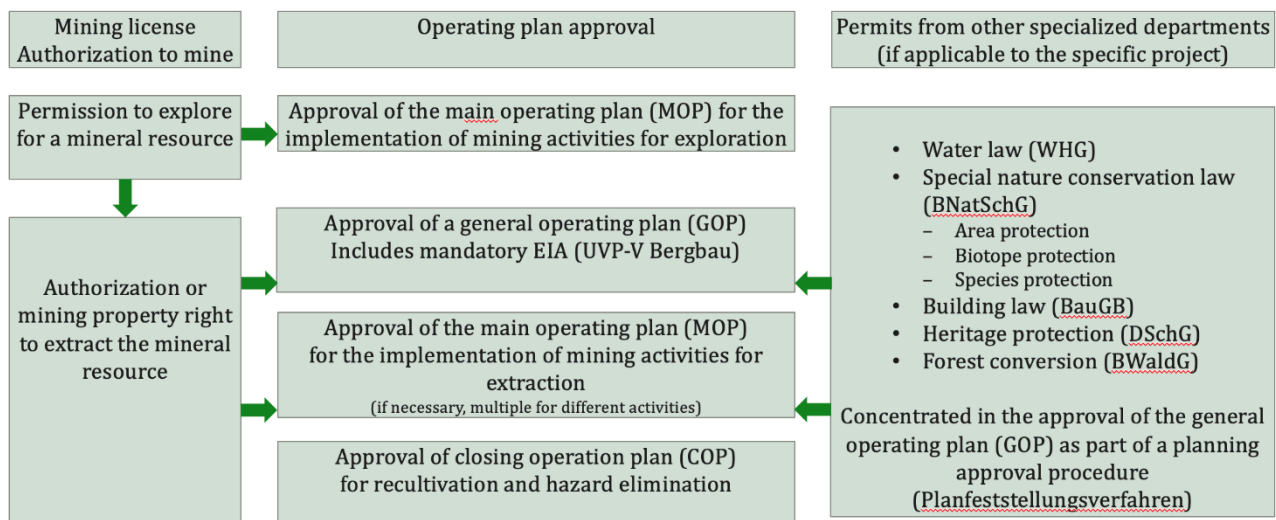
The Company launched its German language community website in March 2025 ([www.lithium-im-erzgebirge.de](http://www.lithium-im-erzgebirge.de)) that enables the local community to access Project information easily. The website supports participation by providing channels for questions, views and concerns to be raised and answered. In April 2025, following the publication of the PFS, the Company held a well attended Town Hall meeting in Altenberg to explain the results of the study and enable further community engagement.

The ESIA Documents were published in English and German on its websites, as well as being placed on display at the various Town Halls in the Altenberg Municipality. The Project and its consultants hosted a public information and dialogue event on 13 November 2025 to enable direct community participation. This formally started a consultation period enabling local communities, regional authorities, and other stakeholders to review the ESIA scoping findings, provide feedback, and engage directly with the Company on the proposed development. The initial feedback period of 4 weeks, inline with best practice, was extended by the Company for a further six week period to allow time for further consultation. The Company is now in the process of compiling and integrating this feedback from stakeholders and any comments from regulatory authorities into the revised Terms of Reference for the final ESIA Scoping Report.

**Permitting**

The Project has an existing mining license valid initially through to 2047 and the Project as a whole will be permitted under the German Federal Mining following an integrated permitting procedure. The Mining Authority of the Federal State of Saxony (SOBA) will be the single overarching permitting authority for the GOP. The GOP requires submission of a number of documents including the EIA and other related documentation (e.g. Natura 2000 Impact Assessments, Landscape Management Plan, various environmental technical reports etc.) – see the table below. The Project has been screened under the Mining EIA legal framework and Project Standards. It has been determined that an EIA is mandatory for the Project.

**Schematic of approval according to federal mining law  
 Bundesberggesetz (BBerG)**



In December 2025, the Spatial Planning Procedure under the Saxony State Directorate (Landesdirektion Sachsen, LDS) was completed. LDS issued its Assessment to the Company and to SOBA within the prescribed timeframe. The Assessment concludes that the development concept set out in the Company’s PFS, including processing at Liebenau and ore transport via a conveyor tunnel, represents the most favourable option for large-scale development, and confirms the spatial compatibility of the Project. As expected for a project of this nature, the report identifies several matters to be addressed through the Project’s Environmental Impact Assessment and at the permitting stage, which the Company will review as the Project progresses. Whilst the Assessment does not constitute a development approval. It precedes the formal approval process under federal mining law and provides the framework for further planning. The next stage of the Project will be progressed through the mining permitting process led by SOBA.

The Project also completed several baseline environmental studies in 2025, including its 12-month baseline flora and fauna studies at the proposed plant site in Liebenau. The assessment areas were defined by Schulz Umweltplanung and approved by the lower nature conservation authority in various consultations. The Project also commenced its hydrogeological monitoring in the Zinnwald area for evaluating water resources in the area. It includes the establishment and operation of monitoring stations for surface water, groundwater, and mine water ensuring data collection on water levels, flow, and quality. The permit for this incorporates legal applications, including water management permits and environmental exemptions, to ensure all activities meet statutory requirements. The Company has also continued its work, in cooperation with Geomet s.r.o., which is the owner of the Cinovec Project in the Czech Republic, on a cross border hydrogeological model. The model will cover both sides of the border and support the evaluation of potential impacts of mining operations on the hydrogeology.

#### **Part 5 – Plans for 2026**

The Group has an extensive set of plans for 2026. With regard to **Environmental and Permitting**, the Company will continue its engagement with all the relevant authorities and other stakeholders on the next steps in its GOP application. The Project continues with its ongoing hydrogeological monitoring, as well as various baseline studies, including winter mapping around the Zinnwald Border Station. The Project also expects to receive its permit for the planned exploration adit from the Zinnwald Border Station.

On the **ESIA** front, the Company will compile all comments and amendments to its ESIA Scoping Report. The Company will then commence an RFQ process for the full technical and commercial proposal for the full ESIA stage. This will include commercial proposal for related assessments such as Appropriate Assessment under Birds & Habitats Directive (if deemed required during scoping) and a full suite of Environmental and Social Management Plan ('ESMP') documents.

In terms of **Stakeholder engagement**, engagement with the local community of Zinnwald remains a priority for the Company. Accordingly, the Company's local MD, Marko Uhlig, will continue to hold regular meetings with local and regional representatives to foster collaboration and dialogue on community-related matters. .

For and on behalf of the Sustainability Committee



**Jeremy Martin**  
**Chairman of Sustainability Committee**  
**30 March 2026**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZINNWALD LITHIUM PLC

### Opinion

We have audited the financial statements of Zinnwald Lithium Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing cashflow forecasts and budgets provided by management covering a period up to June 2027 as well as accompanying assumptions;
- Reviewing any potential minimum spend requirements on the license agreements and more generally across the Group to ensure these have been included appropriately in any forecasts;
- Evaluating management's plans for future actions in relation to its going concern assessment and determining whether the management's plans are feasible in the circumstances;
- Obtaining cash flow forecasts provided by management which depict management's plans for expenditures in the event of no additional fund raising being completed during the forecast period and assessing the reasonableness of the proposed cost saving measures;
- Sensitising cash flow forecast by flexing costs in the assessment period;
- Reviewing post year-end spend and ascertaining the latest cash position; and
- Considering the adequacy of the disclosures and accounting policies in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. Group materiality was set at €842,000 (2024: €811,000) based on 2% of gross assets for the Group. Group performance materiality for the group was set at 70% of overall materiality (2024: 70% of overall materiality).

ZINNWALD LITHIUM PLC  
 INDEPENDENT AUDITOR'S REPORT  
 FOR THE YEAR ENDED 31 DECEMBER 2025

Performance materiality of the parent company was set at €294,000 (2024: €283,000). Performance materiality of the parent company was capped at 50% (2024: capped at 50%) of group performance materiality to ensure adequate audit evidence was obtained over the parent company financial statements in relation to the Group.

The use of asset-based materiality reflects the ongoing investment in Zinnwald Lithium GmbH and exploration project. The key benchmark is gross assets, given that current and potential investors will be most interested in the recoverability of the exploration and evaluation assets on a Group basis and on the recoverability of the loans to the subsidiaries or investments therein in respect of the parent company.

Component performance materiality for all entities within the group was set lower than our overall group performance materiality and ranged from €294,000 to €472,000 (2024: €283,000 to €453,000).

We agreed with the audit committee that we would report all audit differences identified during our audit in excess of €42,000 (2024: €40,000).

**Our approach to the audit**

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

An audit of the financial information of the Group's material components which, for the year ended 31 December 2025, were located in the United Kingdom and Germany. As a result of our materiality and risk assessments, we determined which components required a full scope audit of their financial information, with consideration of their materiality to the Group and our risk assessment. On this basis, we have scoped in two components requiring a full scope audit of their financial information based on their significance to the Group. On an overall basis, we ensured to have sufficient coverage over each material class of transaction and account balances based on the Group performance materiality. Both of these components were audited directly, in our London, UK office, without the use of component auditors. The remaining one component was subjected to analytical procedures at the Group level.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. The recoverability of intangible assets, and recoverability of investments, and the valuation of share-based payments were assessed as areas which involved significant accounting estimates and judgements by management. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our scope addressed this matter
<p><b>Valuation and recoverability of intangible assets (refer note 12)</b></p> <p>There is a risk that intangible exploration assets may be materially misstated due to expenditure being incorrectly capitalised in the year (not in accordance with International Financial Reporting Standard 6 Exploration for and Evaluation of Mineral Resources (IFRS 6), or due to the carrying value of the intangible assets exceeding their recoverable amount.</p> <p>The group's projects are still at the exploration stage of development. Independently prepared resource estimates are available, and the group uses these reports in their consideration of impairment indicators per IFRS 6, which requires judgement and estimation.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Agreeing a sample of additions during the year to supporting documentation; ensuring that the expenditure is eligible to be capitalised in accordance with the Group's accounting policies and IFRS 6;</li> <li>• Reviewing and challenging management's documented consideration of impairment indicators of the project which include consideration of internal and external impairment indicators in accordance with IFRS 6;</li> <li>• Verifying titles to project licenses and ensuring they are still valid, compliant with the terms therein and that any performance conditions / minimum expenditure requirements were met during the year;</li> <li>• Assessing progress on the exploration projects during the year;</li> </ul>

<p>Management has outlined their key judgements and sources of estimation uncertainty in note 2 of the financial statements.</p>	<ul style="list-style-type: none"> <li>• Reviewing correspondence with licensing authorities to ensure compliance and assessing the risk of non-renewal; and</li> <li>• Reviewing the financial statements to ensure the disclosures are in line with the requirements of IFRS 6.</li> </ul>
<p><b>Recoverability of investment in subsidiaries and loans to subsidiaries (Parent company)</b></p> <p>There is a risk that investments and loans to subsidiaries held by the parent company could be materially misstated if the assets are not appropriately assessed for impairment.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Inspecting the individual financial statements of the entities in which the Parent Company has an interest, assessing whether those companies have a net assets or liability position and liquidity to identify an impairment indicator which would influence our review of the impairment review and carrying value of the investments;</li> <li>• Assessing the recoverability of the investments in subsidiaries and loans to subsidiaries by reference to the underlying exploration projects. The recoverability will be impacted by the success of underlying projects. We specifically performed the review of indicators of impairment under IFRS 6;</li> <li>• Obtaining management's assessment of recoverability of investments and related party loans, challenging their assessment, including a review of indicators of impairment under IAS 36;</li> <li>• For underlying projects, reviewing and challenging management's impairment indicators on a project-by-project basis which include consideration of internal and external impairment indicators in accordance with IFRS 6; and</li> <li>• Reviewing disclosures in the financial statements to ensure they provide sufficient detail about the key assumption and judgement associated with the recoverability of investments and loans.</li> </ul>

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company'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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, as well as the application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, UK adopted international accounting standards, AIM regulations, General Data Protection Regulations and the operating terms set out in the exploration licenses.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and the parent company with those laws and regulations. These procedures included, but were not limited to specific enquiries of management, reviewing board minutes, reviewing Regulatory News Service (RNS) announcements and any legal or regulatory compliance correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key accounting estimates and judgements could include management bias. We addressed these risks by challenging the assumptions and judgements made by management when auditing significant accounting estimates. Critical judgements in the financial statements included fair valuation of share-based payments and the variables within the impairment assessments of capitalised exploration costs.
- As with all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business, as well as discussions with management where relevant.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


ZINNWALD LITHIUM PLC  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Daniel Hutson (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
**30 March 2026**

15 Westferry Circus  
Canary Wharf  
London, E14 4HD

ZINNWALD LITHIUM PLC  
GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025

		31 December 2025	31 December 2024
	Notes	€	€
<b>Continuing operations</b>			
Administrative expenses		(2,913,283)	(2,526,650)
Other operating income	7	53,246	110,605
Share based payments charge	23	(600,196)	(688,877)
		<hr/>	<hr/>
Operating loss		(3,460,233)	(3,104,922)
Finance income	9	86,882	380,607
		<hr/>	<hr/>
Loss before taxation		(3,373,351)	(2,724,315)
Tax	10	1,858,925	(11,274)
		<hr/>	<hr/>
Loss for the financial year	27	(1,514,426)	(2,735,589)
Other comprehensive (loss) / income		(41)	65
		<hr/>	<hr/>
Total comprehensive loss for the year		(1,514,467)	(2,735,524)
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share from continuing operations attributable to the owners of the parent company			
Basic (cents per share)	11	(0.30)	(0.57)

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

ZINNWALD LITHIUM PLC  
GROUP STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025

	Notes	31 December 2025 €	31 December 2024 €
<b>Non-current assets</b>			
Intangible assets	12	37,554,532	34,202,236
Property, plant and equipment	13	474,510	430,752
Right of use assets	14	39,468	279,566
		<u>38,068,510</u>	<u>34,912,554</u>
<b>Current assets</b>			
Trade and other receivables	18	2,076,205	371,142
Right of use assets < 1 year	14	120,049	-
Cash and cash equivalents		2,667,574	5,216,085
		<u>4,863,828</u>	<u>5,587,227</u>
<b>Total Assets</b>		<u>42,932,338</u>	<u>40,499,781</u>
<b>Current liabilities</b>			
Trade and other payables	19	(645,071)	(1,106,584)
Lease liabilities	14	(122,804)	(118,652)
		<u>(767,875)</u>	<u>(1,225,236)</u>
<b>Net current assets</b>		<u>4,095,953</u>	<u>4,361,991</u>
<b>Non-current liabilities</b>			
Deferred tax liability	20	(1,382,868)	(1,382,868)
Lease liabilities > 1 Year	14	(41,882)	(164,687)
		<u>(1,424,750)</u>	<u>(1,547,555)</u>
Total Liabilities		<u>(2,192,625)</u>	<u>(2,772,791)</u>
<b>Net Assets</b>		<u>40,739,713</u>	<u>37,726,990</u>
<b>Equity</b>			
Share capital	24	6,167,588	5,377,253
Share premium	25	42,613,014	39,476,355
Other reserves	26	2,855,735	2,303,850
Retained losses	27	(10,896,624)	(9,430,468)
<b>Total equity</b>		<u>40,739,713</u>	<u>37,726,990</u>

The financial statements were approved by the board of directors and authorised for issue on 30 March 2026 and are signed on its behalf by;



Jeremy Martin  
**Director**



Cherif Rifaat  
**Director**

Company Registration No: 10829496

ZINNWALD LITHIUM PLC  
COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025

	Notes	31 December 2025 €	31 December 2024 €
<b>Non-current assets</b>			
Property, plant and equipment	13	591	1,295
Investments	15	14,523,374	14,523,374
Non-current receivables	18	32,242,117	26,642,540
		<u>46,766,082</u>	<u>41,167,209</u>
<b>Current assets</b>			
Trade and other receivables	18	62,637	79,537
Cash and cash equivalents		2,434,952	2,964,450
		<u>2,497,589</u>	<u>3,043,987</u>
<b>Total Assets</b>		<u>49,263,671</u>	<u>44,211,196</u>
<b>Current liabilities</b>			
Trade and other payables	19	(112,129)	(129,058)
		<u>(112,129)</u>	<u>(129,058)</u>
<b>Net current assets</b>		<u>2,385,460</u>	<u>2,914,929</u>
Total liabilities		<u>(112,129)</u>	<u>(129,058)</u>
<b>Net Assets</b>		<u>49,151,542</u>	<u>44,082,138</u>
<b>Equity</b>			
Share capital	24	6,167,588	5,377,253
Share premium	25	42,613,014	39,476,355
Other reserves	26	2,167,004	1,615,119
Retained losses	27	(1,796,064)	(2,386,589)
<b>Total equity</b>		<u>49,151,542</u>	<u>44,082,138</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement. The company's profit for the period was €542,256 (2024: €278,145).

The financial statements were approved by the board of directors and authorised for issue on 30 March 2026 and are signed on its behalf by;



\_\_\_\_\_  
Jeremy Martin  
**Director**



\_\_\_\_\_  
Cherif Rifaat  
**Director**

Company Registration No: 10829496

ZINNWALD LITHIUM PLC  
GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
<b>Balance at 1 January 2024</b>		5,365,379	39,403,810	1,896,531	(6,817,222)	39,848,498
<b>Year ended 31 December 2024</b>						
Loss for the year		-	-	-	(2,735,589)	(2,735,589)
<i>Other comprehensive income:</i>						
Currency translation differences		-	-	65	-	65
Total comprehensive loss for the year		-	-	65	(2,735,589)	(2,735,524)
Issue of share capital		11,874	72,545	-	-	84,419
Share issue costs		-	-	-	-	-
Credit to equity for equity settled share-based payments	<b>23</b>	-	-	407,254	122,343	529,597
Total transactions with owners recognised directly in equity		11,874	72,545	407,254	122,343	614,016
<b>Balance at 31 December 2024 and 1 January 2025</b>		5,377,253	39,476,355	2,303,850	(9,430,468)	37,726,990
<b>Year ended 31 December 2025</b>						
Loss for the year		-	-	-	(1,514,426)	(1,514,426)
<i>Other comprehensive income</i>						
Currency translation differences		-	-	(41)	-	(41)
Total comprehensive income for the year		-	-	(41)	(1,514,426)	(1,514,467)
Issue of share capital	<b>24</b>	790,335	3,161,343	-	-	3,951,678
Share issue costs		-	(24,684)	-	-	(24,684)
Credit to equity for equity settled share-based payments	<b>23</b>	-	-	551,926	48,270	600,196
Total transactions with owners recognised directly in equity		790,335	3,136,659	551,926	48,270	4,527,190
<b>Balance at 31 December 2025</b>		6,167,588	42,613,014	2,855,735	(10,896,624)	40,739,713

ZINNWALD LITHIUM PLC  
COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
<b>Balance at 1 January 2024</b>		5,365,379	39,403,810	1,207,800	(2,787,077)	43,189,912
<b>Year ended 31 December 2024</b>						
Profit for the year		-	-	-	278,145	278,145
<i>Other comprehensive income:</i>						
Currency translation differences		-	-	65	-	65
Total comprehensive income for the year		-	-	65	278,145	278,210
Issue of share capital	<b>24</b>	11,874	72,545	-	-	84,419
Share issue costs		-	-	-	-	-
Credit to equity for equity settled share-based payments	<b>23</b>	-	-	407,254	122,343	529,597
Total transactions with owners recognised directly in equity		11,874	72,545	407,254	122,343	614,016
<b>Balance at 31 December 2024 and 1 January 2025</b>		5,377,253	39,476,355	1,615,119	(2,386,589)	44,082,138
<b>Year ended 31 December 2025</b>						
Profit for the year		-	-	-	542,255	542,255
<i>Other comprehensive income</i>						
Currency translation differences		-	-	(41)	-	(41)
Total comprehensive income for the year		-	-	(41)	542,255	542,214
Issue of share capital	<b>24</b>	790,335	3,161,343	-	-	3,951,678
Share issue costs		-	(24,684)	-	-	(24,684)
Credit to equity for equity settled share-based payments	<b>23</b>	-	-	551,926	48,270	600,196
Total transactions with owners recognised directly in equity		790,335	3,136,659	551,926	48,270	4,527,190
<b>Balance at 31 December 2025</b>		6,167,588	42,613,014	2,167,004	(1,796,064)	49,151,542

ZINNWALD LITHIUM PLC  
GROUP STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December 2025		Year ended 31 December 2024	
		€	€	€	€
<b>Cash flows from operating activities</b>					
Cash used in operations	32		(2,978,817)		(2,583,318)
<b>Net cash outflow from operating activities</b>			(2,978,817)		(2,583,318)
<b>Cash flows from investing activities</b>					
Exploration expenditure in Germany	12	(3,412,159)		(6,552,094)	
Purchase of property, plant and equipment	13	(45,231)		(128,320)	
Interest received		86,882		380,607	
<b>Net cash used in investing activities</b>			(3,370,508)		(6,299,807)
<b>Cash flows from financing activities</b>					
Proceeds from the issue of shares		3,951,678		-	
Share issue costs		(24,684)		-	
Costs related to vested RSUs		-		(74,861)	
Lease payments		(126,180)		(132,120)	
<b>Net cash generated from / (used in) financing activities</b>			3,800,814		(206,981)
<b>Net decrease in cash and cash equivalents</b>			(2,548,511)		(9,090,106)
Cash and cash equivalents at beginning of year			5,216,085		14,306,191
<b>Cash and cash equivalents at end of year</b>			2,667,574		5,216,085

ZINNWALD LITHIUM PLC  
COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December 2025		Year ended 31 December 2024	
		€	€	€	€
<b>Cash flows from operating activities</b>					
Cash used in operations	33		(1,475,757)		(1,196,429)
<b>Net cash outflow from operating activities</b>			<u>(1,475,757)</u>		<u>(1,196,429)</u>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	13	-	-	-	-
Interest received		74,535		378,657	
Loans to group undertakings		(3,055,270)		(9,867,783)	
<b>Net cash used in investing activities</b>			<u>(2,980,735)</u>		<u>(9,489,126)</u>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of shares		3,951,678		-	
Share issue costs		(24,684)		-	
Costs related to vested RSUs		-		(74,861)	
<b>Net cash generated from / (used in) financing activities</b>			<u>3,926,994</u>		<u>(74,861)</u>
<b>Net decrease in cash and cash equivalents</b>			<u>(529,498)</u>		<u>(10,760,416)</u>
Cash and cash equivalents at beginning of year			2,964,450		13,724,866
<b>Cash and cash equivalents at end of year</b>			<u><u>2,434,952</u></u>		<u><u>2,964,450</u></u>

## 1. Accounting Policies

### 1.1 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 The Threshing Barn, Manor Barns, Coates Lane, High Wycombe, Bucks, HP13 5UX.

The group consists of Zinnwald Lithium Plc and its wholly owned subsidiaries as follows as at 31 December 2025:

Name of undertaking	Registered office	Nature of business	Class of shares held	Direct holding	Indirect holding
Zinnwald Lithium Holdings Ltd	United Kingdom	Exploration	Ordinary	100.0%	-
Zinnwald Lithium GmbH	Germany	Exploration	Ordinary	-	100.0%
Zinnwald Lithium Services GmbH	Germany	Leasing	Ordinary	-	100.0%

On 1 December 2017, Zinnwald Lithium Plc acquired the entire issued share capital of Zinnwald Lithium Holdings Ltd (“ZLH”, formerly known as Erris Resources (Exploration) Ltd) by way of a share for share exchange, ahead of the Company’s listing on the AIM Market of the London Stock Exchange. ZLH’s registered office address is The Threshing Barn, Manor Barns, Coates Lane, High Wycombe, Bucks, HP13 5UX.

On 29 October 2020, Zinnwald Lithium Plc acquired 50% of the issued share capital of Zinnwald Lithium GmbH (“ZLG”, formerly known as Deutsche Lithium GmbH). On 24 June 2021, the Company acquired the remaining 50% of the issued share capital of ZLG. ZLG is a company registered in Dresden Germany (HRB 45396) with its statutory seat in Altenberg. Its business office is at Antonstrasse 3a, 01097, Dresden, Germany.

On 22 February 2023, ZLH incorporated a new company, Zinnwald Lithium Services GmbH (“ZLS”) for the purpose of holding all rental and similar operational leases for the Group’s operations in Germany. ZLS is a company registered in Dresden, Germany (HRB 45386) with its statutory seat from Freiberg to Altenberg. Its business office is at Antonstrasse 3a, 01097, Dresden, Germany

### 1.2 Basis of preparation

These financial statements 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 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 ZLG and ZLS, 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 31 December 2025 was €1.146224 (2024: €1.209256).

The consolidated financial statements have been prepared under the historical cost convention, unless stated otherwise within the accounting policies. The principal accounting policies adopted are set out below.

### 1.3 Basis of consolidation

The consolidated financial statements incorporate those of Zinnwald Lithium Plc and all of its subsidiaries (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 financial statements are made up to 31 December 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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.

#### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. The Group had a cash balance of €2.7m at the year-end (€1.8m at date of this report along with the up to €1.9m of additional funds in the form of a research allowance tax credit to be received later in 2026) and keeps a tight control over all expenditure. Direct Project development spend is inherently discretionary and the Board maintains an ongoing strategy to enable the curtailing of a number of areas of expenditure to enable it to meet its minimum fixed costs for the next 12 months, even without raising further funds, whilst still maintaining all licenses in good standing. Thus, the Directors, having considered all reasonable possible scenarios, believe that the Group continues to be a going concern and have used this as the basis of accounting in preparing these Financial Statements.

#### 1.5 Intangible assets

##### **Capitalised Exploration and Evaluation costs**

Exploration and evaluation assets are capitalised as Intangible Assets and represent the costs incurred on the exploration and evaluation of potential mineral resources. They include direct costs (such as permitting costs, drilling, assays and flowsheet testwork done by consulting engineers), licence payments and fixed salary/consultant costs, capitalised in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources". Exploration and Evaluation assets are initially measured at historic cost. Exploration and Evaluation Costs are assessed for indicators of impairment in accordance with IFRS 6 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.

#### 1.6 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	No depreciation is charged on these balances
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.

#### 1.7 Non-current investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

#### 1.8 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.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with a maturity date of less than 30 days.

### 1.10 Right of Use Assets and Lease Liabilities

All leases are accounted for by recognising a right-of-use assets due to a lease liability except for:

- Lease of low value assets; and
- Leases with duration of 12 months or less

The group reviews its contracts and agreements on an annual basis for the impact of IFRS 16. The group has such short duration leases and lease payments are charged to the income statement with the exception of the Group's lease for the Freiberg office and core shed, which expired in April 2024 and have been replaced by new office leases in Dresden and Core Shed in Altenberg that both started on 1 May 2024.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

### 1.11 Financial assets

Financial assets are recognised in the group's and company's statement of financial position when the group and company become party to the contractual provisions of the instrument.

Financial assets are classified into specified categories at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition that are debt instruments depends on the financial assets cash flow characteristics and the business model for managing them.

Financial assets are initially measured at fair value plus transaction costs. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are "solely payments of principal and interest SPPI" on the principal amount outstanding.

#### ***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. The group's and company's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

### ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### **Financial liabilities**

#### ***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group and company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### **1.15 Equity**

#### ***Share capital***

Ordinary shares are classified as equity.

#### ***Share premium***

Share premium represents the excess of the issue price over the par value on shares issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### ***Merger reserve***

A merger reserve was created in 2017 on purchase of the entire share capital of Zinnwald Lithium Holdings Ltd (formerly Erris Resources (Exploration) Ltd) which was completed by way of a share for share exchange and which has been treated as a group reconstruction and accounted for using the reverse merger accounting method.

#### ***Share-based payment reserve***

The share-based payment reserve is used to recognise the fair value of equity-settled share-based payment transactions.

### 1.16 Share-based payments

Equity-settled share-based payments with employees and others providing services are measured at the fair value of the equity instruments at the grant date. Fair value is measured by use of an appropriate pricing model. Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services, except where the fair value cannot be estimated reliably, in which case they are valued at the fair value of the equity instrument granted.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

### 1.17 Foreign exchange

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in administrative expenses in the income statement for the period.

The financial statements are presented in the functional currency of Euros since the majority of exploration expenditure is denominated in this currency.

### 1.18 Exceptional items

Items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are items that are material, either because of their size or nature, or that are non-recurring.

### 1.19 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, who is considered to be the group's chief operating decision-maker ('CODM').

### 1.20 New standards, amendments and interpretations not yet adopted

There were no new standards or amendments to standards adopted by the group and company during the year which had a material impact on the financial statements.

At the date of approval of these financial statements, the following standards and amendments were in issue but not yet effective, and have not been early adopted:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Effective date 1 January 2026)
- Annual Improvements to IFRS standard – Volume 11 (Effective date 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (Effective date 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability (Effective date 1 January 2027)\*

\*subject to UK endorsement

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group or company.

## 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.

#### *Share-based payments*

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity settled transactions with employees at the grant date, the group and company use the Black Scholes model.

#### *Impairment of Capitalised Exploration Costs*

Group capitalised exploration costs had a carrying value as at 31 December 2025 of €37,554,533 (2024: €34,202,236), which solely relate to the Zinnwald Lithium Project. Management tests annually whether capitalised exploration costs have a carrying value in accordance with the guidance provided in IFRS 6 and any relevant indicators of impairment. Management has identified four areas that it believes to be most relevant to assessment of indicators of impairment and has concluded that no indicators of impairment exist at this stage:

- **Exploration licenses have expired in the period or will expire in the near future and are not expected to be renewed.** ZLGs core mining license at Zinnwald is valid to 31 December 2047. ZLG has additional exploration licenses at Falkenhain valid to 31 December 2028 at Altenberg to 15 February 2027, at Sadisdorf to 30 June 2026, at Bärenstein to 30 June 2028 and at Liebenau, newly granted in 2025, valid to 1 April 2030. The Group intends to maintain all licenses and has met all minimum spend requirements. The Group has received two new licenses in the last two years and has received regular three-year extensions on other licenses.
- **Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.** The Project in Germany is the sole focus of the Zinnwald Group and in 2025 the Group spent a further €3.4m on exploration and evaluation expenditure (2024: €6.4m, 2023: €8.7m) primarily on completion of the PFS. The Group expects to spend substantive additional expenditure on the Project as it moves through the next stages of testwork, a definitive feasibility study, permitting and ESIA work.
- **Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.** Zinnwald conducted an 84 hole, 27,000m drill programme in 2022-2023 that culminated in an updated Mineral Resource Estimate (MRE) in 2024 prepared by Snowden Optiro. The Mineral Resource totals 193.5 Mt at 2,220 ppm Li (429 kt contained lithium metal) in the Measured and Indicated category at a cut-off grade of 1,100 ppm Li. As part of the PFS, Snowden prepared a maiden Mineral Ore Reserve that totals 128 Mt grading 4,428ppm (0.44%) Li<sub>2</sub>O. This reserve placed Zinnwald as the largest amongst all European lithium projects based on all published studies that included reserves to date.
- **Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.** In March 2025, the Project published its PFS that demonstrates the financial viability of the Project with a Pre-tax Net Present Value of €3.3 billion (at an 8% discount rate) and a pre-tax Internal Rate of Return of 23.6%. The after tax NPV is €2.2 billion and post-tax IRR is 19.8%. The Project has a mine life of over 40 years and the payback period is less than five years post commencement of production.

#### *Recoverability of investments in and loans to subsidiaries*

The Directors review the carrying value of investments in and loans made to subsidiaries for any indications of impairment of potential non-recoverability. Since all investments and loans ultimately relate solely to funding for the Project in Germany and, as noted above, the Directors do not believe that any impairments is required for that asset, accordingly the Directors do not believe there is any impairment to investment or loan value.

### 3. Financial Risk and Capital Risk Management

The Group's and Company's activities expose it to a variety of financial risks: market risk (primarily currency risks), credit risk and liquidity risk. The overall risk management programme focusses on currency and working capital management.

#### **Foreign Exchange Risk**

The Company operates internationally and is exposed to foreign exchange risk arising from one main currency exposure, namely GBP for its Head Office costs and the value of its shares for fund-raising and Euros for a material part of its operating expenditure. The Group's Treasury risk management policy is currently to hold most of its cash reserves in Euros, as the majority of its current and planned expenditure will be on the Project in Germany.

#### **Credit and Interest Rate Risk**

The group and company have no borrowings and a low level of trade creditors and have minimal credit or interest rate risk exposure. The Group's cash and cash equivalents is held at major financial institutions.

#### **Working Capital and Liquidity Risk**

Cashflow and working capital forecasting is performed in the operating entities of the group and consolidated at a group level basis for monthly reporting to the Board. The Directors monitor these reports and rolling forecasts to ensure the group has sufficient cash to meet its operational needs. The Board has a policy of maintaining at least a GBP 0.5m cash reserve headroom. The group has no material fixed cost overheads other than its costs of being listed on the AIM market and its leases in Dresden and Altenberg. None of its employee contracts have notice periods of longer than six months and its development expenditure is inherently discretionary.

### 4. Segmental reporting

The Group operates in the UK and Germany. Activities in the UK include the Head Office corporate and administrative costs whilst the activities in Germany relate to ongoing development work at the group's wholly owned Zinnwald Lithium Project. The reports used by the Board and Management are based on these geographical segments.

	<b>Germany</b> <b>2025</b> €	<b>UK</b> <b>2025</b> €	<b>Total</b> <b>2025</b> €
Income	5,844	10,782	16,626
Administrative expenses	(1,087,091)	(1,734,667)	(2,821,758)
Share based payment charge	(81,825)	(518,371)	(600,196)
Loss on foreign exchange	(1,643)	(85,352)	(86,995)
Other operating income	53,246	-	53,246
Finance income	12,348	74,534	86,882
Interest paid	(4,530)	-	(4,530)
Tax	1,858,925	-	1,858,825
	<hr/>	<hr/>	<hr/>
Income / (loss) from operations per reportable segment	738,648	(2,253,074)	(1,514,426)
	<hr/>	<hr/>	<hr/>
Reportable segment assets	40,414,911	2,517,427	42,932,338
Reportable segment liabilities	693,333	1,499,292	2,192,625
	<hr/>	<hr/>	<hr/>
	<b>Germany</b> <b>2024</b> €	<b>UK</b> <b>2024</b> €	<b>Total</b> <b>2024</b> €
Administrative expenses	(1,013,403)	(1,675,736)	(2,689,139)
Share based payment charge	-	(688,877)	(688,877)
Gain/loss on foreign exchange	-	170,006	170,006
Other operating income	110,605	-	110,605
Finance income	1,950	378,657	380,607
Interest paid	(7,517)	-	(7,517)
Tax	(11,274)	-	(11,274)
	<hr/>	<hr/>	<hr/>
Loss from operations per reportable segment	(919,639)	(1,815,950)	(2,735,589)
	<hr/>	<hr/>	<hr/>
Reportable segment assets	34,476,535	6,082,411	40,558,946
Reportable segment liabilities	2,429,932	402,024	2,831,956

## 5. Operating loss

	2025 €	2024 €
<b>Operating loss for the year is stated after charging / (crediting)</b>		
Exchange losses / (gains)	86,995	(170,008)
Amortisation of intangible assets	2,106	2,010
Depreciation of property, plant and equipment	59,187	84,421
Depreciation of Right of Use Assets	120,049	126,711
Share-based payment expense	600,196	688,877
Operating lease charges	48,022	36,641
Exploration costs expensed	907,318	824,709
	<u>          </u>	<u>          </u>

## 6. Auditor's remuneration

	2025 €	2024 €
Fees payables to the company's auditor		
<b>For audit services</b>		
Annual Audit of group, parent company and subsidiary undertakings	45,896	45,914
Review of interim group financial statements	3,630	3,557
	<u>          </u>	<u>          </u>
	49,526	49,471
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	6,476	7,759
	<u>          </u>	<u>          </u>

## 7. Other operating income

	2025 €	2024 €
Other operating income	53,246	110,605
	<u>          </u>	<u>          </u>

Other operating income primarily comprises rental and utilities income from sub-lessors.

## 8. Employees

The average number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Directors	6	6	6	6
Employees	13	14	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	19	20	6	6
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Wages and salaries	1,832,263	1,823,149	937,395	875,722
Social security costs	221,528	235,368	123,160	137,050
Pension costs	140,569	133,329	65,367	63,370
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2,194,359	2,191,846	1,125,922	1,076,142
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Aggregate remuneration expenses of the group include €892,659 (2024: €913,998) of costs capitalised and included within non-current assets of the group. Aggregate remuneration expenses of the company include €Nil (2023: €Nil) of costs capitalised and included within non-current assets of the group. Directors' remuneration is disclosed in report of Remuneration Committee.

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**9. Finance income**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Interest on bank deposits	86,882	380,607

**10. Taxation**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Income tax expense		
UK corporation tax expense – current year	-	-
Overseas corporation tax expense – current year	-	2,383
Overseas corporation tax expense – prior year reclaim	(1,477)	-
Overseas research allowance tax credit	(1,857,488)	-
Overseas real estate tax expense – current year	-	8,891
<b>Total current tax (credit) / expense</b>	<b>(1,858,925)</b>	<b>11,274</b>
	<b>€</b>	<b>€</b>
Loss before taxation	(3,373,531)	(2,735,588)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2024: 19.00%)	(640,936)	(519,762)
Disallowable expenses	116,694	132,436
Non-taxable gains	-	-
Unutilised tax losses carried forward	524,242	388,786
Difference in overseas tax rate	(1,477)	922
Overseas research allowance tax credit	(1,857,488)	-
Overseas real estate tax expense	-	8,891
<b>Taxation (credit) / expense for the year</b>	<b>(1,858,925)</b>	<b>11,274</b>

Losses available to carry forward amount to €12,337,000 (2024: €9,578,000). No deferred tax asset has been recognised on these losses, as the probability and timing of available future taxable profits is not something that can currently be estimated. Foreign tax liabilities are calculated at the prevailing tax rates applicable in Germany.

**11. Earnings per share**

	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Weighted average number of ordinary shares for basic earnings per share	510,024,962	474,497,857
Effect of dilutive potential ordinary shares		
- Weighted average number of outstanding share options	28,959,975	22,695,897
Weighted average number of ordinary shares for diluted earnings per share	538,984,937	497,193,754
<b>Earnings</b>		
<b>Continuing operations</b>	(1,514,426)	(2,724,315)
Loss for the period for continuing operations		
Earnings for basic and diluted earnings per share distributable to equity shareholders of the company	(1,514,426)	(2,724,315)
<b>Earnings per share for continuing operations</b>		
<b>Basic and diluted earnings per share</b>		
Basic earnings per share - cents	(0.30)	(0.57)

There is no difference between the basic and diluted earnings per share for the period ended 31 December 2025 or 2024 as the effect of the exercise of options would be anti-dilutive.

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## 12. Intangible Assets

<b>Group</b>	Total
<b>Cost</b>	<b>€</b>
At 1 January 2024	27,655,638
Additions – group funded	6,552,094
	<hr/>
At 31 December 2024	34,207,732
Additions – group funded	3,412,159
Reclassification to Tangible Assets	(57,757)
	<hr/>
At 31 December 2025	37,562,134
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2024	3,486
Amortisation charged for the year	2,010
	<hr/>
At 31 December 2024	5,496
Amortisation charged for the year	2,106
	<hr/>
At 31 December 2025	7,602
	<hr/>
<b>Carrying amount at 31 December 2025</b>	<b>37,554,532</b>
	<hr/> <hr/>
Carrying amount at 31 December 2024	34,202,236
	<hr/> <hr/>

Intangible assets comprise capitalised exploration and evaluation costs (direct costs, licence fees and fixed salary / consultant costs) of the Zinnwald Lithium project in Germany. The Company has had no directly owned intangible assets since 2020.

## 13. Property plant and equipment

<b>Group</b>	Leasehold, land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
<b>Cost</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2024	70,990	360,263	66,593	497,846
Additions – group funded	30,000	98,320	-	128,320
Exchange adjustments	-	331	-	331
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	100,990	458,914	66,593	626,497
Additions – group funded	42,545	2,686	-	45,231
Reclassification from Intangibles	-	57,757	-	57,757
Exchange adjustments	-	(373)	-	(373)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	143,535	518,984	66,593	729,112
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>				
At 1 January 2024	-	80,158	30,900	111,058
Depreciation charged for the year	-	71,135	13,286	84,421
Exchange adjustments	-	266	-	266
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	-	151,559	44,186	195,745
Depreciation charged for the year	-	49,147	10,040	59,187
Exchange adjustments	-	(330)	-	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	-	200,376	54,226	254,602
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at 31 December 2025	143,535	318,608	12,367	474,510
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Carrying amount at 31 December 2024	100,990	307,355	22,407	430,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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<b>Company</b>	Computers
<b>Cost</b>	€
At 1 January 2024	6,839
Additions – group funded	-
Exchange adjustments	331
	<hr/>
At 31 December 2024	7,170
Additions – group funded	-
Exchange adjustments	(373)
	<hr/>
At 31 December 2025	6,797
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2024	4,146
Depreciation charged for the year	1,463
Exchange adjustments	266
	<hr/>
At 31 December 2024	5,875
Depreciation charged for the year	660
Exchange adjustments	(330)
	<hr/>
At 31 December 2025	6,205
	<hr/>
<b>Carrying amount at 31 December 2025</b>	592
	<hr/> <hr/>
Carrying amount at 31 December 2024	1,295
	<hr/> <hr/>

#### 14. Right of Use Assets and Lease Liabilities

In May 2024, Zinnwald Lithium Services GmbH entered into two new commercial lease agreements for an office in Dresden and a Core Shed in Altenberg. The duration of both leases are for 3 years with no break clauses and expire in April 2027. The Dresden lease can be renewed for two further 3-year periods in 2027 and 2030. The Altenberg lease can be renewed for a further 3-year period in 2027 and a further 4-year period in 2030. The monthly combined leases instalments are €10,515 per month, fixed for the duration of the leases. The right of use asset and lease liability for each new leases were recognised on 1 May 2024 on inception of the leases. Movements in the year are shown as follows:

<b>Group</b>	Total
	€
<b>Right of Use Asset</b>	
At 1 January 2025	279,566
Depreciation	(120,049)
	<hr/>
At 31 December 2025	159,517
	<hr/>
- Recognised in non-current assets	39,468
- Recognised in current assets	120,049
	<hr/>
<b>Lease Liability</b>	
At 1 January 2025	283,339
Interest charged in the year	7,527
Lease payments in the year	(126,180)
	<hr/>
At 31 December 2025	164,686
	<hr/>
- Recognised in short-term payables	122,804
- Recognised in payables > 1 year	41,882
	<hr/>

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**15. Investments**

Company	2025 €	2024 €
Investments in subsidiaries	14,523,374	14,523,374

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid. There has been no movement in non-current investments in 2024 or 2025.

**16. Trade and other receivables - credit risk**

**Fair value of trade and other receivables**

The directors consider that the carrying amount of trade and other receivables is equal to their fair value.

**17. Financial Instruments**

	Group 2025 €	2024 €	Company 2025 €	2024 €
<b>Financial instruments at amortised cost</b>				
Trade and other receivables	140,425	235,783	32,276,734	26,781,242
Cash and bank balances	2,667,574	5,216,085	2,434,952	2,964,450
	<u>2,807,999</u>	<u>5,451,868</u>	<u>34,711,686</u>	<u>29,745,692</u>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	645,071	1,106,584	112,129	129,058
	<u>645,071</u>	<u>1,106,584</u>	<u>112,129</u>	<u>129,058</u>

**18. Trade and other receivables**

	Group 2025 €	2024 €	Company 2025 €	2024 €
<b>Amounts falling due greater than one year:</b>				
Amounts owed by group undertakings	-	-	32,242,117	26,642,540
<b>Amounts falling due within one year:</b>				
Trade receivables	7,157	439	-	-
Other receivables	133,268	235,344	34,617	23,576
Prepayments and accrued income	1,935,780	135,359	28,020	55,961
	<u>2,076,205</u>	<u>371,142</u>	<u>62,637</u>	<u>79,537</u>

Other receivables include VAT amounts recoverable, which were received following the year end. Prepayments and accrued income include the Forschungszulage grant awarded to Zinnwald Lithium GmbH during the year, which the Group expects to receive later in 2026. The Company has reclassified its intercompany loan receivable to greater than one year from 2024 onwards.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group 2025	2024	Company 2025	2024
Euros	1,997,698	203,495	-	7,371
British Pounds	78,507	167,647	32,304,754	26,714,706
	<u>2,076,205</u>	<u>371,142</u>	<u>32,304,754</u>	<u>26,722,077</u>

## 19. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
Amounts falling due within one year:	€	€	€	€
Trade payables	171,572	343,391	28,185	18,430
Other taxation and social security	42,482	61,465	42,482	40,231
Other payables	28,633	61,234	-	-
Accruals and deferred income	402,384	640,494	41,462	70,397
	<u>645,071</u>	<u>1,106,584</u>	<u>112,129</u>	<u>129,058</u>

All Trade payables have been settled since the year end.

The carrying amounts of the Group and Company's current liabilities are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
Euros	528,730	808,725	-	-
British Pounds	116,341	297,859	112,129	129,058
	<u>645,071</u>	<u>1,106,584</u>	<u>112,129</u>	<u>129,058</u>

## 20. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2025 €	Liabilities 2024 €
Zinnwald Lithium intangible assets – fair value adjustment	<u>1,382,868</u>	<u>1,382,868</u>

The deferred tax liability set out above relates to a 25% provision made on the fair value uplift of the company's acquisition of control of Zinnwald Lithium GmbH.

## 21. Retirement benefit schemes

Defined contribution scheme	2025 €	2024 €
Charge to profit or loss in respect of defined contribution schemes	<u>65,367</u>	<u>63,370</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

## 22. Share based Incentives

The Directors believe that the success of the Group will depend to a significant degree on the performance of the Group's senior management team. The Directors also recognise the importance of ensuring that the management team are well motivated and identify closely with the success of the Group. The Company adopted an initial Share Option Plan in December 2017 and will continue to issue options to key employees, consultants and Non-Executive Directors. In October 2020, the Company's shareholders approved additional short-term and long-term incentive schemes for Executive Management, the key terms of which are detailed in the Remuneration Committee report.

### Share Option Plan (2017)

Movements in the number of share options, under the Share Option Plan (2017), outstanding and their related weighted average exercise prices are as follows:

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	Year ended 31 December 2025		Year ended 31 December 2024	
	Average exercise price (£/share)	Number of Options	Average exercise price (£/share)	Number of Options
At beginning of year	£0.1172	10,866,668	£0.1487	6,650,000
Granted during the year	£0.0750	3,600,000	£0.0675	4,350,000
Lapsed during the year	£0.0753	(1,800,001)	£0.0675	(133,332)
Exercised during the year	-	-	-	-
At end of year	£0.1112	12,666,667	£0.1172	10,866,668
Exercisable at the year end		9,750,000		7,283,335
Weighted average remaining exercise period, years		2.50		3.06
<b>Option classification</b>				
	<b>Issue Date</b>	<b>No of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
	15 January 2022	3,900,000	£0.1810	15 January 2027
	23 March 2023	2,450,000	£0.1041	23 March 2028
	15 January 2024	3,550,000	£0.0675	15 January 2029
	31 January 2025	2,766,667	£0.0750	31 January 2030
		12,666,667	£0.1112	

**RSU Scheme (2020)**

Movements in the number of RSUs, under the RSU Plan (2020), outstanding and their related weighted average exercise prices are as follows

	Year ended 31 December 2025		Year ended 31 December 2024	
	Average exercise price (£/share)	RSUs	Average exercise price (£/share)	RSUs
Beginning of Period	n/a	7,635,254	n/a	5,316,310
Granted	n/a	2,624,814	n/a	4,228,475
Lapsed	n/a	-	n/a	-
Exercised	n/a	-	£0.0711	(1,909,531)
At end of period	n/a	10,260,068	n/a	7,635,254
Weighted average remaining exercise period, years		2.04		0.68

**RSU Classification**

Issue Date	No of RSUs	Vesting date	Exercise date
23 March 2023	3,406,779	23 March 2025	23 March 2027
15 January 2024	4,228,475	15 January 2026	15 January 2028
31 January 2025	2,624,814	31 January 2027	31 January 2029
	10,260,068		

**PSU Scheme (2020)**

Movements in the number of PSUs, under the PSU Plan (2020), outstanding and their related weighted average exercise prices are as follows

	Year ended 31 December 2025		Year ended 31 December 2024	
	Average exercise price (£/share)	PSUs	Average exercise price (£/share)	PSUs
Beginning of Period	n/a	4,500,000	n/a	-
Granted	n/a	694,061	n/a	4,500,000
Lapsed	-	-	n/a	-
At end of period		5,194,061	n/a	4,500,000
Weighted average remaining exercise period, years		-		-

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PSU Classification	No of PSUs	Vesting date
Issue Date		
15 January 2024	4,500,000	15 January 2026
31 January 2025	694,061	31 January 2027
	<u>5,194,061</u>	

### 23. Share based payment transactions

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
<b>Expenses recognised in the year</b>				
Options issued under the Share Option Plan (2017)	150,473	201,811	68,648	201,811
RSUs issued under the RSU Scheme (2020)	330,374	381,834	330,374	381,834
PSUs issued under the PSU Scheme (2020)	119,349	105,232	119,349	105,232
	<u>600,196</u>	<u>688,877</u>	<u>518,371</u>	<u>688,877</u>

Awards made under the various share incentive schemes will be expensed over the relevant vesting periods for each scheme. Options and PSUs have been expensed based on a Black Scholes calculation using an option life of 5 years and a risk-free interest rate of 3.9%. The Company has used a volatility rate of 65.6% looking back 3 years from the date of grant to account for the material distorting event of the Company's readmission to AIM in October 2020 following its reverse takeover acquisition of the Zinnwald Project. The Company will use a 4 year look-back for the grants made in January 2025 and thereafter a 5 year look back for all future grants going forward.

### 24. Share Capital

	Group and Company	
	2025	2024
	€	€
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
542,354,605 ordinary shares of 1p each (2024: 474,536,675)	6,167,588	5,377,253
	<u>6,167,588</u>	<u>5,377,253</u>

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.

Reconciliation of movements during the year:	Ordinary	Ordinary
	Number	Value
	€	€
<b>Ordinary shares of 1p each</b>		
At 1 January 2025	474,536,675	5,377,253
Issue of fully paid shares	67,817,930	790,335
At 31 December 2025	<u>542,354,605</u>	<u>6,167,588</u>

### 25. Share Premium account

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
At beginning of year	39,476,355	39,403,810	39,476,355	39,403,810
Issue of new shares	3,161,343	-	3,161,343	-
Exercise of share options / RSUs	-	72,545	-	72,545
Share issue expenses	(24,684)	-	(24,684)	-
	<u>42,613,014</u>	<u>39,476,355</u>	<u>42,613,014</u>	<u>39,476,355</u>

## 26. Other reserves

	Merger reserve	Share based payment reserve	Translation reserve	Total
Group	€	€	€	€
At 1 January 2024	688,731	1,207,700	100	1,896,531
Share Option charge for the year	-	688,877	-	688,877
Release of RSU provisions	-	(159,280)	-	(159,280)
Lapsed share incentives	-	(122,343)	-	(122,343)
Other additions	-	-	65	65
At 31 December 2024	688,731	1,614,954	165	2,303,850
Share Option charge for the year	-	600,196	-	600,196
Lapsed share incentives	-	(48,270)	-	(48,270)
Other additions	-	-	(41)	(41)
At 31 December 2025	688,731	2,166,880	124	2,855,735

	Share based payment reserve	Translation reserve	Total
Company	€	€	€
At 1 January 2024	1,207,700	100	1,207,800
Share Option charge for the year	688,877	-	688,877
Release of provisions	(159,280)	-	(159,280)
Lapsed share incentives	(122,343)	-	(122,343)
Other additions	-	65	65
At 31 December 2024	1,614,954	165	1,615,119
Share Option charge for the year	600,196	-	600,196
Lapsed share incentives	(48,270)	-	(48,270)
Other additions	-	(41)	(41)
At 31 December 2025	2,166,880	124	2,167,004

## 27. Retained earnings

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
At the beginning of the year	(9,430,468)	(6,817,222)	(2,386,589)	(2,787,077)
Loss for the year	(1,514,426)	(2,735,589)	542,255	278,145
Lapsed share incentives	48,270	122,343	48,270	122,343
At the end of the year	(10,896,624)	(9,430,468)	(1,796,064)	(2,386,589)

## 28. Financial commitments, guarantees and contingent liabilities

### Bacanora Royalty Agreement

The company and Bacanora entered into on completion of the Acquisition a royalty agreement which provides that the Company agrees to pay Bacanora a royalty of 2 per cent. of the net profit received by the company pursuant to its 50 per cent. shareholding in Zinnwald Lithium GmbH ("ZLG") and earned in relation to the sale of lithium products or minerals by ZLG's projects on the Zinnwald and Falkenhain licence areas. The royalty fee shall be paid in Euros and paid by ZLG half yearly. The agreement is for an initial term of 40 years and shall automatically extend for additional 20 year terms until mining and processing operations cease at ZLG's projects at the Zinnwald and Falkenhain licence areas. The company has undertaken to Bacanora to abide by certain obligations in relation to ZLG's projects at the Zinnwald and Falkenhain licence areas such as complying with applicable laws and ensure that these projects are operated in accordance with the underlying licences and concessions granted to Zinnwald Lithium. The company shall have the right, but not the obligation, to extinguish at any time its right to pay a royalty fee to Bacanora prior to the expiry of the term by paying a one-off payment of €2,000,000.

Whilst the Directors acknowledge this contingent liability, at this stage, it is not considered that the outcome can be considered probable or reasonably estimable and hence no provision has been made in the financial statements. The Directors note that the Royalty is only applicable to 50% of ZLG's production and does not apply to the additional 50% of ZLG acquired by the Company in June 2021. The Directors also note that the Royalty obligation remains due to Bacanora, which is now a wholly owned subsidiary of Ganfeng Lithium Limited.

### **29. Agreements with Ocean Capital Partners**

Under the terms of the sale of Erris Zinc Limited to Ocean Capital Partners on 13 June 2023, the Company was granted a 1% Net Smelter Royalty and a €200,000 cash payment due six months after the start of commercial production. As agreed in the Sale and Purchase Agreement, the company also has the right to buy Erris Zinc Ltd back for €1 if the additional exploration spend of €100,000 over 2024 to 2025 was not made by March 2025. This deadline was extended by mutual agreement to August 2025. In October 2025, Ocean Partners confirmed that all required additional exploration spend had been met and that the license area had been renewed by the Irish Authorities to August 2031. Accordingly, all stipulated buyer undertakings have been discharged and the buy-back option has now fallen away with only the future payments due on production remaining in force. Whilst the Directors acknowledge these contingent assets, at this stage, it is not considered that the outcome can be considered certain to be recognised and receivable and hence no asset has been recognised in the financial statements.

### **30. Events after the reporting date**

On 12 February 2026, the Company made a grant of a total of 2,918,81 RSUs and 3,455,000 Options under the Company's Long-Term Incentive Plans relating to performance in 2025, and a total of 880,932 PSUs relating to performance from 1 January 2023 to 31 December 2025. The RSUs and PSUs were issued to Executive Management under the relevant schemes approved by shareholders in October 2020. The Options were primarily issued to Employees and Consultants under the terms of the Option Scheme approved by shareholders in 2017.

On 24 February 2026, the Company appointed Dominik Simler as a Non-Executive Director in replacement of Graham Brown, who stepped down from the Board. Mr Simler brings over 20 years of pan-European investment and advisory experience, with a particular focus on the central European German speaking region ("DACH"). He has extensive experience in structuring and sourcing capital and working with stakeholders across various industries, having held senior roles at leading private equity and investment firms including AEA Investors, Investcorp International and L-GAM Advisors.

In December 2025, the Company was informed that its German subsidiary had been awarded a grant under the German Forschungszulage (Research Allowance) scheme. In March 2026, as part of this recognition, Zinnwald received its official seal from the Bescheinigungsstelle Forschungszulage ("BSFZ") as proof of its 'entrepreneurial innovation competence'. This scheme was introduced in Germany in 2020 to promote and accelerate corporate research and development. It is a government-funded tax incentive scheme that reimburses eligible R&D expenses. Eligible projects must be in fundamental research, industrial research, or experimental development. Zinnwald submitted two applications, one for its geological R&D studies into the extraction of lithium from micas, and the other for its innovative processing development work, both of which were reflected in its PFS in 2025. Both applications were approved by the BSFZ resulting in an overall grant of up to €1.9 million to be received later in 2026.

### **31. Related party transactions**

In 2024, the Company engaged Jeremy Martin in a consultancy agreement to provide specific technical support to the operational team with the development of the resource and processing parts of the Project's flowsheet, in light of his professional qualifications and experience (further detail is included in the report of the Remuneration Committee). This agreement finished in September 2025.

### 32. Cash used in group operations

	2025	2024
	€	€
Loss for the year after tax	(1,514,426)	(2,735,589)
<b>Adjustments for:</b>		
Investment income	(86,882)	(380,607)
Lease interest	7,527	7,518
Depreciation of property, plant and equipment	59,187	84,421
Depreciation of Right of Use Assets	120,049	126,711
Amortisation of intangible assets	2,106	2,010
Gain on disposal	(908)	-
Equity-settled share-based payment expense	600,196	688,877
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(1,704,154)	(72,843)
Decrease in trade and other payables	(461,512)	(303,816)
<b>Cash used in operations</b>	<u>(2,978,817)</u>	<u>(2,583,318)</u>

### 33. Cash used in company operations

	2025	2024
	€	€
Profit for the year after tax	542,255	278,145
<b>Adjustments for:</b>		
Investment income	(74,535)	(378,657)
Group loan interest	(2,462,482)	(1,742,846)
Depreciation and impairment of property, plant and equipment	660	1,463
Equity-settled share-based payment expense	518,371	688,877
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	16,902	4,484
Decrease in trade and other payables	(16,928)	(47,895)
<b>Cash used in operations</b>	<u>(1,475,757)</u>	<u>(1,196,429)</u>