

ZINNWALD LITHIUM PLC

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2025

ZINNWALD LITHIUM PLC
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Chairman's Statement

I am pleased to report on Zinnwald Lithium's progress during the first half of 2025, a period in which we have continued to advance our integrated lithium hydroxide ("LiOH") project in Saxony, Germany. Despite a persistently challenging macroeconomic environment, our conviction in the long-term strategic value of our asset remains strong, underpinned by the critical role of lithium in the global energy transition and consistent regional and political alignment.

The publication of our Pre-Feasibility Study ("PFS") in March marked a major milestone. It confirmed the compelling economics of the Zinnwald Project, with a post-tax Net Present Value of €2.2 billion, an Internal Rate of Return approaching 20%, and projected cumulative cash flows of €12.1 billion over a mine life exceeding 40 years.

Notably, the PFS also confirmed the Project's potential to support the electrification of over one million electric vehicles ('EVs') per year, underscoring its relevance as one of Europe's most strategically significant lithium assets. This aligns closely with regional and EU goals to build secure, domestic critical raw material supply chains. The Project's significance was further recognised by the Saxon State Government, which designated it as being of "outstanding importance," thereby strengthening our position in navigating the permitting and development process.

Since then, we have remained focused on optimising and de-risking the Project further and were, therefore, pleased to complete a £3.4 million fundraising in June. The raise was well supported by both new and existing investors, including AMG Lithium, whose participation represents a strong endorsement of our strategy to bring the Project online as the lithium supply-demand imbalance is expected to intensify towards the end of the decade.

With funding in place, work continues to advance across several key fronts. On the permitting side, we are progressing with the Environmental and Social Impact Assessment and the associated regulatory processes. Concurrently, we are progressing various technical workstreams, advancing negotiations to secure access to land required for infrastructure development, and expanding the team to ensure we have the necessary skills and expertise to take the Project through its next critical phases.

Given that sustainability is central to our development strategy, we are proactively engaging with stakeholders to ensure transparency and build a strong social licence to operate as we advance through permitting and development. As part of this commitment, we recognise our responsibility to support the local economy while safeguarding the region's quality of life. Accordingly, our development plans prioritise minimal surface disruption through an underground mine design and the construction of a proposed 9km underground tunnel, eliminating the need for surface transport and significantly reducing traffic, noise, and environmental impact.

Our low-energy, low-waste processing flowsheet further reinforces the Project's commitment to sustainability, as do our plans to integrate renewable power solutions over the life of the operation. We are actively exploring the latter option in partnership with Solar-Bau, a specialist solar development company. Importantly, although the second planned phase targets production exceeding 35,000 tonnes of LiOH annually, all operations will remain within the original Phase 1 footprint.

The Company continues to maintain its extremely disciplined approach to expenditure and cash management and as such is well funded through its ongoing work into 2026, with cash of €4.1m as at the date of this report.

In closing, I would like to thank our shareholders, employees, partners, and the local communities for their continued support and engagement. With a robust technical foundation, strong strategic alignment, and a clear path forward, I am confident that Zinnwald Lithium is positioned to play a leading role in Europe's energy transition, while also generating long-term economic value for the region through job creation, regional investment, and responsible development. With clear regional and EU policy support and growing momentum across the Project, we look ahead with confidence as we continue to unlock its full potential.



Jeremy Martin

Non-Executive Chairman

1. Highlights

Six months to 30 June 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%) Li₂O 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.
- Advanced environmental licencing and permitting, with updates to the spatial planning process submitted to Landesdirektion Sachsen.
- LOI signed with solar development company Solar-Bau to explore the option for long term clean power offtake.
- Strong statement of support for the Project from the Saxony Government following EU's publication of its first round of strategic projects under the CRMA.
- Awarded new exploration license at Liebenau to complete almost 13,000 Ha coverage around the Project area of development.
- Completed £3.4m fund raise supported by three largest existing shareholders.

Post period end to 25 September 2025

- Ongoing development of geometallurgical model
- Ongoing testwork programme to optimise lithium recovery in beneficiation stage
- Initial testwork commenced on option to use a tunnel kiln in calcination process
- Public consultation underway on Spatial Planning Application
- MoU signed with local "green" cement company to explore potential uses for various waste streams
- Continue to strengthen German team with appointment of new permitting manager.

2. Operational Review

The first half of 2025 saw Zinnwald Lithium Plc (the "Company") and its wholly owned subsidiary, Zinnwald Lithium GmbH ("ZL GmbH" and together the "Group") continue to accelerate its development strategy for its integrated Zinnwald Lithium Project (the "Project"). During the six months to 30 June, the Company achieved the key milestone of publication of the Pre-Feasibility Study that demonstrated both the scale of the Project, its long mine life and the robust economics.

2.1. Six months to 30 June 2025

PRE-FEASIBILITY STUDY

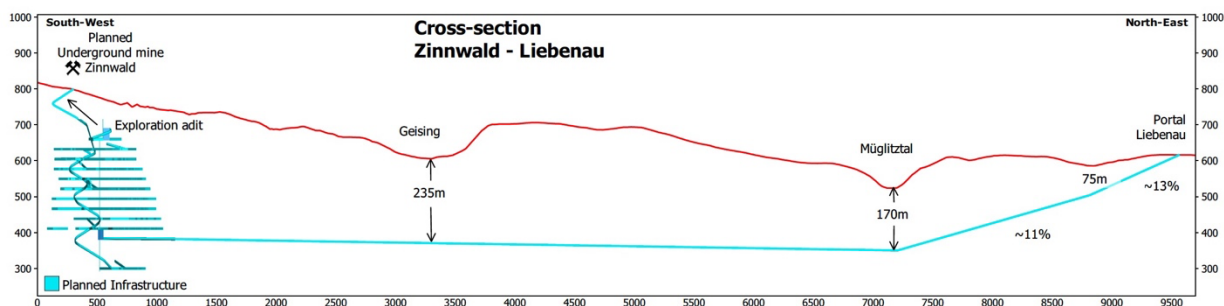
In March 2025, the Group published a Pre-Feasibility Study ("**PFS**") for the Project on a phased project basis with a mine life in excess of 40 years.

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.

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.

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At the industrial facility ore is 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 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 will 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.

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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 4,428ppm (0.44%) Li₂O 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 ₂ O (ppm)	Li (Kt)	LCE (Kt)
Resource (Jun 2024 MRE)					
Measured	36.3	2,500	5,380	91	483
Indicated	157.2	2,150	4,630	338	1,802
MEASURED + INDICATED TOTAL	193.5	2,220	4,780	429	2,285
INFERRED TOTAL	33.3	2,140	4,610	71	379
Reserve (Mar 2025 PFS)					
Proven	27.2	2,188	4,711	60	317
Probable	100.9	2,021	4,351	204	1,085
Total	128.1	2,056	4,428	263	1,402

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. Furthermore, the Company applied for and received an extension of its Altenberg exploration licence, which is now valid until 20 February 2027. The Company is in the process of submitting the renewal application for the Falkenhain license that expires at the end of 2025.

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.

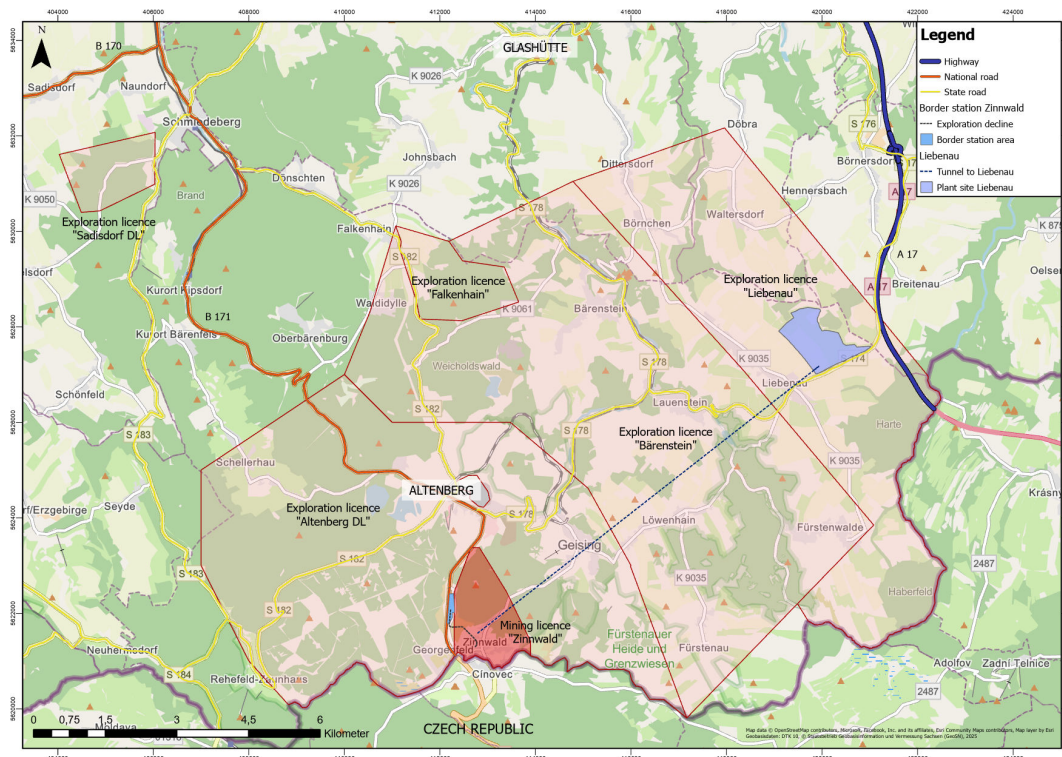
New Liebenau Exploration license

On 7 April 2025, the Company announced that it had been granted an additional exploration licence (the 'Liebenau Licence') covering approximately 2,997 hectares ('ha') 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 to access sites required for 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 Table and Map below). Exploration activities on these licenses 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 ²)
Zinnwald	2960	100%	Mining	31 December 2047	2,564,800
Falkenhain	1686	100%	Exploration	31 December 2025	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
Total					129,332,500

Map of Licence Areas



FUNDRAISE

On 18 June 2025, Zinnwald completed a £3.4m fundraise at a placing price of 5p per share. The directors continue 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 their 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%.

The Company’s immediate use of the net proceeds of the fundraise include the following:

- Permitting: continue to advance the ongoing permitting process and work required for the Environmental and Social Impact Assessment;
- Project derisking: advance areas identified in the PFS regarding opportunities to de-risk and optimise the Project, including process testwork and further sources of financing including grant funding;
- Property: continue negotiations with the City of Altenberg and landowners identified at Liebenau to secure options over the land required for the Project;
- Project team: continue to build out the Project team in Germany; and
- Working capital and general corporate purposes.

PERMITTING AND COMMUNITY MATTERS

Permitting / ESIA

The Project will be permitted under German Mining Law and intends to follow an integrated permitting procedure under one unitary body, the Saxony Mining Authority (“SOBA”). A Spatial Planning Procedure is underway prior 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 a number of 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, who are signatories to the Equator Principles 4 (and related standards). As part of this work, the Project is finalising for publication in English and German its ESIA Scoping Study, Stakeholder Engagement Plan, Land Acquisition and Compensation Framework and Grievance Mechanism. The Project will then hold public consultation meetings with local stakeholders to finalise these items ahead of the full ESIA.

Spatial Planning

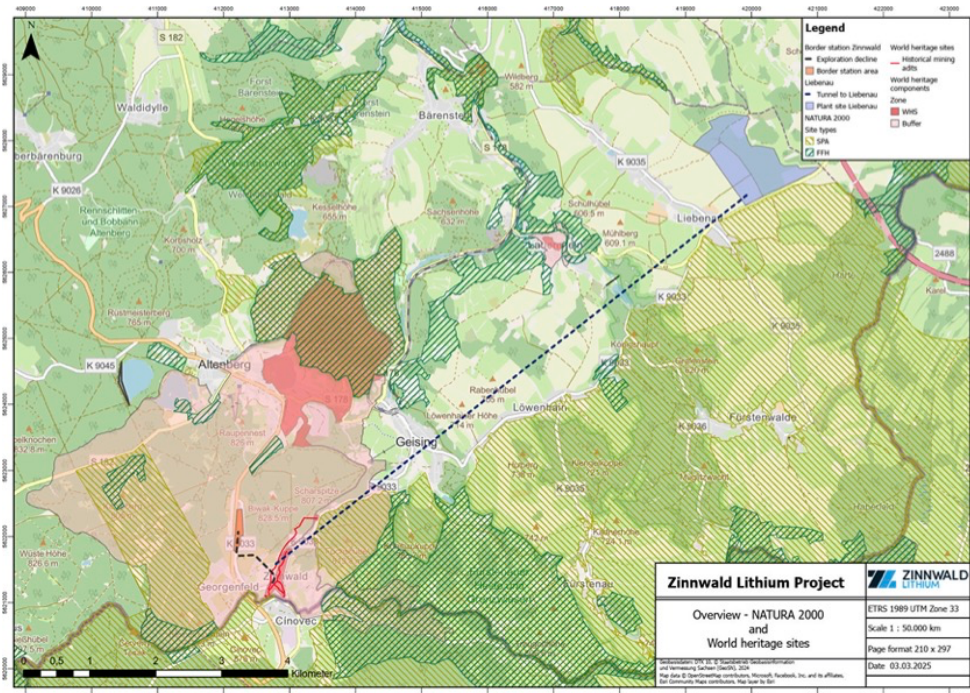
In 2025 the Project has finalised its Spatial Planning application documents, which is reviewed by the Landesdirektion Sachsen (“LDS”). In February, the updated draft Spatial Planning application was submitted for initial review by LDS. The Company received its initial feedback in April and subsequently provided LDS with further documentation, including certain documents translated into Czech. In June, the LDS published its statement declaring formal commencement of the Spatial Planning Procedure. This includes a public statement and presentation on LDS website; request for comments from 120 legal and NGO bodies potentially impacted; and the public display of documents at 4 Town Halls and in the regional District Office for an 8-week period from July to August. The anticipated timetable is that LDS will then evaluate and respond to these public replies. The anticipated timetable is that towards the end of Q4 2025, the LDS will submit its formal Spatial Planning report to SOBA. This report is an important milestone as it is one of the first items that feeds into the main GOP Permit process.

Local Community Engagement

The Company is well aware that a key part of the Project’s development will be to secure the social licence to operate via extensive public participation. The Company recognises the importance of the general public and NGOs in the permitting processes and has committed to proactively engage with all the stakeholders in its projects. In early March, the Company launched its German language local community website at www.lithium-im-erzgebirge.de. This website has extensive detail on the Project and offers a forum for direct engagement and the Company is encouraged by the traffic on this site. At the end of March, the Project’s local MD, Marko Uhlig, hosted a well-publicised and attended open day in Altenberg to officially launch the PFS and explain the impact on the local community. It also distributes a quarterly post-box newsletter in the region reaching up to 10,000 households.

The Project has been designed so as 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 has only limited visibility from the nearest villages, Liebenau and Breitenau. 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 Project falls entirely within the municipality of Altenberg that covers an area of 145.8 km² and had a total population of 7,851 as of 2023. The largest towns and villages most directly impacted will be Zinnwald (2023 population of 377), Altenberg (2023 population 1,968) and Liebenau (2023 population 389). The proposed process plant site is located to the north of the village of Liebenau, where the terrain rises gradually to the south and creates a natural barrier between the village and the plant site. The total above ground area required for the Project is 121 ha, comprising 6 ha at the Zinnwald border station and 115 ha at Liebenau.



Local Government engagement

In April, the Saxon Minister for Economics, Dr Dirk Panter, visited the Company’s facilities in Altenberg to be briefed on the Project following publication of the PFS. Since then the Saxon Ministry of Economics has created an inter-ministerial working group to coordinate support and permitting for the Project. Its members include all relevant ministries, the Prime Minister’s office, statutory authorities (such as the permitting authority, SOBA) and state security representatives. This working group met for the first time in June 2025 and now meets regularly to assist the Project in its development.

The Saxon Prime Minister and the Minister of Economics have also sent a joint letter to the Federal Minister of Economics Berlin expressing the importance of the Project to Saxony and requesting Federal support.

Solar power opportunity

In 2025, the Company has 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 has the potential to reduce the Project’s 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 CO2 content of its final product.

EUROPEAN UNION AND GERMANY DEVELOPMENTS

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.

While the Company is disappointed to not have been selected as a “strategic” project, it notes that this designation does not itself bestow any specific advantage in terms of funding or specific quantifiable assistance with, or acceleration of, established permitting and project approval timelines. The Company will reassess whether to apply for “strategic” status as and when the next stage of applications is called for, which is believed to be later in 2025.

Saxony Government

In 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. Additionally, the Saxon State Government remains committed to advocating at the federal level for strong support of lithium mining in Saxony, reinforcing the Project's status as a key initiative.

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 does not guarantee funding, it acknowledges the Project's strong potential. This review process remains ongoing and updates will be provided as more information becomes available.

If the application is ultimately successful, any funding would be provided 70% by the Federal State Government and 30% by the State of Saxony. On 4 June 2024, the Saxony Government announced its commitment to provide its portion of any funding, subject in part to receipt of formal approval by the Parliament of the State of Saxony, which was duly received on 21 June 2024.

2.2. Post Balance Sheet events to 25 September 2025

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 characterization, 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

In the area of mineral 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 in the mineral processing area to assess 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.

Permitting and ESIA

As noted above, the Spatial Planning application process is in the public consultation phase with the results from LDS targeted for Q4 2025. The Project also intends to commence its public consultation process around its ESIA in Q4 2025.

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.

Brokers

The Company has elected to go forward with a single broker for the time being and Oberon Capital Ltd will perform that role with effect from 30 September. The Board would like to thank Tamesis Partners LLP for their support over the last two years.

2.3. Lithium Market in 2025

The first half of 2025 saw a continuation of the weakness in the lithium price from 2024 with prices for battery grade lithium products below \$10,000 per tonne, due primarily to current oversupply into the market. However, the long-term dynamics of the lithium industry remain robust with EV demand still growing strongly combined with rapidly accelerating growth in battery storage area. As the head of battery raw materials at Fastmarkets recently said, "The fundamentals are really still very strong, and these are anchored in some very powerful mega trends that we see developing within the global economy; the urgent drive for climate change mitigation, the once in a generational shift in the global energy system, and also the rise of energy intensive technologies such as artificial intelligence." The impact of resource nationalism and concerns over security of supply and the environmental footprint of the current lithium production chain are also expected to impact the market in the medium term. There is growing consensus amongst analysts that an incentive price of at least \$20,000 per tonne is required for greenfield projects to reach FID and meet the expected demand / supply imbalance forecast for the end of this decade. In recent weeks, there has been signs of a change in sentiment in the industry and a slight upturn in the lithium price, as certain high-cost Chinese lepidolite production has been shuttered.

2.4. 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.

3. Financial Review

Notwithstanding that the Company is a UK Plc with its ordinary shares 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 period, the Group made a loss before taxation of €1.6m compared with a loss of €1.2m for the six month period ended 30 June 2024. In the six months to 30 June 2025, administrative expenses were €1.3m, broadly in line with the previous period. It includes 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 €0.4m, up slightly from €0.3m in 2024, arising from the issuance of new share incentives in each period. Interest income on the Group's cash balances declined from €0.2m in the prior period reflecting the reduced cash balance as the Project completed its PFS.

The Total Net Assets of the Group increased to €40.4m as at 30 June 2025 compared with €37.7m at 31 December 2024. The Group's Intangible asset balance increased to €36.8m at 30 June 2025 from €34.2m at 31 December 2024 and cash balances decreased to €4.7m from €5.2m at the end of 2024, which reflects ongoing spend on the Zinnwald Lithium Project offset partly by the €3.9m fund raise completed in June 2025. As at the date of this report, the Group's cash balance is €4.1m.

On behalf of the board



Cherif Rifaat,
CFO and Director

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.

ZINNWALD LITHIUM PLC
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

The directors present their report and financial statements for the six months ended 30 June 2025.

Principal activities

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

Results and dividends

The results for the period are set out on page 12.

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

Directors and Directors' Interests

There were no changes to the directors who held office in the period or to their interests as disclosed in the 2024 Annual Report.

Substantial shareholdings

The directors are aware of the following substantial interests or holdings in 3% or more of the Company's ordinary issued share capital as at 25 September 2025:

Major Shareholder	No of Shares	% of Issued share capital
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 Ltd	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.

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

There have been no changes to the risks or mitigating steps as noted in the 2024 Annual Report.

Streamlined Energy and Carbon Reporting

As per the Streamlined Energy and Carbon Reporting ("SECR") Regulations published in 2018, quoted companies and large unquoted companies that have consumed more than 40,000 kilowatt-hours (kWh) of energy in the 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, in the first six months of 2025 the Group as a whole estimates that it consumed circa 310,000 kWh (2024: 675,000 Kwh) of energy in the period 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.

Post reporting date events

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

On behalf of the Board



Cherif Rifaat
Director
25 September 2025

ZINNWALD LITHIUM PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

The AIM Rules for Companies require AIM companies to apply a recognised corporate governance code. Zinnwald continues to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies, which was revised in 2023.

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

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

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

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

The Company's most recent annual report for the financial period ended 31 December 2024 was published on 10 March 2025 and contains the disclosures recommended by the QCA Code. Furthermore, the Company updates its annual QCA Statement on its website with the most recent version published in November 2024, which includes therein further additional detail on the Company's ongoing compliance.

ZINNWALD LITHIUM PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		30 June 2025	30 June 2024
		Unaudited	Unaudited
	Notes	€	€
Continuing operations			
Administrative expenses		(1,285,304)	(1,231,500)
Other operating income	5	31,983	68,415
Share based payments charge	13	(380,545)	(304,818)
		<hr/>	<hr/>
Operating Loss	4	(1,633,866)	(1,467,903)
		<hr/>	<hr/>
Finance income	6	23,682	241,332
		<hr/>	<hr/>
Loss before taxation		(1,610,184)	(1,226,571)
Tax on loss		(6,501)	-
		<hr/>	<hr/>
Loss for the financial period		(1,616,685)	(1,226,571)
Other Comprehensive loss		(33)	-
		<hr/>	<hr/>
Total comprehensive loss for the period		(1,616,718)	(1,226,571)
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share from continuing operations attributable to the owners of the parent company			
Basic (cents per share)	7	(0.33)	(0.25)

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

ZINNWALD LITHIUM PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30 June 2025	30 June 2024	31 December 2024
		Unaudited	Unaudited	Audited
	Notes	€	€	€
Non-current assets				
Intangible Assets	8	36,758,607	30,617,235	34,202,236
Property, plant and equipment	9	409,446	413,768	430,752
Right of Use Assets	10	220,035	220,035	279,566
		<u>37,388,088</u>	<u>31,251,038</u>	<u>34,912,554</u>
Current assets				
Trade and other receivables	11	281,410	409,378	371,142
Right of Use Assets	10	-	120,049	-
Cash and cash equivalents		4,667,416	9,287,751	5,216,085
		<u>4,948,826</u>	<u>9,817,178</u>	<u>5,587,227</u>
Total Assets		<u>42,336,914</u>	<u>41,068,216</u>	<u>40,499,781</u>
Current liabilities				
Trade and other payables	12	(311,744)	(492,325)	(1,106,584)
Lease Liabilities < 1 year	10	(120,693)	(116,612)	(118,652)
		<u>(432,437)</u>	<u>(608,937)</u>	<u>(1,225,236)</u>
Net current assets		<u>4,516,389</u>	<u>9,208,241</u>	<u>4,361,991</u>
Non-current Liabilities				
Deferred tax liability		(1,382,868)	(1,382,868)	(1,382,868)
Lease Liabilities > 1 year	10	(103,798)	(224,490)	(164,687)
		<u>(1,486,666)</u>	<u>(1,607,358)</u>	<u>(1,547,555)</u>
Total liabilities		<u>(1,919,103)</u>	<u>(2,216,295)</u>	<u>(2,772,791)</u>
Net Assets		<u>40,417,811</u>	<u>38,851,921</u>	<u>37,726,990</u>
Equity				
Share capital	14	6,167,588	5,377,253	5,377,253
Share premium		42,613,014	39,476,355	39,476,355
Other reserves		2,684,362	2,042,106	2,303,850
Retained losses		(11,047,153)	(8,043,793)	(9,430,468)
Total equity		<u>40,417,811</u>	<u>38,851,921</u>	<u>37,726,990</u>

ZINNWALD LITHIUM PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Share Capital	Share premium account	Other reserves	Retained losses	Total
	€	€	€	€	€
Balance at 1 January 2025	5,377,253	39,476,355	2,303,850	(9,430,468)	37,726,990
Six months ended 30 June 2025					
Loss and total other comprehensive loss for the period	-	-	-	(1,616,685)	(1,616,685)
Currency translation difference	-	-	(33)	-	(33)
Total comprehensive loss for the period	-	-	(33)	(1,616,685)	(1,616,718)
Issue of share capital	790,335	3,161,343	-	-	3,951,678
Share issue costs	-	(24,684)	-	-	(24,684)
Credit to equity for equity settled share-based payments	-	-	380,545	-	380,545
Total transactions with owners directly in equity	790,335	3,136,659	380,545	-	4,307,539
Balance at 30 June 2025	6,167,588	42,613,014	2,684,362	(11,047,153)	40,417,811
	Share Capital	Share premium account	Other reserves	Retained losses	Total
	€	€	€	€	€
Balance at 1 January 2024	5,365,379	39,403,810	1,896,531	(6,817,222)	39,848,498
Six months ended 30 June 2024					
Loss and total other comprehensive loss for the period	-	-	-	(1,226,571)	(1,226,571)
Currency translation difference	-	-	38	-	38
Total comprehensive loss for the period	-	-	38	(1,226,571)	(1,226,533)
Issue of share capital	11,874	72,545	-	-	84,419
Credit to equity for equity settled share-based payments	-	-	145,537	-	145,537
Total transactions with owners recognised directly in equity	11,874	72,545	145,537	-	229,956
Balance at 30 June 2024	5,377,253	39,476,355	2,042,106	(8,043,793)	38,851,921

ZINNWALD LITHIUM PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		30 June 2025	30 June 2024
		Unaudited	Unaudited
	Notes		
Cash flows from operating activities			
Cash used in operations	15	(1,868,585)	(2,154,765)
		<u>(1,868,585)</u>	<u>(2,154,765)</u>
Net cash outflow from operating activities			
Cash flows from investing activities			
Exploration expenditure	(2,557,424)	(2,955,592)	
Purchase of property, plant and equipment	(11,086)	(80,385)	
Proceeds from sale of tangible assets	840	-	
Interest received	23,682	241,332	
		<u>(2,543,988)</u>	<u>(2,794,645)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from the issue of shares	3,926,994	-	
Lease payments	(63,090)	(69,030)	
		<u>3,863,904</u>	<u>(69,030)</u>
Net cash generated from / (used in) financing activities			
Net decrease in cash and cash equivalents			
		<u>(548,669)</u>	<u>(5,018,440)</u>
Cash and cash equivalents at beginning of period		5,216,085	14,306,191
		<u>4,667,416</u>	<u>9,287,751</u>
Cash and cash equivalents at end of period			

1 Accounting Policies

Company Information

Zinnwald Lithium Plc (“the Company”) is a public limited company which is listed on the AIM Market of the London Stock Exchange domiciled and incorporated in England and Wales.

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

The registered office address of both Zinnwald Lithium Plc and Zinnwald Lithium Holdings Ltd is 29-31 Castle Street, High Wycombe, Bucks, HP13 6RU.

The business office address of both Zinnwald Lithium GmbH (ZLG) and Zinnwald Lithium Services GmbH (ZLSG) is now at Antonstrasse 3a, 01097, Dresden, Germany, with effect from 21 June 2024.

1.1 Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention and in accordance with the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this interim financial information. The unaudited interim condensed financial statements should be read in conjunction with the annual report and financial statements for the year ended 31 December 2024, 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 UK Adopted IAS (except as otherwise stated).

The unaudited interim condensed consolidated financial statements do not constitute statutory financial statements within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of UK adopted international accounting standards. Statutory financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 7 March 2025 and delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified.

The same accounting policies, presentation and methods of computation are followed in these unaudited interim condensed financial statements as were applied in the preparation of the audited financial statements for the year ended 31 December 2024.

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 ZLSG, is denominated in this currency. Monetary amounts in these financial statements are rounded to the nearest €.

The € to GBP exchange rate used for translation as at 30 June 2025 was €1.165379.

1.2 Basis of consolidation

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

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

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

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company had a cash balance of €4.7m at the period end and keeps a tight control over all expenditure. 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 going concern basis of accounting in preparing the Financial Statements continues to be adopted.

1.4 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.

1.5 Property, plant and equipment

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

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

Leasehold land and buildings	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	100% on cost on acquisition for items valued at less than €800

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

1.6 Impairment of non-current assets

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

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

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

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

1.7 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.

1.8 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.

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 30 June 2025 of €36,758,607 (31 December 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 accounting policy stated in note 1.6. Each exploration project is subject to a review either by a consultant or an appropriately experienced Director to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure as well as the likelihood of on-going funding from joint venture partners. In the event that a project does not represent an economic exploration target and results indicate that there is no additional upside, or that future funding from joint venture partners is unlikely, a decision will be made to discontinue exploration.

ZINNWALD LITHIUM PLC
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

In Germany, ZLGs core mining license at Zinnwald is valid to 31 December 2047. In 2024, the group published an updated Mineral Resource Estimate that showed a materially increased resource that underpins both the size of the Project and its long mine life. It shows that the Project is the second largest hard-rock lithium project in the EU and the third largest in Europe as a whole. ZLG has additional exploration licenses at Falkenhain valid to 31 December 2025 (for which the extension is being applied for), at Altenberg to 20 February 2027, at Sadisdorf to 30 June 2026, at Bärenstein valid to 30 June 2028 and the newly granted exploration license at Liebenau in 2023 and valid to 1 April 2030. In March 2025, the Group published its PFS for the Project that showed a pre-tax NPV of €3.3 billion and IRR of 23.8% on a phased project initially producing 18,000 tonnes per annum of lithium hydroxide scaling up to a peak production of 35,100 tonnes with a mine life in excess of 40 years. Accordingly, the Board has concluded that no impairment charge is required for these assets.

3 Segmental reporting

The Group operates solely 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.

	Germany 2025 €	UK 2025 €	Total 2025 €
Administrative expenses	(408,321)	(856,352)	(1,264,673)
Share based payment charge	-	(380,545)	(380,545)
Loss on foreign exchange	(1,542)	(17,846)	(19,388)
Other operating income	21,201	10,782	31,983
Finance income	7,661	16,021	23,682
Interest Paid	(1,243)	-	(1,243)
Tax	(6,501)	-	(6,501)
	<hr/>	<hr/>	<hr/>
Loss from operations per reportable segment	(388,745)	(1,227,940)	(1,616,685)
	<hr/>	<hr/>	<hr/>
As at 30 June 2025			
Reportable segment assets	35,328,329	7,008,585	42,336,914
Reportable segment liabilities	1,883,740	35,363	1,919,103
	<hr/>	<hr/>	<hr/>
	Germany 2024 €	UK 2024 €	Total 2024 €
Administrative expenses	(520,159)	(808,446)	(1,328,605)
Share based payment charge	-	(304,818)	(304,818)
Gain on foreign exchange	-	99,296	99,296
Other operating income	68,415	-	68,415
Finance income	-	241,332	241,332
Interest Paid	(2,191)	-	(2,191)
	<hr/>	<hr/>	<hr/>
Loss from operations per reportable segment	(453,935)	(772,636)	(1,226,571)
	<hr/>	<hr/>	<hr/>
As at 30 June 2024			
Reportable segment assets	30,156,337	10,911,880	41,068,217
Reportable segment liabilities	2,062,391	153,905	2,216,296

ZINNWALD LITHIUM PLC
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

4 Operating loss

	2025 €	2024 €
<i>Operating loss for the period is stated after charging / (crediting)</i>		
Exchange losses / (gains)	19,388	(99,296)
Depreciation of Right of Use Assets	59,531	66,194
Depreciation of owned property, plant and equipment	32,359	30,457
Amortisation of intangible assets	1,053	13,494
Gain on disposal of fixed assets	(840)	-
Share-based payment expense	380,545	304,818
Operating lease charges	25,550	44,906
Exploration costs expensed	316,586	423,407
	<u> </u>	<u> </u>

5 Other operating income

	2025 €	2024 €
Other operating income	31,983	68,415
	<u> </u>	<u> </u>

Other operating income includes income for use of hydrogeological data. Prior period primarily comprised rental and utilities income from sub-lessors at the Group's former offices in Freiberg.

6 Finance income

	2025 €	2024 €
Interest income		
Interest on bank deposits	23,682	241,332
	<u> </u>	<u> </u>

7 Earnings per share

	2025 €	2024 €
Weighted average number of ordinary shares for basic earnings per share	477,159,468	474,458,825
Effect of dilutive potential ordinary shares		
- Weighted average number of outstanding share options/RSUs and PSUs	28,907,354	22,276,104
	<u> </u>	<u> </u>
Weighted average number of ordinary shares for diluted earnings per share	506,066,822	496,734,929
	<u> </u>	<u> </u>
Earnings		
Continuing operations	(1,616,685)	(1,226,571)
Loss for the period for continuing operations	<u> </u>	<u> </u>
Earnings for basic and diluted earnings per share distributable to equity shareholders of the company	(1,616,685)	(1,226,571)
	<u> </u>	<u> </u>
Earnings per share for continuing operations		
Basic earnings per share		
Basic earnings per share	(0.33)	(0.25)
	<u> </u>	<u> </u>

There is no difference between the basic and diluted earnings per share for the period ended 30 June 2025 or 2024 as the effect of the exercise of options would be anti-dilutive.

ZINNWALD LITHIUM PLC
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

8 Intangible Assets

	Total €
Cost	
At 1 January 2025	34,207,732
Additions – group funded	2,557,424
	<hr/>
At 30 June 2025	36,765,156
	<hr/>
Amortisation and impairment	
At 1 January 2025	5,496
Amortisation charged for the period	1,053
	<hr/>
At 30 June 2025	6,549
	<hr/>
Carrying amount	
At 30 June 2025	36,758,607
	<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.

9 Property plant and equipment

	Leasehold, land and buildings €	Fixtures, fittings and equipment €	Motor vehicles €	Total €
Cost				
At 1 January 2025	100,990	458,914	66,593	626,497
Additions	8,400	2,686	-	11,086
Disposals	-	(840)	-	(840)
Exchange adjustments	-	(260)	-	(260)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2025	109,390	460,500	66,593	636,483
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 January 2025	-	151,559	44,185	195,744
Depreciation charged for the period	-	25,717	6,642	32,359
Disposals	-	(840)	-	(840)
Exchange adjustments	-	(226)	-	(226)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2025	-	176,210	50,827	227,037
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 30 June 2025	109,390	284,290	15,766	409,446
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10 Right of Use Assets and Lease Liabilities

In May 2024, Zinnwald Lithium 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 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 monthly combined leases instalments are €10,515 per month, fixed for the duration of the leases. Movements in the period are shown as follows:

	Total €
Right of Use Asset	
At 1 January 2025	279,566
Depreciation in the period	(59,531)
	<hr/>
At 30 June 2025	220,035
	<hr/>

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Lease Liability

At 1 January 2025	283,339
Interest charged in the period	4,242
Lease payments in the period	(63,090)
	<u>224,491</u>
At 30 June 2025	224,491
- Recognised in short-term payables	120,693
- Recognised in payables > 1 year	103,798

11 Trade and other receivables

	30 June 2025	31 December 2024
	€	€
Amounts falling due within one year:		
Trade Receivables	2,274	439
Other taxation and social security	8,025	-
Other receivables	138,807	235,344
Prepayments and accrued income	132,304	135,359
	<u>281,410</u>	<u>371,142</u>
At period end	<u>281,410</u>	<u>371,142</u>

12 Trade and other payables

	30 June 2025	31 December 2024
	€	€
Amounts falling due within one year:		
Trade payables	105,250	343,391
Other taxation and social security	-	61,465
Other payables	31,456	61,234
Accruals and deferred income	175,038	640,494
	<u>311,744</u>	<u>1,106,584</u>
At period end	<u>311,744</u>	<u>1,106,584</u>

13 Share based payment transactions

	30 June 2025	30 June 2024
	€	€
Expenses recognised in the period		
Options issued under the Share Option Plan (2017)	128,203	104,158
RSUs issued under RSU Scheme (2020)	192,173	151,007
PSUs issued under PSU Scheme (2020)	60,169	49,653
	<u>380,545</u>	<u>304,818</u>
At period end	<u>380,545</u>	<u>304,818</u>

Awards made under the various share incentive schemes will be expensed over the relevant vesting periods for each scheme. On 31 January 2025, a total of 3,600,000 Options were granted to employees, consultants and Directors of the Group at a price of 7.50p, together with 2,624,814 RSUs and 694,061 PSUs to the Executive Directors.

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 64.1% looking back 4 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 5 year look back for all future grants going forward.

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14 Share Capital

	30 June 2025	31 December 2024
	€	€
Ordinary share capital		
Issued and fully paid		
542,354,605 ordinary shares of 1p each (2024 : 474,536,675)	6,167,588	5,377,253

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 period:

	Ordinary Number	Ordinary Value
	€	€
Ordinary shares of 1p each		
At 1 January 2025	474,536,675	5,377,253
Issue of fully paid shares	67,817,930	790,335
At 30 June 2025	542,354,605	6,167,588

15 Cash (used in)/generated from group operations

	2024	2024
	€	€
Loss for the period after tax	(1,616,685)	(1,226,571)
Adjustments for:		
Investment income	(23,682)	(241,332)
Lease interest	4,242	2,191
Gain on disposal of fixed assets	(840)	-
Depreciation of Right of Use Assets	59,531	66,194
Depreciation of property, plant and equipment	32,359	30,457
Amortisation of Intangible Assets	1,053	13,494
Equity-settled share-based payment expense	380,545	304,818
RSUs expensed in previous period	-	(74,862)
Movements in working capital:		
Decrease / (Increase) in trade and other receivables	89,731	(52,665)
Decrease in trade and other payables	(794,839)	(976,489)
Cash used in operations	(1,868,585)	(2,154,765)

16 Events after the reporting date

There are no events after the balance sheet date to report.

17 Approval of interim condensed consolidated financial statements

These interim condensed financial statements were approved by the Board of Directors on 25 September 2025.