Company Registration No: 10829496 (England and Wales)

ZINNWALD LITHIUM PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Chairman's Statement

We continue to advance our integrated lithium hydroxide ('LiOH') project in Germany (the 'Project'), which is positioned to supply Europe with a sustainable source of lithium at a competitive cost that reduces its dependency on imports and further develop the EU's battery chain infrastructure.

During the period, we announced two updates to our independent Mineral Resource Estimate ('MRE'). The first, published in February, confirmed the Project's position as the second-largest hard rock lithium project in the EU, while the second, published in June, increased the Measured category.

Accordingly, the increased size of the resource creates the potential to develop a significantly larger project, which could be developed in phases, starting with Phase 1 production of 16,000-18,000 tonnes per annum ('tpa') of battery-grade (99.5%) LiOH, with the potential of a Phase 2 to add additional production capacity. Phase 1 would represent a circa 50% increase over the production of approximately 12,000 tpa projected in the 2022 Preliminary Economic Assessment and would be sufficient to power 500,000 electric vehicles per annum.

We also strengthened the team to support increased activity and continued with testwork programmes focused primarily on the Metso Alkaline Leach process. Results from these tests continue to generate encouraging results supporting further development of this processing route. The alkaline leach route potentially offers significant advantages in overall recovery, energy efficiency and environmental impact reduction.

We had originally planned to incorporate and publish our findings into a Definitive Feasibility Study ('DFS') at the end of this year. However, given the increased scale of the Project and the potential benefits offered by the Metso process, post period end in July we decided to take an interim step and produce a Pre-Feasibility Study ('PFS'), which we expect to complete in Q1 2025. This enables us to evaluate the potential for Phase 2 and ensure that its impact on the environment and local communities is minimised and technical testwork and trade-offs fully examined.

The additional PFS step is not anticipated to delay the overall project timeline. In fact, several workstreams have already reached Feasibility Study level accuracy and others are either in progress or nearing completion including metallurgical testing, mine planning, permitting, and commercial activities.

In terms of market dynamics, the lithium sector continues to navigate complex trading conditions as a result of geopolitical tensions, regulatory changes and shifting demand patterns. Despite these hurdles, Europe's future demand for lithium is projected to exceed supply as the EU strives to secure its own lithium resources, reduce its reliance on external sources and achieve its climate objectives.

The European Critical Raw Materials Act ('CRMA') was enacted in May and represents a crucial move towards enhancing the bloc's strategic autonomy and economic resilience. In light of this, in August we submitted an application to have our project designated as 'strategic' under the CRMA as we believe it meets the necessary criteria. Achieving this status would offer several benefits including expedited permitting and increased regulatory support, which would be instrumental in advancing the Project and integrating it into the EU's critical raw materials value chain. The EU is expected to announce its decision in December.

Encouragingly, in June we received a strong expression of support from the Government of the State of Saxony for the Project in relation to our application for a grant under the German Government's Temporary Crisis and Transition Framework ('TCTF') scheme for its domestic Battery Chain. Although the amount and certainty of grant funding for the Project remain unknown until the Federal Government makes a formal decision on recommended projects during 2024 and final funding decisions at the end of the year, this support underscores the emphasis on developing domestic supplies of critical raw minerals in Germany and the EU.

We were also delighted to meet German Chancellor Olaf Scholz during his visit to the Saxon Mining Authority earlier this month to discuss the future raw material security. The Chancellor was supportive saying: "We need all of Europe ready to take on projects like this. It's not just a challenge for us; there are critical raw materials across Europe that we can mine and urgently need."

Local support is essential for the long-term success and sustainability of our Project. With this in mind, our team in Germany is actively engaging in regular dialogue with the local communities to foster a shared sense of purpose that promotes mutual prosperity. By supporting our project , we are hopeful that they see the value in ensuring the responsible extraction of resources, economic growth, and job creation while contributing to global climate goals.

Equally important are our shareholders, which is why we have engaged InvestorHub. This platform allows us to streamline our communication, providing shareholders with timely updates, insights, and essential information about the Project as well as helping us to better address shareholder queries.

Financials

The Company continues to maintain its extremely disciplined approach to expenditure and cash management and as such is well funded through completion of the PFS and into the ongoing work in 2024, with cash of €8.1m as at the date of this report.

Outlook

The remainder of the year promises to be busy as we look to develop a low-risk, scalable project that delivers enduring value to our shareholders, stakeholders, and the communities in which we operate. The updated MRE supports this vision and underscores the potential for increased production of LiOH through a phased development approach.

We look forward to keeping our shareholders informed with regular updates as we progress the Project towards its construction phase.

Jeremy Martin

Non-Executive Chairman

1. Highlights

Six months to 30 June 2024

- Announced two updates to the Mineral Resource Estimate ('MRE') - confirmed the Project's position as the second-largest hard rock lithium project in the EU and strengthened the Measured category.
- Advanced processing tests with Metso, which continue to generate encouraging results that potentially offer significant advantages in overall recovery, efficiency and environmental impact reduction.
- Explored potential to expand project in phases, starting with Phase 1 producing 16,000-18,000 tpa of battery-grade Lithium Hydroxide (LiOH), a 50% increase from the 2022 estimate of 12,000 tpa.
- Received strong expressions of support from Federal and State Governments in Germany with invitation to formally apply for federal grant funding strongly backed by the State of Saxony.
- Strengthened the team to support increased activity.
- Organised events and engaged in regular dialogue with the local communities.
- Engaged InvestorHub to streamline communication with shareholders.

Post period end to 17 September 2024

- Agreed to develop a Pre-Feasibility Study ('PFS') to assess the potential for a Phase 2 expansion and undertake various technical trade-off studies.
- Progressed workstreams, with several achieving Feasibility Study accuracy and others nearing completion at PFS level.
- Applied for the Project to be designated as 'strategic' under the European Critical Raw Materials Act ('CRMA'), with a decision expected in December.
- Held a productive meeting with German Chancellor Olaf Scholz during his visit to the Saxon Mining Authority.

2. Operational Review

The first half of 2024 saw Zinnwald Lithium Plc (the "Company") and its wholly owned subsidiary, Zinnwald Lithium GmbH ("ZL GmbH" and together the "Group") accelerate its development strategy for its integrated Zinnwald Lithium Project (the "Project"). During the six months to 30 June, the Company's priorities were completion of its MRE, detailed mine planning and testwork related to mineral and chemical processing.

2.1. Six months to 30 June 2024

GEOLOGY AND MINING
Mineral Resource Estimate

On 21 February 2024, the Company published its updated independent MRE that showed a substantial increase in its Mineral Resource at the Project with a 243% increase in contained lithium in the Measured and Indicated categories versus the 2018 MRE. This establishes the Project as the second largest hard rock lithium project by both resource size and contained lithium in the EU and clearly highlights its scale and strategic importance.

The MRE incorporated 26,911 metres of new diamond core drilling across 84 drill holes and a reinterpreted and updated geological model since the previous MRE, which was released in September 2018. In addition to the high-grade greisen mineralisation, focus of the recent 2022/2023 drilling was the lithium mineralisation hosted by the broader zone of altered albite granite, which includes internal lenses of higher-grade greisen. The highlights of this initial MRE showed a 445% increase over the previous MRE issued in May 2018, with a total Measured and Indicated resource of 193.5Mt that represents 429,000 tonnes of contained Lithium metal and an Inferred resource of a further 33.3Mt that represents 71,000 tonnes of contained Lithium metal.

On 6 June 2024, the Company announced a further update to the MRE following a geometallurgical testwork programme recommended by Snowden Optiro on 35 variability drill core samples derived from the 2022 / 2023 drilling campaign. It was undertaken to provide a higher level of confidence in the Mineral Resource within the mineralised albite granite, which surrounds the lenses of higher-grade greisen mineralisation. The result was to add an additional 25.0Mt @ 2,090ppm Li (52kt contained lithium metal), in the Measured category representing an increase of 221% in tonnes and 133% in contained metal in the Measured category compared with the February 2024 MRE. The Project now has sufficient material in Measured category alone to support over 20 years of production. This is a major milestone as it further de-risks the resource and adds a higher level of confidence in the detailed mine plan, which is key to future financing plans.

Overall, the total Measured category increased to 36.3Mt @ 2,500ppm Li (91kt contained lithium metal) while the total Indicated category is now 157.2Mt @ 2,150ppm Li (337kt contained lithium metal), as a result of the increase in the Measured category. The total Measured and Indicated category remains unchanged at 193.5Mt @ 2,220ppm

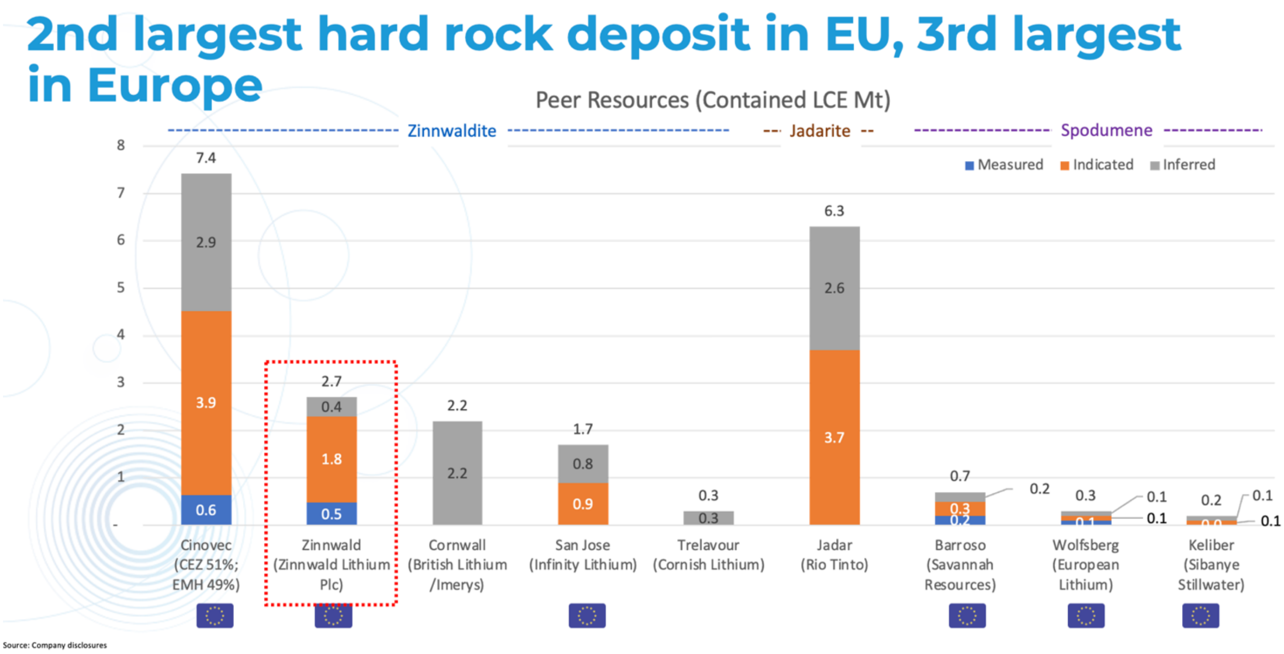
Li (428kt contained lithium metal). The Inferred category remained unchanged at 33.3Mt @ 2,140ppm Li (71kt contained lithium metal).

The MRE (detailed below) was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101") by independent consulting firm Snowden Optiro Ltd ("Datamine International") of Bristol, United Kingdom.

Table 1.1 Mineral Resource Statement for Zinnwald Lithium Project, effective 5th June 2024.

Classification	Domain	Tonnes	Mean Grade		Contained Metal	
		(Mt)	Li (ppm)	Li2O (%)	Li (kt)	LCE (kt)
Measured	**External Greisen (1)**	11.3	3,420	0.736	39	206
	Mineralised Zone (2)	25.0	2,090	0.449	52	277
	Internal Greisen	*1.5*	*3,240*	*0.697*	*5*	*27*
	Mineralised Granite	*23.5*	*2,020*	*0.434*	*47*	*250*
	Subtotal (1) and (2)	36.3	2,500	0.538	91	483
Indicated	**External Greisen (1)**	2.1	3,510	0.756	7	40
	Mineralised Zone (2)	155.1	2,130	0.459	331	1,762
	Internal Greisen	*13.2*	*3,330*	*0.717*	*44*	*234*
	Mineralised Granite	*141.9*	*2,019*	*0.435*	*287*	*1,528*
	Subtotal (1) and (2)	157.2	2,150	0.463	338	1,802
Measured + Indicated Subtotal		193.5	2,220	0.478	429	2,285
Inferred	**External Greisen (1)**	0.8	3,510	0.756	3	15
	Mineralised Zone (2)	32.5	2,110	0.454	68	364
	Internal Greisen	*0.6*	*2,880*	*0.620*	*2*	*9*
	Mineralised Granite	*31.9*	*2,090*	*0.450*	*67*	*355*
	Subtotal (1) and (2)	33.3	2,140	0.461	71	379

This updated MRE cemented the Project's position as the second largest resource in the EU and the third largest in Europe as a whole. The chart below puts the Project in context of the other European hard rock lithium projects.



Mine Planning Activities

With the completion of the updated MRE, the Company has commenced detailed mine planning with Snowden Optiro. Large scale sub-level stoping with subsequent backfill has previously been determined to be the optimal mining method, which offers higher capacity, lower operating expenditure and easier backfill process than the Room and Pillar-method assumed in earlier studies. Notably, with 36.3Mt in measured resources and the large dimensions of both the High Grade External Greisen ('HGG') and Albite Granite ('AG') domains now confirmed, significantly larger annual mining volumes can be supported, which will positively impact production of end product.

It is envisaged that the revised mine design will incorporate the strategy of higher productivity mining methods. In addition, operating the mine using a fully electrified trackless equipment fleet will be evaluated. This current work focuses on the understanding of key drivers of costs and efficiency across the entire production operation, taking all technical aspects of the Project into consideration. Detailed understanding of geotechnical aspects at Zinnwald as well as downstream process efficiencies and cost assumptions are crucial to adequately determine future metrics defining the Cut-off-Grade ('COG') and optimal production capacity scenarios.

PROCESS DEVELOPMENT / TESTWORK / ENGINEERING

The Company has continued its mineral processing, calcination and hydrometallurgical testwork programme run by Metso, a leader in sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing and metals refining industries globally.

Mineral Processing

Following completion of the pilot scale mineral processing testwork in December 2023 at the GTK pilot facilities in Finland by GTK and Metso, which confirmed the earlier bench scale test work, basic engineering for a feasibility study was initiated later that month. In H1 2024, Metso completed its mineral processing flowsheet design and equipment selection. This section of the process is a simple mainstream, proven design with a single crushing stage followed by two production lines consisting of grinding and rougher-scavenger wet magnetic separating and dewatering. Basic engineering for this stage is expected to be completed by the end of September 2024.

Pyro- and Hydrometallurgy

Pilot scale calcination testwork was undertaken at IBU-tec under Metso's supervision during June 2024. A further large scale c. 1 tonne sample has been sent to Metso's facility in York, Pennsylvania, USA for a further testwork programme focused, inter alia, on equipment sizing. The calcination tests undertaken at IBU-Tec have provided calcined material, which will be tested at large bench-scale at Metso's facility in Pori, Finland, which will help to define the base line hydrometallurgical process and the mass balance.

The ongoing pyro- and hydrometallurgy testwork is all designed with the goal of further proving the suitability of Zinnwaldite for Metso's proprietary alkaline leach process. The earlier findings for initial testwork included:

- No additives needed in calcination;
- Significantly less waste material produced;
- Temperature clearly below 1000°C; and
- Li recovery to solution above 95%.

The Company and Metso believe that the alkaline processing route has the potential to offer significant advantages in terms of overall recovery, efficiency and reduced impact on the environment. While the use of this process for zinnwaldite ore is a new application of the process, it has been successfully demonstrated at continuous pilot scale using spodumene feedstock at other operations such as the Keliber lithium project in Finland, which is under construction.

A representative sample of zinnwaldite concentrate was also tested by K-Utec during Q2 2024. This confirmed that the large scale tests previously performed by K-Utec based on HGG concentrate are applicable to the material derived from a combination of both HGG and AG. As such, the sulphation roast process route that underpinned the PEA published in 2022 remains a viable processing route for the larger scale operation. Work to assess this relative to the alkaline leach route will continue to ensure that the route eventually selected is the most optimal in terms of delivery, efficiency, cost and environmental impact.

Hydrogeology

In February 2024, the Company completed its hydrogeological drill programme that comprised eight groundwater ('GW') monitoring wells and was started in September 2023. These included six deep wells extending to reach the mineralised Albite Granite, and two shallow drill wells intended to penetrate the Rhyolite rock of the hanging wall. All of these wells will be converted to long term ground water monitoring wells to collate data on an ongoing basis.

The results of this programme will support the production of a hydrogeological underground and surface model. This model will include information received from Geomet in regard to data on the Czech side of the border to support the development of a combined cross-border hydrogeological model. This represents an essential piece of work for both technical and planning as well as environmental impact assessment ('EIA') permitting requirements.

The Company is supported by a group of consultants in this effort, including Geologische Landesuntersuchung Freiberg GmbH ('GLU'), Fugro and ERM.

Infrastructure

In 2024, the Company has continued its work on defining the optimal solutions for the required infrastructure based on the potential for higher production levels supported by the results of the drilling campaign and the metallurgical testwork carried out. The Company is using Fichtner GmbH, a major German consulting group with experience concerning materials handling, road, and rail infrastructure as well as all civil works. The Group will, using trade-off studies, evaluate the most suitable, economical and environmentally friendly options for all surface facilities.

The Company has also continued with its evaluations for tailings management, supported by Knight Piesold (UK), which specialises in tailings management and engineering. The Company is strongly committed to progress planning for a Dry Stack Facility ('DSF'), for which multiple design and site options are being evaluated.

Exploration Licenses

Whilst the Company's primary focus is on the development of its core Zinnwald License, it continues to advance targets on its other 100% owned prospective exploration license areas that surround it including Falkenhain, Altenberg, Bärenstein and Sadisdorf. The primary focus of the geology team in the first half of 2024 was on preparing the updated MRE for Zinnwald, but work has also been carried out to relog and sample historic data and core related to the exploration licenses.

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.

EUROPEAN UNION MARKET & FUNDING OPPORTUNITIES

Critical Raw Materials Act ("CRMA")

On 23 May 2024, the EU's CRMA passed into law, which includes two key pillars that are most relevant to the Project. Firstly, it codifies the EU's benchmark goals for domestic European capacities to be able to extract 10%, process 40% and recycle 25% of its annual consumption of strategic raw materials by 2030. Secondly, it states that "selected strategic projects will benefit from support for access to finance and shorter permitting timeframes (27 months for extraction permits and 15 months for processing and recycling permits)."

The EU Commission issued an invitation for applications by promotors of critical materials projects to be formally designated as a "strategic project" under the specific categories of Extraction, Processing, Recycling or Substitution. The invitation specified a deadline for the first round of applications to be submitted by 22 August 2024.

The Company formally applied for the designation by this deadline under both the Extraction and Processing categories. It believes that there is a strong case that the Project will meet the key criteria for recognition as a Strategic Project, namely, its ability to deliver a meaningful contribution of LiOH to the EU based on the scale of its resource as the second largest hard-rock deposit in the EU; the feasibility of its flowsheet; its sustainability credentials; and its wider benefits to the EU.

Temporary Crisis and Transition Framework ('TCTF')

In September 2023, the German Federal Ministry for Economic Affairs and Climate Action ('BMWK') announced a new programme for public grant funding under the TCTF, a temporary funding instrument of the EU to promote the production of climate-neutral, strategically important technologies. This specific TCTF programme is to support the "Resilience and Sustainability of the Battery Cell Manufacturing Ecosystem" in Germany.

Zinnwald Lithium submitted an application and, as part of Phase 1 of the application process, underwent a series of detailed reviews with by BMWK's programme management agency, VDI/VDE Innovation + Technology GmbH ('VDI/VDE'). On 27 June 2024, Zinnwald Lithium received an invitation from VDI/VDE to formally apply for the envisaged funding (Phase 2 of the application process). This invitation does not guarantee that funding will be secured but is a recognition of the strong potential of the Project.

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.

Zinnwald Lithium has mandated IKB Deutsche Industriebank AG to support the application within Phase 1 and 2 of the process.

SUSTAINABILITY MATTERS

Zinnwald continues to comply with the QCA corporate governance code and its guidance on sustainability matters. The Company 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.

Permitting and Environmental

Zinnwald is committed to applying the highest standards for environmental protection, not only in its future operations but more immediately in its current on-going exploration phases of the Project. In conjunction with its environmental surveyors and consultants, the team is focused on defining its future environmental management strategies and delivery of its EIA Study.

The Company has ongoing engagement with all relevant authorities and other stakeholders, including the Saxony Mining Authority ('SOBA'), the Landesdirektion Sachsen (State Directorate responsible for spatial planning) and local municipal, district, state and federal authorities.

The Company previously held a Scoping Meeting in 2023 with all relevant authorities and in January 2024, received the Scoping Meeting Report from SOBA, detailing stakeholder feedback on the Project. The Company has also been undertaking an "Early Spatial Planning Procedure" to gather feedback on its plans from the relevant authorities. Consequently, an alternative potential processing site location was identified alongside the A17 Highway, the main highway connecting Dresden with Prague. This site is large enough to accommodate an operation that can support the scale of mineral resource that has been confirmed with the updated MRE.

Social

With the Project gaining momentum, the Company has continued to build out its long-term operational owners' team in Germany.   Engagement with the local community of Zinnwald remains a priority for the Company. 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. In May 2024, as part of its continued commitment to the local community, the Company took out a long-term lease on a new property in the City of Altenberg that now houses the Project's extensive core shed and also presentation areas for engagement with the local community. On 1 June 2024, the Company held a well-attended open day for the community at which several hundred people attended as well as representatives from local government and SOBA. The Company will continue to hold town hall events in the coming months to provide further details on the development of the Project, its benefits, and its aim to mitigate impact on the environment and community.

2.2. Post Balance Sheet events to 16 September 2024

Feasibility study strategy

The significant increase in resource size coupled with the identification in 2024 of a potential processing site next to the A17 Highway has created the opportunity for the Company to consider a significantly larger scale project. This will increase the relevance of the Project to the European battery materials markets and improve its prospects of being classified as a strategic project under the CRMA.

In order to properly assess the Project's design and scope, it has been decided to undertake an interim step of producing a PFS to allow a detailed analysis of the trade-off and options associated with the increased scope of the Project and the new site options. The PFS is expected to be completed in Q1 2025 with several parts already reaching Feasibility Study accuracy. Alongside this, the Company continues to progress the spatial planning and permitting process associated with the Project and, as such, does not anticipate that taking the additional step of producing a PFS will delay the overall project timeline.

As with its previous work on the MRE, the Company will continue to use internationally credible consultants to assist the Project through this phase and onwards to the Feasibility Study as this will lend the credibility required by permitting authorities and ultimately finance partners. For the PFS, the Company is working with Metso for mineral processing and pyro and hydromet 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, Fichtner for infrastructure and Dr Sauer & Partners for tunnel development.

Environmental and Social Impact Assessment ('ESIA') Scoping Study

Following engagement and various meetings with the authorities, the Project will follow an integrated permitting procedure. A Spatial Planning Procedure (under the Saxony State Directorate - Landesdirektion Sachsen – LDS) is underway to feed into the overarching permit the General Operating Plan (GOP – Rahmenbetriebsplan). The Mining Authority of the Federal State of Saxony (Sächsisches Oberbergamt – SOBA) will be the single overarching permitting authority for the GOP. The GOP requires a whole suite of documents including the EIA and other related documentation (e.g. Natura 2000 Impact Assessments, Landscape Management Plan, various environmental technical reports etc.). 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.

In August 2024, the Group issued a Request for Quotation ('RfQ') to five leading internationally respected consultancy groups for the production of an ESIA Scoping Study. The Company expects to select the successful bidder for this Study in October 2024 with work to start immediately. This Scoping Study stage will include the provision of ESIA related inputs to the Stakeholder Engagement Plan ('SEP')', the Land Acquisition & Resettlement Framework ('LARF') and the Environmental and Social sections of the PFS. The Company will then invite the successful bidder during the later part of the ESIA scoping stage to submit a 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.

The ESIA Scoping Report and then full ESIA will also be used for the purposes of seeking finance from International Financing Institutions ('IFIs') who are signatories to the Equator Principles 4 ('EP4'). EP4 is a risk management framework adopted by IFIs for determining, assessing and managing environmental and social risks of investments, as well as the requirements of the IFC Performance Standards and the broadly aligned EBRD Performance Requirements. In addition, the WBG EHS Guidelines for Mining and General Guidelines are relevant to meeting international lender standards. The Group will also evaluate the applicability of the Initiative for Responsible Mining Assurance ('IRMA') certification. The Group also aligns itself to the UN Sustainable Development Goals ('SDGs'), which are a collection of 17 interlinked global goals supported by 5448 actions. The Group will undertake a process to identify its initial and future contributions to the UN SDGs on a local and global scale.

Visit by Chancellor Scholz

On 30 August 2024, Germany's Federal Chancellor, Olaf Scholz, visited the Saxon Mining Authority ('SOBA') in Freiberg to discuss the future raw material security in Germany with the Saxon Minister of Economics, Martin Dulig. Representatives of Zinnwald Lithium GmbH also attended the meeting at which the potential role of Zinnwald Lithium's Project near Altenberg was discussed.

During his visit, Chancellor Scholz was enthusiastic about the possibility of mining lithium in Saxony in an environmentally friendly way. He said "We are a country that processes modern raw materials. Germany imports many raw materials from other countries in the world, but some are also available in this country - including lithium. In Saxony, lithium is to be mined on a large scale in an environmentally friendly way in the future. "This creates jobs, prosperity and is therefore a priority", the chancellor wrote on X after the meeting. During his visit to the Oberbergamt, the Chancellor learned about the Project, in which Zinnwald Lithium GmbH near Altenberg wants to implement one of the largest lithium mining projects in Europe - by around 2030. The Company's goal is to mine roughly the amount of lithium needed for about 500,000 car batteries per year. The Federal Government and the Free State of Saxony support the Project.[1]

2.3. Lithium Market in 2024

2024 has continued to see ongoing weakness in the price of lithium from the highs of $80,000 per tonne in 2022 to below $15,000 per tonne in 2024. The lithium market has grown very rapidly from being a relatively small niche market from a global perspective. Partly as a consequence of this, the pricing of lithium has historically been quite volatile if looked at over a purely short-term basis. The price tends to overshoot in the short term on both the high

[1] https://www.bundesregierung.de/breg-de/aktuelles/pressestatement-bk-oberbergamt-2305090

and low side, as shown in the swings from 2022 to 2023. However, pricing remains materially higher than the prices seen in the previous cyclical low of 2018-19.

It is important to note that the Company deliberately took a conservative long term price assumption of $22,500/t in its PEA in 2022 to ensure the robustness of its financial forecasts. This can be shown in comparison to other projects that have issued studies since Zinnwald's PEA was published with their assumed pricing noted below:

Recent Published Feasibility Studies Long term Price Assumptions						
Company	**Project**	**Study Type**	**Date**	**Product**	**price ($/t)**	**Market study cited**
E3 Lithium	Clearwater	PFS	Jun-24	Lithium Hydroxide	31,344	Benchmark Mineral Intelligence
Century Lithium	Clayton Valley	DFS	Apr-24	Lithium Carbonate	24,000	Benchmark Mineral Intelligence / internal
Lake Resources	Kachi	DFS	Feb-24	Lithium Carbonate	35,000	WoodMac
Arizona Lithium	Prairie Lithium	PFS	Dec-23	Lithium Carbonate	21,000	Global Lithium
Galan Lithium	Hombre Muerto	DFS	Oct-23	Lithium Carbonate	29,000	WoodMac
Standard Lithium	Lanxess South	DFS	Oct-23	Lithium Carbonate	30,000	Global Lithium
Arcadium (Alkem)	James Bay	PFS	Sep-23	Lithium Carbonate	28,000	WoodMac
Sayona Mining	North American Lithium	PEA	Jun-23	Lithium Carbonate	25,585	Internal
Piedmont Lithium	Tenessee Lithium Project	DFS	May-23	Lithium Hydroxide	26,000	Benchmark Mineral Intelligence / internal
Frontier Lithium	PAK Lithium	PFS	May-23	Lithium Hydroxide	22,000	Internal
European Lithium	Wolfsberg	DFS	Mar-23	Lithium Hydroxide	48,600	Gambosh Consulting
Vulcan	Zero Carbon Lithium	DFS	Feb-23	Lithium Hydroxide	31,973	Fastmarkets/ internal
Lithium Americas	Thacker Pass	DFS	Nov-22	Lithium Carbonate	24,000	WoodMac
Zinnwald Lithium	Zinnwald	PEA	Sep-22	Lithium Hydroxide	22,500	Internal

Source: Company Announcements

The financial analysis included in the 2022 PEA indicated that the Project could be relatively robust financially even at a reduced lithium price. There are large parts of the current supply chain, most notably Chinese lepidolite production, that produces at a materially higher cost than those estimated for the Project.

In Canaccord's most recent quarterly assessment of pricing for end Q2 2024, it states: "We have flat lined our price forecast until 2026. We see SC6 pricing being range bound between US$1,000-1,500/t until 2027 on adequate supply. Excursions below US$1,000/ t will result in the supply removal and a quicker rebalancing of the market. We forecast average chemical pricing of US$15,129/t out to 2027. From 2027, we believe the supply additions will have abated and demand growth from North America and Europe will drive pricing higher. We continue to place LT pricing at US$1,500/t (SC6) and US$22,500/t (chemicals); it remains our view that this is needed to stimulate supply longer term." Accordingly, the Company continues to believe that a Lithium Hydroxide price of $22,500 per tonne is a reasonable long term assumption.

2.4. Outlook

The Project's updated MRE that has shown the potential size and scale of the Project has re-positioned it in terms of its relevance to the German and EU Battery Chain. The Company's near-term priorities are to progress and complete the PFS Study for publication in Q1 2025. The Company will also continue to advance the work required to successfully permit the Project, including the Spatial Planning submission and the start of its formal ESIA Scoping Study. Alongside this, advancing the Project from a technical and permitting aspect, 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 €1.2m compared with a loss of €1.3m for the six month period ended 30 June 2023. In the six months to 30 June 2024, administrative expenses remained at €1.2m 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 €0.3m in both 2024 and 2023, arising from the issuance of new Options and RSUs in each period. There was rental income in each period of €0.1m arising from the sub-leasing of space at its offices and core shed in Freiberg, which has now ended. Interest income on the Group's cash balances increased to €0.2m in the period reflecting the higher cash balance flowing through from the Company's fund raise in March 2023.

The Total Net Assets of the Group decreased to €38.9m as at 30 June 2024 compared with €39.9m at 31 December 2023. The Group's Intangible asset balance increased to €30.6m at 30 June 2024 from €27.6m at 31 December 2023 and cash balances decreased to €9.3m from €14.3m at the end of 2023, which all reflects ongoing spend on the Zinnwald Lithium Project. As at the date of this report, the Group's cash balance is €8.1m.

On behalf of the board

Cherif Rifaat,
CFO and Director

The technical information relating to geology and the Mineral Resource Statement has been extracted from the Company's RNS on the updated MRE that was published on 6 June 2024 and was reviewed on behalf of Zinnwald Lithium by Laurie Hassall, Senior Consultant, MSci FIMMM '689775' FGS '1044219', of Snowden Optiro. The technical disclosure on other Project matters, particularly the Flowsheet, has been approved by Qualified Person EurGeol (#641) Christian Masurenko of Zinnwald Lithium, Dipl. Geo., Member EFG, Fellow SEG. Both Mr Hassall and Mr Mazurenko have sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies, which outlines standards of disclosure for mineral projects. They consent to their inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The directors present their report and financial statements for the six months ended 30 June 2024.

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 13.

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 2023 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 18 September 2024:

Major Shareholder	No of Shares	% of Issued share capital
AMG Critical Materials N.V.	118,996,738	25.1%
Henry Maxey	69,236,495	14.6%
Ganfeng Lithium Ltd	25,465,889	5.4%
Mark Tindall	19,752,443	4.2%
Oberon Investments Limited	14,176,076	3.0%

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 2023 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 2024 the Group as a whole estimates that it consumed circa 675,000 kWh (2023: 1,900,000 Kwh) of energy in the period. The prior year included the work on the drilling campaign in Germany. 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
19 September 2024

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 (published 30 March 2018) 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 (2018).

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 2023 was published on 21 March 2024 and contains the disclosures recommended by the QCA Code. Furthermore, the Company updates its annual QCA Statement on its website with the most recent version published in September 2023, which includes therein further additional detail on the Company's ongoing compliance.

	Notes	30 June 2024 Unaudited €	30 June 2023 Unaudited €
Continuing operations			
Administrative expenses		(1,231,500)	(1,178,600)
Other operating income	**5**	68,415	68,957
Share based payments charge	**14**	(304,818)	(255,111)
Operating Loss	**4**	(1,467,903)	(1,364,754)
Finance income	**6**	241,332	32,792
Loss before taxation		(1,226,571)	(1,331,962)
Tax on loss		-	-
Loss for the financial period		(1,226,571)	(1,331,962)
Other Comprehensive Income		-	-
Total comprehensive loss for the period		(1,226,571)	(1,331,962)
Earnings per share from continuing operations attributable to the owners of the parent company	**7**		
Basic (cents per share)		(0.25)	(0.34)

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

	Notes	30 June 2024 Unaudited €	30 June 2023 Unaudited €	31 December 2023 Audited €
Non-current assets				
Intangible Assets	**8**	30,617,235	22,654,530	27,652,152
Property, plant and equipment	**9**	413,768	353,077	386,788
Right of Use Assets	**10**	220,035	-	-
		31,251,038	23,007,607	28,038,940
Current assets				
Trade and other receivables	**0**	409,378	507,920	357,463
Right of Use Assets	**10**	120,049	116,280	46,131
Cash and cash equivalents	**0**	9,287,751	19,689,789	14,306,191
		9,817,178	20,313,989	14,709,785
Total Assets		41,068,216	43,321,596	42,748,725
Current liabilities				
Trade and other payables	**0**	(492,325)	(934,725)	(1,469,564)
Lease Liabilities < 1 year	**10**	(116,612)	(118,454)	(47,795)
		(608,937)	(1,053,179)	(1,517,359)
Net current assets		9,208,241	19,260,818	13,192,426
Non-current Liabilities				
Deferred tax liability		(1,382,868)	(1,382,868)	(1,382,868)
Lease Liabilities > 1 year	**10**	(224,490)	-	-
		(1,607,358)	(1,382,868)	(1,382,868)
Total liabilities		(2,216,295)	(2,436,047)	(2,900,227)
Net Assets		38,851,921	40,885,548	39,848,498
Equity				
Share capital	**15**	5,377,253	5,365,379	5,365,379
Share premium		39,476,355	39,403,810	39,403,810
Other reserves		2,042,106	1,623,039	1,896,531
Retained earnings		(8,043,793)	(5,506,680)	(6,817,222)
Total equity		38,851,921	40,885,548	39,848,498

	Share Capital	Share premium account	Other reserves	Retained earnings	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 income for the period	-	-	-	(1,226,571)	(1,226,571)
Currency translation difference	-	-	38	-	38
Total comprehensive income for the period	-	-	38	(1,226,571)	(1,226,533)
Issue of share capital	11,874	72,545	-	-	84,419
Share issue costs	-	-	-	-	,
Credit to equity for equity settled share-based payments	-	-	145,537	-	145,537
Total transactions with owners 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

	Share Capital	Share premium account	Other reserves	Retained earnings	Total
	€	€	€	€	€
Balance at 1 January 2023	3,316,249	20,289,487	1,367,868	(4,174,718)	20,798,886
Six months ended 30 June 2023					
Loss and total other comprehensive income for the period	-	-	-	(1,331,962)	(1,331,962)
Currency translation difference	-	-	60	-	60
Total comprehensive income for the period	-	-	60	(1,331,962)	(1,331,902)
Issue of share capital	2,049,130	19,282,326	-	-	21,331,456
Share issue costs	-	(168,003)	-	-	(168,003)
Credit to equity for equity settled share-based payments	-	-	255,111	-	255,111
Total transactions with owners recognised directly in equity	2,049,130	19,114,323	255,111	-	21,418,564
Balance at 30 June 2023	5,365,379	39,403,810	1,623,039	(5,506,680)	40,885,548

	Notes		30 June 2024 Unaudited		30 June 2023 Unaudited
Cash flows from operating activities					
Cash used in operations	**16**		(2,154,765)		(859,168)
Net cash outflow from operating activities			(2,154,765)		(859,168)
Cash flows from investing activities					
Exploration expenditure		(2,955,592)		(3,689,166)	
Purchase of property, plant and equipment		(80,385)		(50,707)	
Proceeds from sale of tangible assets		-		-	
Interest received		241,332		32,792	
Net cash used in investing activities			(2,794,645)		(3,707,081)
Cash flows from financing activities					
Proceeds from the issue of shares		-		21,163,453	
Lease payments		(69,030)		(72,000)	
Net cash (used in) / generated from financing activities			(69,030)		21,091,453
Net (decrease)/increase in cash and cash equivalents			(5,018,440)		16,525,204
Cash and cash equivalents at beginning of period			14,306,191		3,164,585
Cash and cash equivalents at end of period	**0**		9,287,751		19,689,789

1 Accounting Policies

Company Information

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

The group consists of Zinnwald Lithium Plc and its wholly owned subsidiaries, as follows as at 30 June 2024.

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 Zinnwald Lithium Holdings Ltd (formerly Deutsche Lithium Holdings Ltd) is 29-31 Castle Street, High Wycombe, Bucks, HP13 6RU.

The registered office address of both Zinnwald Lithium GmbH Zinnwald Lithium Services GmbH 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 2023, which have been prepared in accordance with UK-adopted International Accounting Standards (UK IAS) and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under UK 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 2023 were approved by the Board of Directors on 21 March 2024 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 2023.

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

The € to GBP exchange rate used for translation as at 30 June 2024 was €1.176955.

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 €9.3m 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 impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Any impairment is recognised directly in profit or loss.

1.5 Property, plant and equipment

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

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

Leasehold land and buildings	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.

1.8 Right of Use Assets and Lease Liabilities

On 1 January 2019, the Group adopted IFRS 16, which supersedes IAS 17 and sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. 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 2024 of €30,617,236 (31 December 2023: €27,652,152), 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.

In Germany, ZLGs core mining license at Zinnwald is valid to 31 December 2047, which underpins the PEA published in September 2022. In February 2024, and further updated in June 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, at Altenberg to 15 February 2027, at Sadisdorf to 30 June 2026 and at Bärenstein, newly granted in 2023 and valid to 30 June 2028. The 2022 PEA showed a material increase in size and output of the Project and underpinned a pre-tax NPV of $1.6 billion and a post-tax NPV of $1.0 billion and post-tax IRR of 29%. Accordingly, the Board has concluded that no impairment charge is required for these assets.

3 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. Non-core Assets related to the historic Abbeytown Zinc Project, which was sold in April 2023.

	Non-core Assets 2024 €	**Germany 2024 €**	**UK 2024 €**	**Total 2024 €**
Administrative expenses	-	(520,159)	(808,446)	(1,328,605)
Share based payment charge	-	-	(304,818)	(304,818)
Gain/(loss) 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)
Loss from operations per reportable segment	-	(453,935)	(772,636)	(1,226,571)
Reportable segment assets	-	30,156,337	10,911,880	41,068,217
Reportable segment liabilities	-	2,062,391	153,905	2,216,296

	Non-core Assets 2023 €	**Germany 2023 €**	**UK 2023 €**	**Total 2023 €**
Administrative expenses	(8,839)	(446,466)	(811,663)	(1,266,968)
Share based payment charge	-	-	(255,111)	(255,111)
Gain/(loss) on foreign exchange	-	-	88,368	88,368
Other operating income	-	68,957	-	68,957
Finance income	-	-	32,792	32,792
Interest Paid	-	(2,511)		
Loss from operations per reportable segment	(8,839)	(377,509)	(945,614)	(1,331,962)
Reportable segment assets	-	22,667,315	20,654,281	43,321,596
Reportable segment liabilities	-	2,415,318	20,730	2,436,048

4 Operating loss

	2024	2023
	€	€
Operating loss for the period is stated after charging / (crediting)		
Exchange (gains)/losses	(99,296)	(88,368)
Depreciation of Right of Use Assets	66,194	69,005
Depreciation of owned property, plant and equipment	30,457	25,219
Amortisation of intangible assets	13,494	800
Share-based payment expense	304,818	255,111
Operating lease charges	44,906	23,712
Exploration costs expensed	423,407	351,197

5 Other operating income

	2023	2022
	€	€
Other operating income	68,415	68,957

Other operating income primarily comprises includes rental and utilities income from sub-lessors at the Group's former offices in Freiberg.

6 Finance income

	Group	
	2024	2023
	€	€
Interest income		
Interest on bank deposits	241,332	32,792

7 Earnings per share

	2024	2023
	€	€
Weighted average number of ordinary shares for basic earnings per share	474,458,825	385,948,016
Effect of dilutive potential ordinary shares		
- Weighted average number of outstanding share options/RSUs and PSUs	22,276,104	9,343,321
Weighted average number of ordinary shares for diluted earnings per share	496,734,629	395,293,337
Earnings		
Continuing operations	(1,226,571)	(1,331,962)
Loss for the period for continuing operations		
Earnings for basic and diluted earnings per share distributable to equity shareholders of the company	(1,226,571)	(1,331,962)
Earnings per share for continuing operations		
Basic and diluted earnings per share		
Basic earnings per share	(0.25)	(0.34)

There is no difference between the basic and diluted earnings per share for the period ended 30 June 2024 or 2023 as the effect of the exercise of options would be anti-dilutive.

8 Intangible Assets

Group	Total
	€
Cost	
At 1 January 2024	27,655,638
Additions – group funded	2,955,593
Reclassified from tangible assets	25,075
At 30 June 2024	30,636,306
Amortisation and impairment	
At 1 January 2024	3,486
Amortisation charged for the period	13,494
Reclassified from tangible assets	2,090
At 30 June 2024	19,070
Carrying amount	
At 30 June 2024	30,617,236

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 2024	70,990	360,263	66,593	497,846
Additions – group funded	49,909	30,476	-	80,385
Reclassified to intangibles	-	(25,075)	-	(25,075)
Exchange adjustments	-	139	-	139
At 30 June 2024	120,899	365,803	66,593	553,295
Depreciation and impairment				
At 1 January 2024	-	80,158	30,900	111,058
Depreciation charged for the year	416	23,398	6,643	30,457
Reclassified to intangibles	-	(2,090)	-	(2,090)
Exchange adjustments	-	102	-	102
At 30 June 2024	416	101,568	37,543	139,527
Carrying amount				
At 30 June 2024	120,483	264,235	29,050	413,768

10 Right of Use Assets and Lease Liabilities

In May 2022, Zinnwald Lithium GmbH entered into a commercial lease agreement for and office and core shed property in Freiberg, Germany. The duration of the lease is for 2 years and expired in April 2024. The instalments for the lease were €12,000 per month, fixed for the duration of the lease.

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 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 2022 on inception of the leases. Movements in the period are shown as follows:

Right of use asset	**€**
Cost	
At 1 January 2024	278,690
Initial recognition of new leases on 1 May 2024	360,147
Expiration of completed leases	(278,690)
At 30 June 2024	360,147
Depreciation	
At 1 January 2024	232,559
Expiration of completed leases	(278,690)
Depreciation charged in the period	66,194
At 30 June 2024	20,063
Carrying amount	
At 30 June 2024	340,084
- *Recognised in Current Assets*	*120,049*
- *Recognised in Non-Current Assets*	*220,035*

Lease Liability	
As at 1 January 2024	47,795
Initial recognition of new leases on 1 May 2024	360,147
Interest in the period	2,191
Lease Payments in the period	(69,030)
As at 30 June 2024	341,103
- *Recognised in Short Term Payables*	*116,612*
- *Recognised in Payables >1 year*	*224,491*

11 Trade and other receivables

	30 June 2024	31 December 2023
Amounts falling due within one year:	**€**	**€**
Trade Receivables	-	4,418
Other receivables	258,059	216,696
Prepayments and accrued income	151,319	136,349
At period end	409,378	357,463

12 Cash and cash equivalents

	30 June 2024	31 December 2023
	€	**€**
Cash and cash equivalents	9,287,751	14,306,191
At period end	9,287,751	14,306,191

13 Trade and other payables

	30 June 2024	31 December 2023
Amounts falling due within one year:	**€**	**€**
Trade payables	266,272	234,817
Other taxation and social security	18,785	54,082
Other payables	23,894	30,892
Accruals and deferred income	183,374	1,149,773
At period end	492,325	1,469,564

14 Share based payment transactions

	30 June 2024	30 June 2023
Expenses recognised in the year	**€**	**€**
Options issued under the Share Option Plan (2017)	104,158	103,061
RSUs issued under RSU Scheme (2020)	151,007	152,050
PSUs issued under PSU Scheme (2020)	49,653	-
At period end	304,818	255,111

Share Option Plan (2017)

A total of 2,450,000 Options were granted to employees, consultants and Directors of the Group on 23 March 2023 at a price of 10.41p. A further total of 4,350,000 Options were granted to employees, consultants and Directors of the Group on 15 January 2024 at a price of 6.75p. All awards vest 1/3 on award, 1/3 after 12 months and 1/3 after 24 months. The charges are calculated using the Black Scholes method and expensed over the two year relevant vesting period.

RSU Scheme (2020)

A total of 3,406,780 RSUs were issued on 23 March 2023 with an automatic vesting and exercise date of two years from issue. These are expensed based on the share price at the date of issue being 10.41p and expensed over the two year vesting period. A further total of 4,228,475 RSUs were issued on 15 January 2024 with an automatic vesting and exercise date of two years from issue. These are expensed based on a calculation using the Black Scholes method and expensed over the two year vesting period.

PSU Scheme (2020)

The first grant of 4,500,000 PSUs were issued on 15 January 2024 with a two year vesting period. These are expensed based on a calculation using the Black Scholes method and expensed over the two year vesting period.

15 Share Capital

	30 June 2024	31 December 2023
Ordinary share capital	**€**	**€**
Issued and fully paid		
474,536,675 ordinary shares of 1p each (2023 : 473,524,624)	5,377,252	5,365,379
	5,377,252	5,365,379

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 2024	473,524,624	5,365,379
Issue of fully paid shares (exercise of RSUs)	1,012,051	11,873
At 30 June 2024	474,536,675	5,377,252

16 Cash (used in)/generated from group operations

	2024	2023
	€	€
Loss for the period after tax	(1,226,571)	(1,331,962)
Adjustments for:		
Investment income	(241,332)	(32,792)
Lease interest	2,191	2,511
Gain on disposal of fixed assets	-	-
Depreciation of Right of Use Assets	66,194	69,005
Depreciation of property, plant and equipment	30,457	25,219
Amortisation of Intangible Assets	13,494	800
Equity-settled share-based payment expense	304,818	255,111
RSUs expensed in previous period	(74,862)	-
Movements in working capital:		
(Increase) in trade and other receivables	(52,665)	(198,125)
Increase / (decrease) in trade and other payables	(976,489)	351,065
Cash used in operations	(2,154,765)	(859,168)

17 Approval of interim condensed consolidated financial statements

These interim condensed financial statements were approved by the Board of Directors on 19 September 2024.