



PATRIOT LITHIUM

ACN 647 470 415

AND ITS CONTROLLED ENTITIES

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INTERIM FINANCIAL REPORT

For the period ended 31 December 2023

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CORPORATE INFORMATION

This financial report includes the financial statements and notes on the consolidated entity (referred to hereafter as the “consolidated entity” or “group”) consisting of Patriot Lithium Limited (“Patriot” or “the Company”) and its subsidiary. The Company’s functional and presentation currency is AUD (\$).

A description of the Company’s operations and of its principal activities is included in the review of operations and activities in the Directors’ report. The Directors’ report is not part of the financial report.

Directors

Mr Nicholas Vickery – Managing Director and Chief Executive Officer

Mr Hugh Warner – Non-Executive Chairperson

Mr Philip Thick – Non-Executive Director

Joint Company Secretary

Mr Chris Hilbrands

Mr Cameron O’Brien

Registered Office & Principal Place of Business

Suite 6, 245 Churchill Avenue, Subiaco WA 6008

Share Registry

Automic Registry Services

Level 5, 191 St Georges Terrace

Perth WA 6000

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Auditors

BDO Audit (WA) Pty Ltd

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Westpac Banking Corporation

Level 13, 109 St Georges Terrace

Perth WA 6000

Solicitors

Steinepreis Paganin

Level 4, 16 Milligan Street

Perth WA 6000

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DIRECTORS' REPORT

Your Directors present the following report on the consolidated entity (referred to hereafter as the “consolidated entity” or “group”) consisting of Patriot Lithium Limited (“Patriot” or “the Company”) and its subsidiaries for the period ended 31 December 2023.

Directors

The persons who were Directors of Patriot Lithium Limited during the reporting period and up to the date of this report are:

NAME		APPOINTMENT/RESIGNATION DATE
Mr Nicholas Vickery	Managing Director	Appointed on 12 April 2023
Mr Hugh Warner	Non-Executive Chairman	Appointed 3 October 2023
Mr Philip Thick	Non-Executive Director	Appointed 31 March 2021
Mr Matthew Gauci	Executive Director	Appointed on 28 January 2021, Resigned 3 October 2023
Dr Oliver Kreuzer	Executive Director	Appointed on 28 January 2021, Resigned 3 October 2023
Mr Matthew Worner	Non-Executive Director and Joint Company Secretary	Appointed 21 October 2021, Resigned 3 October 2023

Joint Company Secretary

Mr Cameron O’Brien (appointed on 28 January 2021, resigned on 21 October 2021, and reappointed on 8 February 2022)

Mr Chris Hilbrands (appointed 3 October 2023)

Mr Matthew Worner (appointed on 21 October 2021, resigned 3 October 2023)

Principal Activities

During the financial period the principal activities of the entity is an exploration company, with the company has commenced exploration around the Keystone, Wickenburg and Ontario projects.

Dividends

There were no dividends paid or proposed during the period.

Significant Change in State of Affairs

There were no other significant changes in the state of affairs of the company during the financial period.

Matters Subsequent to Reporting Date

DATE	DETAILS
23 Jan 2024	The Company acquired the Beyond Lithium Claims through the issue of 1,100,000 fully paid ordinary shares.
20 Feb 2024	The Company terminated its heads of agreement with Midex Resources Limited.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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DIRECTORS' REPORT

Operational Update

During the first half of 2023, the initial focus was on the proven high grade Black Hills District in South Dakota (Keystone and Tinton West Projects) and the emerging high grade Pegmatite Belt in Arizona (Wickenburg Project), with some very promising early results on these projects.

While conducting initial exploration activities at these locations, Patriot strategically staked seven new projects within the highly prospective North-Western region of Ontario (Gorman, Forester, Birkett, Pak East, Dryden, Bull, and Sydney Projects).

Patriot quickly realised the highly prospective nature of this new Ontario claim package, with Gorman quickly standing out as a project with the potential for significant high-grade lithium mineralisation, along strike from Frontier Lithium's ("Frontier") (TSX.V:FL) world-class PAK-Spark lithium project, which is one of North America's largest and highest-grade lithium deposits with announced intercepts of up to 398 m @ 1.88% Li₂O¹ and a resource of 58.5mt².

The prospectivity of the region is now starting to be recognised by major industry players, with Frontier announcing a joint venture over its PAK-Spark lithium project with Mitsubishi Corporation ("Mitsubishi") (Tokyo Stock Exchange: 8058:JP) to advance the first fully integrated lithium operation in Ontario, Canada.³

Patriot sees the initial investment by Mitsubishi of C\$25m for 7.5% of the PAK / Spark lithium development project (valuing the project at some C\$330m) as third-party validation by a significant industry player that the region has the potential to become one of the leading lithium exploration and production districts in North America.

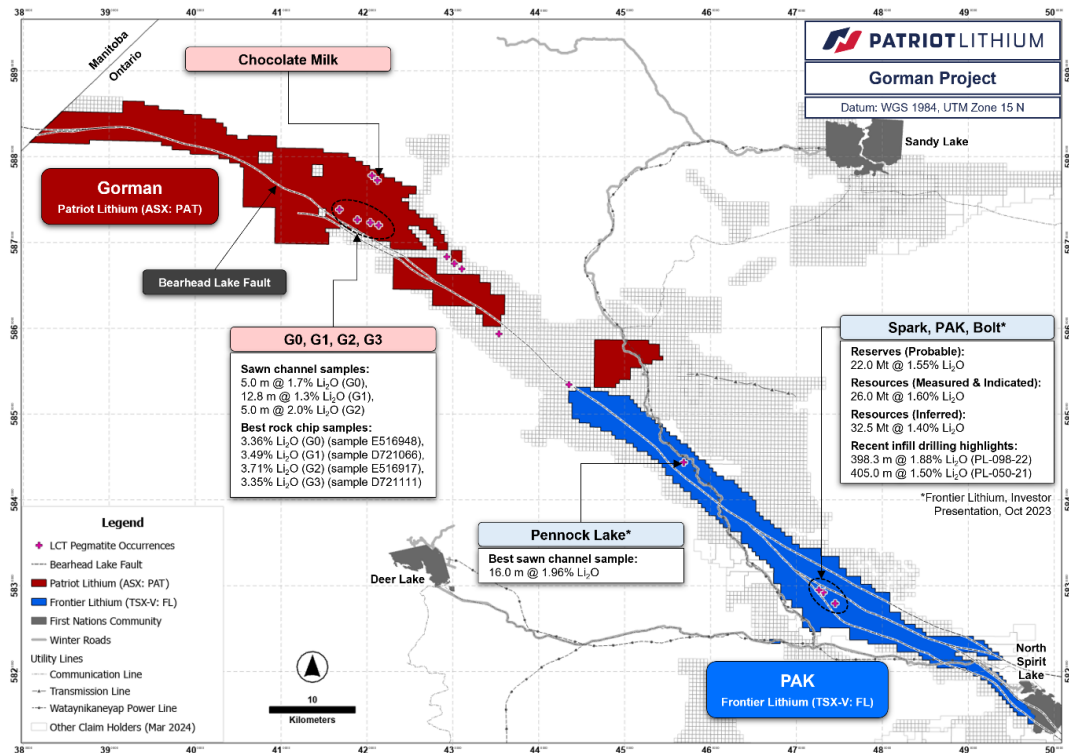


Figure 1: Gorman Project and newly acquired ground (red) with LCT pegmatite occurrences shown as crosses. Also shown are Patriot's outcropping, high-grade G0-G3 lithium pegmatites and Frontier Lithium's mining claims and PAK, Spark and Bolt lithium deposits.

1 Refer to Fronter Lithium TSX Release dated 8 February 2023

2 22 mt (Probable) of 1.55% Li₂O Reserves • 26 mt (M&I) of 1.6% Li₂O and 32.5 mt (Inferred) of 1.4% Li₂O Resource (https://www.frontierlithium.com/_files/ugd/dec7de_0a0fc75a8a9b45d798d7560f71f93e57.pdf)

3 Refer to Frontier Lithium TSX Release dated 4 March 2024

DIRECTORS' REPORT

Gorman, Ontario

Patriot conducted initial exploration over its newly acquired Ontario properties, commencing in May 2023, with the aim of identifying lithium targets using modern prospecting and surface geochemistry techniques.

This initial exploration campaign quickly uncovered a major 8km long lithium-caesium-tantalum (“LCT”) pegmatite trend. Seeing the immense prospectivity of the region and potential for scale, commencing in June 2023 Patriot quickly followed up with more detailed mapping and sampling of identified targets and with the aim of developing drill targets.

Over the course of the remainder of 2023, Patriot’s exploration programs yielded some highly encouraging results at Gorman, including:

- confirmation of a 5.2km-long, spodumene-bearing LCT pegmatite trend made up of 4 key pegmatite outcrops (G0-G3);
- rock chip samples from each of the main pegmatite outcrops in excess of 3% Li₂O, including a result 3.71% Li₂O;
- continuous high-grade mineralisation from sawn channel sampling, including 5.0 metres @ 1.7% Li₂O (G0 pegmatite), 12.8 metres @ 1.3% Li₂O (G1 pegmatite) and 5.0 metres @ 2.0% Li₂O (G2 pegmatite);
- a 1.5 km-long lithium-in-soil anomaly identified over the G0 and G1 pegmatite outcrops, including the soil covered area in between them, suggesting that these pegmatites may potentially be linked under cover.

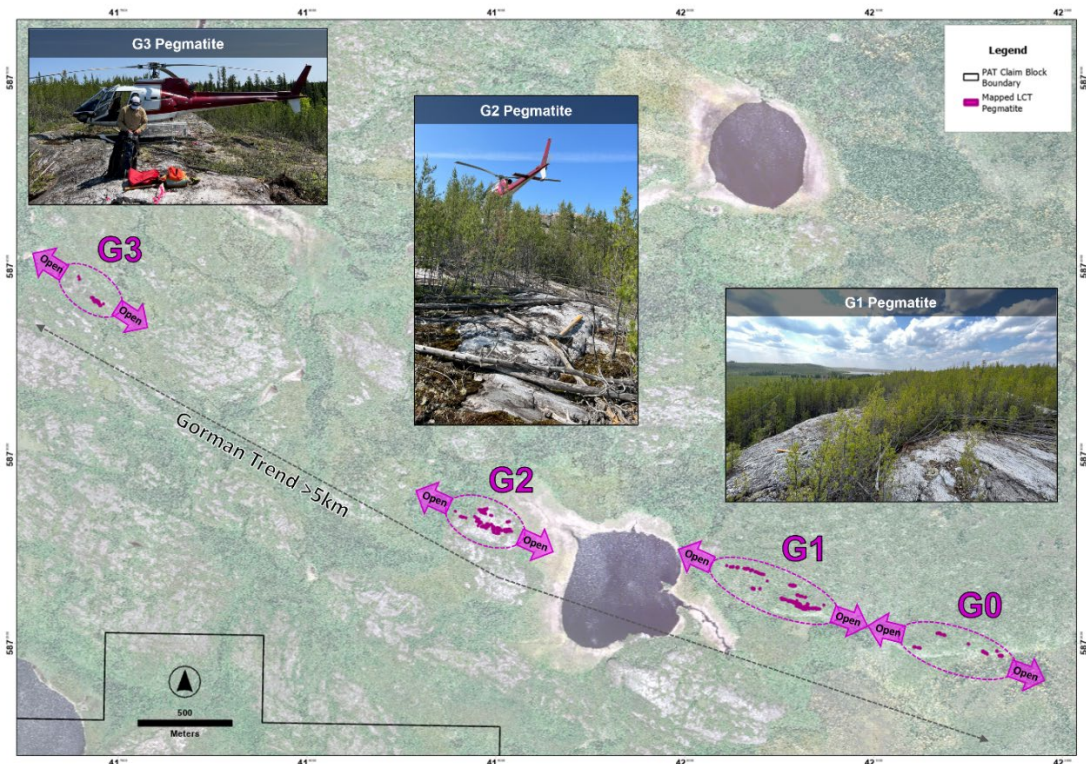


Figure 2: Map showing G0 to G3 pegmatite occurrences

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DIRECTORS' REPORT

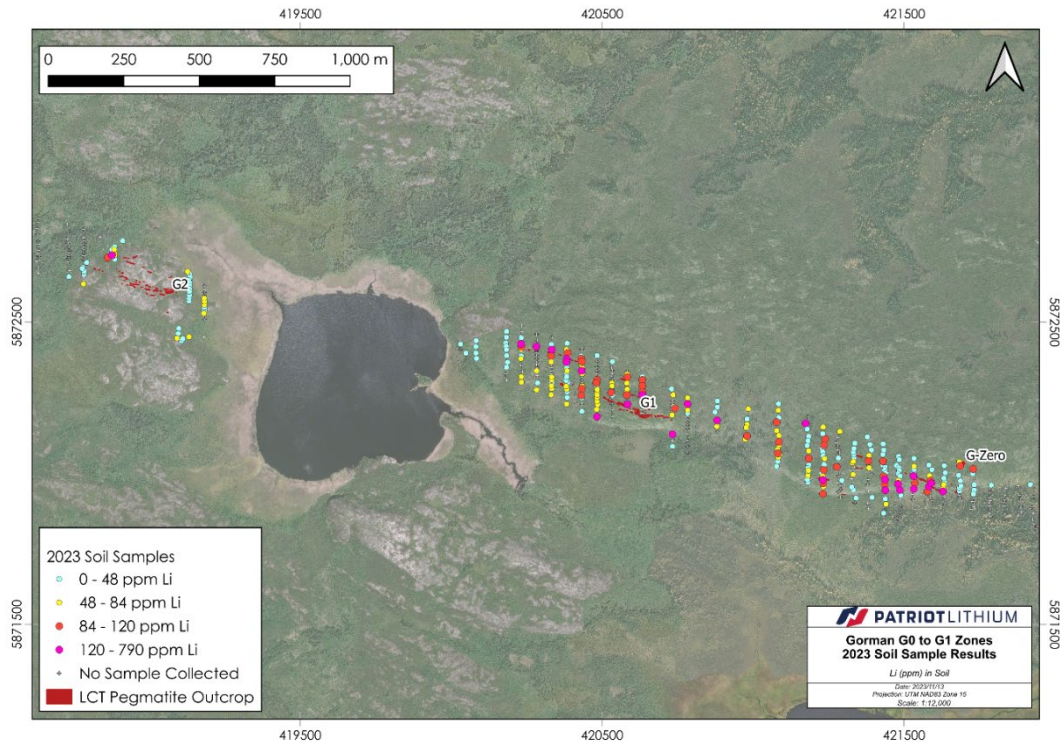


Figure 3: Map showing lithium-in-soil sampling results over the G0 to G2 pegmatites

Recognising the significance of the regional trend that was emerging between Patriot's Gorman project and Frontier Lithium's PAK / Spark Lithium development project, Patriot entered into a number of transactions at the end of 2023 and start of 2024 to further increase its presence in the region, including:

- an Asset Purchase Agreement entered into November 2023 to purchase the Borland project - 257 claims with a total area of approximately 50km² (completed November 2023);
- an Asset Purchase Agreement entered into January 2024 to purchase the Beyond project - 61 claims with a total area of over 11km² (completed January 2024).

These transactions evidence Patriot's true belief in the prospectivity of the region and is consistent with Patriot's strategy of moving quickly to amalgamate and explore district scale claim holdings, in known high grade lithium districts, to maximise the possibility of an economic discovery.

Patriot has also staked 21 additional mineral claims totalling 409 hectares to cover new targets identified along the Chocolate Milk pegmatite trend (5 kilometres to the North of the G0 to G3 LCT pegmatite trend) where a 630-metre extension has been identified through reconnaissance mapping, bringing the total length of this trend to over 1 kilometre. A block of claims comprising 31 km² was staked to cover a gap in the tenure over a powerline supplying the Sandy Lake community, as a strategic landholding to preclude nuisance staking that may impede access to this infrastructure.

As a result of these acquisitions and other staking, Patriot now holds approximately 355km² of claims along the same Bear Head Lake fault zone that hosts Frontier's PAK / Spark project.

On 14 March 2024, Patriot received approval from the Ontario Ministry of Mines for a maiden drilling programme at Patriot's Gorman Project in Ontario, Canada to drill up to 2400m.

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DIRECTORS' REPORT

Keystone & Tinton West Projects, Black Hills of South Dakota and Wyoming, United States (100% PAT)

A month-long mapping and sampling program was conducted within the half at PAT's Keystone and Tinton West Projects in the Black Hills of South Dakota and Wyoming confirmed the many known pegmatites and identified several new outcropping pegmatites.

PAT's recent field program has identified two outcropping groups of fractionated pegmatites at Patriot's Keystone Project that show potential for Li mineralisation (Figure 4), being the Big Dog-New Road-Towel Trail pegmatite cluster, and the Tin Hill-Gilt Edge-Rattlesnake pegmatite cluster. The above pegmatites have been sampled extensively with portable XRF and LIBS readings returning promising results, including multiple samples with K/Rb ratios ≤ 30 determined by pXRF on potassium feldspar crystals, and elevated spot Li values up to 683 ppm determined by LIBS on individual muscovite crystals.

As a whole, the Big Dog-New Road-Towel Trail and Tin Hill-Gilt Edge-Rattlesnake pegmatite clusters, and the numerous smaller pegmatites that accompany them, form a 2.5km long and 400m wide, NNW-SSE-striking pegmatite corridor that is parallel to the regional-scale Silver City Fault and dominant structural fabric in the area. This interpreted and potentially fertile pegmatite corridor will be the focal point of follow-up soil work planned by PAT.

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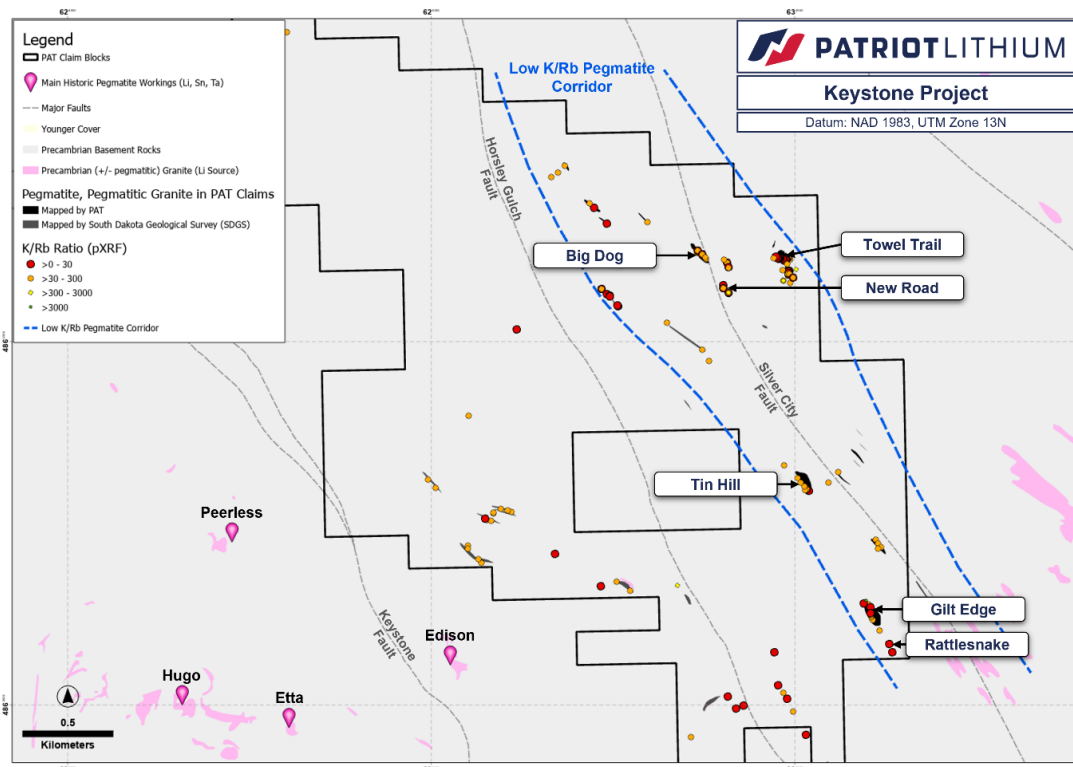


Figure 4. Simplified geological map illustrating the Keystone lithium district showing the location of the newly identified 'low K/Rb pegmatite corridor' within PAT's Keystone Project, Black Hills, South Dakota.

DIRECTORS' REPORT

The claim blocks comprising PAT's Keystone Project are in the immediate neighbourhood of the Etta, Edison, Hugo and Bob Ingersoll mines, the largest and most significant historic hardrock Li producers in the Black Hills. Patriot's Keystone Project is located 3.5km from the historic high-grade Etta lithium mine, which recorded a head grade of up to ~6.0% Li₂O and yielded up to >14m-long spodumene crystals, believed to be the largest ever mined.⁴

Iris Metals' (ASX: IR1) Beecher project, which recently returned drill intercepts of 60m @ 1.21% Li₂O and 78m @ 1.03% Li₂O⁵, is located ~24km southwest of the Keystone Project and underlain by a similar geological setting.

Compliance statement

The information in this report that relates to Exploration Results for the Wickenburg, Keystone, Tinton West, Gorman, Forester and Birkett Projects is extracted from the ASX Announcements listed below which are available on the Company website www.patriot-lithium.com and the ASX website (ASX code: PAT):

Date	Announcement Title
7 March 2024	Gorman Project Update
20 February 2024	Termination of Berens Heads of Agreement
23 January 2024	Patriot Closes Beyond Lithium Transaction
10 January 2024	Patriot Completes Further Acquisition Near Gorman
4 December 2023	2.5km Long Fractionated Pegmatite Corridor Identified
15 November 2023	Patriot Completes Acquisition of Borland Project
15 November 2023	Soil Sampling Identifies 1.5km Continuous Lithium Anomaly
31 October 2023	Major Claim Acquisition in Lithium Rich Electric Avenue
10 October 2023	Channel Sampling at Gorman Delivers High Grade Results
12 September 2023	Lithium Exploration Accelerating in the Black Hills, SD
29 August 2023	Phase 3 Exploration commences at Gorman, Ontario
25 August 2023	Potentially Fertile Pegmatites Identified at Keystone
31 July 2023	Exploration Update, High grade rock chip samples at Gorman
12 July 2023	8 KM Pegmatite Trend Located at Gorman Project in Ontario

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirm that form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

⁴ The claims over these historic mines are not owned by Patriot. 4Page et al. (1953). Pegmatite investigations 1942-1945, Black Hills, South Dakota. USGS Professional Paper, 247, 228 p.

⁵ Refer to Iris Metals limited ASX announcement 9 October 2023

DIRECTORS' REPORT

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of Directors



Nicholas Vickery
Managing Director and CEO
Perth, 14 March 2024

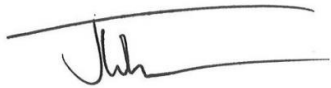
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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF PATRIOT LITHIUM LIMITED

As lead auditor for the review of Patriot Lithium Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Patriot Lithium Limited and the entities it controlled during the period.



Jackson Wheeler

Director

BDO Audit (WA) Pty Ltd

Perth

14 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Patriot Lithium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Patriot Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J. Wheeler', written over a horizontal line.

Jackson Wheeler

Director

Perth, 14 March 2024

2023 INTERIM FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2023

	Note	Period ended 31 December 2023 \$	Period ended 31 December 2022 \$
Revenue from continuing operations			
Interest received & other income		11,213	8,339
Administration expenses		(211,693)	(17,747)
Public company expenses	2	(286,098)	(202,305)
Depreciation and amortisation costs		(4,247)	(18,299)
Exploration expenses	2	(2,433,414)	(40,509)
Share based payment expense	10	(591,480)	(511,388)
Employee benefit expenses	2	(350,975)	(129,694)
Consulting expenses	2	(77,483)	(167,793)
Loss before income tax		(3,944,177)	(1,079,369)
Income tax expense		-	-
Loss after income tax		(3,944,177)	(1,079,369)
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		(48,116)	(11,174)
Other comprehensive loss for the period, net of tax		(48,116)	(11,174)
Total comprehensive loss for the period		(3,992,293)	(1,090,543)
Total comprehensive loss is attributable to:			
Owners of Patriot Lithium Limited		(3,992,293)	(1,090,543)
		(3,992,293)	(1,090,543)
Loss per share from continuing operations attributable to the ordinary equity holders of Patriot Lithium Limited:			
Basic and diluted profit/(loss) per share (cents)	3	(4.48)	(2.85)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,641,186	5,092,180
Trade and other receivables		51,095	101,369
Prepayments		8,870	8,870
Total current assets		1,701,151	5,202,419
Non-current assets			
Property, plant and equipment		238,163	245,563
Exploration and evaluation expenditure	6	1,993,216	1,137,281
Right of use assets		-	9,149
Total non-current assets		2,231,379	1,391,993
TOTAL ASSETS		3,932,530	6,594,412
LIABILITIES			
Current liabilities			
Trade and other payables		113,816	250,239
Lease liabilities		3,119	12,395
Total current liabilities		116,935	262,634
TOTAL LIABILITIES		116,935	262,634
NET ASSETS		3,815,595	6,331,778
EQUITY			
Issued capital	7	11,546,806	10,662,176
Reserves	9	1,877,022	1,333,658
Accumulated losses		(9,608,233)	(5,664,056)
TOTAL EQUITY		3,815,595	6,331,778

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2023

	Issued Capital	Foreign Currency Reserves	Option and Performance Rights Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2023	10,662,176	(176,424)	1,510,082	(5,664,056)	6,331,778
Total comprehensive income for the period					
Loss for the period	-	-	-	(3,944,177)	(3,944,177)
Other comprehensive loss for the period, net of tax	-	(48,116)	-	-	(48,116)
Total comprehensive income/(loss) for the period	-	(48,116)	-	(3,944,177)	(3,992,293)
Transactions with owners, recorded directly in equity					
Issue of shares, net of costs (note 7)	884,630	-	-	-	884,630
Share based payments (note 10)	-	-	591,480	-	591,480
Balance at 31 December 2023	11,546,806	(224,540)	2,101,562	(9,608,233)	3,815,595

	Issued Capital	Foreign Currency Reserves	Option and Performance Rights Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	1,161,000	(33,608)	-	(773,630)	353,762
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,079,369)	(1,079,369)
Other comprehensive loss for the period, net of tax	-	(11,174)	-	-	(11,174)
Total comprehensive income/(loss) for the period	-	(11,174)	-	(1,079,369)	(1,090,543)
Transactions with owners, recorded directly in equity					
Issue of shares, net of costs (note 7)	9,488,676	-	-	-	9,488,676
Share based payments (note 10)	-	-	779,108	-	779,108
Balance at 31 December 2022	10,649,676	(44,782)	779,108	(1,852,999)	9,531,003

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(804,591)	(409,045)
Interest received		11,213	8,339
Payment for exploration and evaluation expenditure		(2,632,919)	(40,509)
Net cash outflow from operating activities		(3,426,297)	(441,215)
Cash flows from investing activities			
Payment for acquisition of projects		-	(611,850)
Net cash outflow from investing activities		-	(611,850)
Cash flows from financing activities			
Proceeds from share issue (net of costs)		-	9,454,964
Lease payment		(24,697)	(19,848)
Net cash inflow from financing activities		(24,697)	9,435,116
Net increase in cash and cash equivalents		(3,450,994)	8,382,052
Cash and cash equivalents at beginning of the financial period		5,092,180	347,160
Cash and cash equivalents at end of the period	5	1,641,186	8,729,212

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the period ended 30 June 2023 and any public announcements made by Patriot Lithium Limited during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New and amended standards adopted by the entity

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Statement of Compliance

The interim financial statements were authorised for issue on 14 March 2024.

(b) Use of estimates and judgements

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Group's annual report for the period ended 30 June 2023.

(c) Going concern

The half-year financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

As a mineral explorer, the Group does not generate cash flows from operating activities to finance these activities. As a consequence, the ability of the Group to continue as a going concern is dependent on the success of capital fundraising or other financing opportunities. For the half-year ended 31 December 2023 the Group recorded a loss before tax of \$3,944,177 (2022: \$1,079,369) and had net cash outflows from operating activities of \$3,426,297 (2022: \$441,215). These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the Group to continue as a going concern is dependent on securing additional funding and/or from asset sales in order for the Group to continue to fund its operational activities.

Notwithstanding this, the Directors believe that they will be able to raise additional capital as required and are continually evaluating the Group's cash requirements. The Directors believe that the Group will continue as a going concern. As a result the financial report has been prepared on a going concern basis. However, should the Group be unsuccessful in undertaking additional fundraising or any alternative financing opportunities, the Group may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of the assets and liabilities that might be necessary should the Group not continue as a going concern.

Should the going concern basis not be appropriate, the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances have been made in the financial report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

2. Material profit and loss items for the period

Profit/(Loss) for the period includes the following items:

	31 December 2023 \$	31 December 2022 \$
Consultants and corporate advisory fees:		
Legal Fees	77,483	132,430
Consulting Fees	-	35,363
Total consultants and corporate advisory fees expense	77,483	167,793
Public company expenses		
ASX Fees	43,129	100,623
Company Secretary Fees	78,750	54,349
Other public company expenses	164,219	47,333
Total public company expenses	286,098	202,305
Employee benefits expense		
Employee wages and directors' fees	316,194	117,370
Other employee expenses (including superannuation)	34,781	12,324
Total employee benefits expense	350,975	129,694
Exploration expenditure not capitalised		
Exploration expenditure not capitalised	2,433,414	40,509
Total Exploration expenditure not capitalised	2,433,414	40,509

3. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the total operation's basic earnings per share computations:

Basic and diluted profit/(loss) per share	2023	2022
Loss used to calculate basic and diluted profit/(loss) per share	(3,944,177)	(1,103,897)
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(4.48)	(2.85)
	2023	2022
Weighted average number of ordinary shares	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	87,982,410	38,711,415

Diluted earnings per share are not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

4. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

5. Cash and cash equivalents

	31 December 2023 \$	30 June 2023 \$
Current		
Cash at bank and in hand	1,641,186	5,092,180
Total cash and cash equivalent	1,641,186	5,092,180

Cash at bank and in hand earns interest at both floating rates based on daily bank rates.

Non cash financing activities undertaken in the period include equity-based settlement to advisors as disclosed in Note 10 and the acquisition of the Borland Claims as disclosed in note 6.

6. Exploration and evaluation expenditure

	31 December 2023 \$	30 June 2023 \$
Opening balance	1,137,281	251,590
Acquisition costs of claims around Keystone	-	404,985
Acquisition costs of claims at Wickenburg Arizona	-	113,530
Acquisition costs of claims at Ontario	-	357,671
Acquisition costs of claims at Borland Project ¹	879,630	-
FX revaluation reserve	(23,695)	9,505
Closing balance 31 December 2023	1,993,216	1,137,281

¹On 15 November 2023, the Company advises that it completed the Asset Purchase Agreements with each of Gold Canyon Resources Inc (“Gold Canyon”) and with Guyana Frontier Mining Corp. (“Guyana Frontier”) to collectively acquire a 100% interest in the Borland Project located in Ontario, Canada. The Company paid the following consideration:

- Gold Canyon or its parent company, First Mining Gold Corp. 1,250,000 fully paid ordinary shares of the Company.
- Guyana Frontier 3,379,630 fully paid ordinary shares of the Company,
- a 0.54% NSR royalty on mineral production from the Favourable Lake Claims to First Mining, half of which the Company may repurchase for a payment of C\$270,000 at any time.
- a 1.46 % NSR royalty on mineral production from the Favourable Lake Claims to Guyana Frontier, half of which the Company may repurchase for a payment of C\$730,000 at any time.

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

7. Issued capital

(a) Issued and fully paid

	31 December 2023		30 June 2023	
	\$	No.	\$	No.
Ordinary shares	11,546,806	91,454,632	10,662,176	86,825,002
	11,546,806	91,454,632	10,662,176	86,825,002

(b) Movement reconciliation

Ordinary Shares	No. of Shares	\$
Opening Balance at 1 July 2022	29,450,002	1,161,000
Issue of seed capital – 23 Aug 2022	3,300,000	330,000
Issue of seed capital – 19 Sep 2022	1,700,000	170,000
Issue of IPO shares – 9 Dec 2022	50,000,000	10,000,000
Options Fee paid – 9 Dec 2022	-	2,000
Conversion of Performance Rights – 24 Mar 2023	2,375,000	-
Share issue costs	-	(1,000,824)
Closing Balance at 30 June 2023	86,825,002	10,662,176
Ordinary Shares	No. of Shares	\$
Opening Balance at 1 July 2023	86,825,002	10,662,176
Issue of Shares – Borland Claims – 15 Nov 2023 (refer to Note 6)	4,629,630	879,630
Options Fee paid – 28 Nov 2023	-	5,000
Closing Balance at 31 December 2023	91,454,632	11,546,806

8. Operating segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Group operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocations of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Maker.

Information reported to the Group's Board of Directors for the purpose of resource allocation and assessment of performance is more specifically focused on the exploration and development of mineral resource projects. The Group's reportable segments under AASB 8 are therefore as follows:

- mineral exploration industry within the United States of America ("US").
- mineral exploration industry within Canada.
- Other sector.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

Segment Information

The following table presents the revenue and profit information and certain asset and liability regarding business segments for the period ended 31 December 2023.

Segment Reporting	E & E USA	E & E Canada	Other	Consolidated
Segment revenue	-	-	11,213	11,213
Segment net operating loss before tax	930,943	1,290,521	1,722,713	3,944,177
Segment Assets				
at 31 December 2023	866,541	347,263	2,718,726	3,932,530
Segment Liabilities				
at 31 December 2023	-	-	116,935	116,935
Segment Reporting				
Period ended 31 December 2022	E & E USA	E & E Canada	Other	Consolidated
Segment revenue	-	-	8,339	8,339
Segment net operating loss before tax	33,445	-	1,045,924	1,079,369
Segment Assets				
at 30 June 2023	954,719	357,671	5,282,021	6,594,412
Segment liabilities				
at 30 June 2023	-	-	262,634	262,634

9. Reserves

	31 December 2023		30 June 2023	
	\$	No.	\$	No
Option reserve	1,457,701	34,600,000	900,754	6,600,000
Performance rights reserve	643,861	4,750,000	609,328	7,750,000
Foreign exchange reserve	(224,540)	-	(176,424)	-
	1,877,022	39,350,000	1,333,658	14,350,000

Movement reconciliation Equity settled share-based payments reserves

Performance Rights

	31 December 2023 No.	31 December 2023 \$
Balance at the end of the year – 30 June 2023	7,750,000	609,328
Balance at the beginning of the period– 1 July 2023	7,750,000	609,328
Performance Rights granted to Board and Management as part of remuneration package ⁽ⁱ⁾	-	108,405
Performance Rights Cancelled	(3,000,000)	(73,872)
Balance at the end of the period– 31 December 2023	4,750,000	643,861

(i) Issued in the prior year

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

Options

	31 December 2023 No.	31 December 2023 \$
Balance at the end of the year – 30 June 2023	6,600,000	900,754
Balance at the beginning of the Period 1 July 2023	-	-
Options granted to Board and Management as part of remuneration package ⁽ⁱ⁾	23,000,000	160,730
Options granted to advisors in accordance with transaction management mandate ⁽ⁱ⁾	5,000,000	396,217
Balance at the end of the year – 31 December 2023	34,600,000	1,457,701

(i) Refer to note 10 for further details on options issued during the period.

(c) Securities granted during the period

The fair value of share-based payments as disclosed in Note 10 (Share-Based Payments). The Fair values of the options are calculated using Black Scholes pricing model.

Options granted during the period ended 31 December 2023 as share-based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
Advisor Options	28 Nov 2023	5,000,000	\$0.40	27 Nov 2026	28 Nov 2023
Board and Management Options (Class A)	28 Nov 2023	13,000,000	\$0.40	27 Nov 2026	28 Nov 2024
Board and Management Options (Class B)	28 Nov 2023	10,000,000	\$0.50	27 May 2025	28 Nov 2024

10. Share based payments

Securities granted during the period

Options were valued using a Black-Scholes Model with the following inputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option (\$)	Total Fair Value (\$)	Value Recognised 31 Dec 2023 (\$)
Advisor Options	Nil	28 Nov 2023	100%	4.16%	27 Nov 2026	\$0.20	\$0.079	\$396,217	\$396,217
Board Options (CLASS A)	Nil	28 Nov 2023	100%	4.16%	27 Nov 2026	\$0.20	\$0.099	\$999,029	\$90,076
Management Options (CLASS A)	Nil	28 Nov 2023	100%	4.16%	27 Nov 2026	\$0.20	\$0.099	\$299,709	\$27,023
Board Options (CLASS B)	Nil	28 Nov 2023	100%	4.16%	27 May 2025	\$0.20	\$0.048	\$209,345	\$26,179
Management Options (CLASS B)	Nil	28 Nov 2023	100%	4.16%	27 May 2025	\$0.20	\$0.048	\$193,563	\$17,457

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

11. Related party disclosure

There have been no new related party transactions entered into since 30 June 2023 other than Equity based payments as disclosed in note 10 and the changes to the Board outlined below.

Changes to the Board

Resignations of Mr Matthew Gauci, Mr Matthew Worner and Dr Oliver Kreuzer

Name	Base salary excluding superannuation	Termination Benefit	Termination Payment
Executive			
Matthew Gauci (Executive Director)	Salary: \$150,000 per annum	3 months' notice in writing to Mr Matthew Gauci and paying a further three months' salary in addition to the notice period.	\$75,000

Name	Base salary excluding superannuation	Termination Benefit	Termination Payment
Executive			
Oliver Kreuzer (Non-Executive Director)	Salary: \$45,000 per annum	3 months' notice in writing to Dr Oliver Kreuzer	\$11,250

Name	Base salary excluding superannuation	Termination Benefit	Termination Payment
Executive			
Matthew Worner (Non-Executive Director)	Salary: \$45,000 per annum	3 months' notice in writing to Mr Matthew Worner	\$11,250

Appointment of Hugh Warner

The following fees (exclusive of superannuation) applied during the Period:

Name	Base salary
Non-Executive Hugh Warner	AUD\$120,000

12. Commitments and contingencies

Since the last annual reporting date, there has not been a material change to commitments or contingencies other than the Royalty Payments for the Borland Project (refer to note 6).

13. Events after the reporting date

Date	Details
23 Jan 2024	The Company acquired the Beyond Lithium Claims through the issue of 1,100,000 fully paid ordinary shares.
20 Feb 2024	The Company terminated its heads of agreement with Midex Resources Limited.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
 - (ii) giving a true and fair view of the financial position as at 31 December 2023 and the performance for the half year ended 31 December 2023.
- (b) At the date of this statement there are reasonable grounds to believe that Patriot Lithium Limited will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Mr Nicholas Vickery
Managing Director and CEO

Perth, 14 March 2024

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