



EUROPEAN LITHIUM LIMITED
ABN 45 141 450 624

Interim Financial Report

For the Half Year Ended
31 December 2024

For personal use only

CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	15
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	16
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	17
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	19
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	20
DIRECTORS' DECLARATION	37
INDEPENDENT AUDITOR'S REVIEW REPORT	38

For personal use only

DIRECTORS' REPORT

Your Directors submit the Interim Financial Report of European Lithium Limited (**European Lithium** or the **Company**) and its controlled entities (together the **Group**) for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period.

Antony Sage	Executive Chairman
Malcolm Day	Non-Executive Director
Michael Carter	Non-Executive Director
Mykhailo Zhernov	Non-Executive Director

REVIEW OF OPERATIONS

AUSTRIA

Austrian Lithium Projects

The Company's Bretstein-Lachtal Project, Klementkogel Project, and the Wildbachgraben Project (together the **Austrian Lithium Projects**) consist of 245 exploration licenses covering a total area of 114.6 km² and are located approximately 80km from the Wolfsberg Lithium Project (refer Figure 1). The licenses cover ground that is considered prospective for lithium occurrences in the Styria mining district of Austria.



Figure 1 – Austrian Lithium Projects location.

For personal use only



The exploration area shows a geology similar to the Wolfsberg Project, dominated by Permian pegmatites within highly metamorphosed Palaeozoic rock. Host rock of known pegmatite veins and lenses are marble and gneiss to mica schist. Due diligence mapping has revealed multiple spodumene-bearing pegmatite bodies with Li₂O contents up to 3.98% (refer to ASX announcement 21 June 2023).

As of the date of this announcement, the most promising areas with spodumene-pegmatites are:

- Quarry – Ebner
- Gruber Hirnkogel – Pusterwald
- Keckgraben
- Scharnitzalm

A detailed lithological and structural mapping program has been completed near Quarry Ebner within the Bretstein-Lachtal area. The Company has identified a prospective spodumene-bearing pegmatite vein, and 3 drill holes have been planned for future exploration. The total length of the planned drill holes is approximately 220m.

An initial soil sampling campaign with 80 samples was also completed in December 2024 near Quarry Ebner. Data evaluation and interpretation of the results are currently underway.

Additional mapping is planned around the areas of Gruber Hirnkogel, Keckgraben, and Scharnitzalm, together with stream sampling. The geochemical composition of a stream sample reflects the geology within the catchment area where the sample has been collected. The management team expects to identify additional target areas based on the sampling results.

According to Mali (2004), the area of Mitterspiel is promising, and the Company has planned to undertake overview further mapping and soil sampling in spring.

All stakeholder engagement and fieldwork follow the strict ESG guidelines of the Company.

The Company's focus for the Austrian Lithium Projects is to identify the additional exploration targets, commence the drilling program to expand the resources, based on confirmed historic and newly conducted exploration results.

IRELAND

Leinster Lithium Project

On 25 November 2024, the Company announced the completion of the acquisition of the Leinster Lithium Project in Ireland from Technology Metals plc (AIM: TM1) in an all-script transaction.

Consideration of \$US10 million was completed through the transfer of 1,371,742 shares in CRML (held by European Lithium) to LRH Resources Limited (**LRHR**), a subsidiary of TM1 which holds 100% of the rights, title, and interest in the Leinster Lithium Project. The consideration shares were locked up until 28 February 2025.

The tenement holdings are located within, or along, the important regional tectonic structure overlying most of the East Carlow Deformation Zone (ECDZ) through tension fractures that control the emplacement of most of the existing LCT pegmatite occurrences within the Leinster Granite Massif.

The project is in the early stages of exploration, with significant surface outcrops and float containing spodumene bearing and mineralized lithium oxide and tantalum. Spodumene-bearing pegmatites have been located at all prospects and at one locality in a series of echelon pegmatites forming a closely spaced dike swarms confirmed in diamond drilling conducted by the previous owner in 2023.

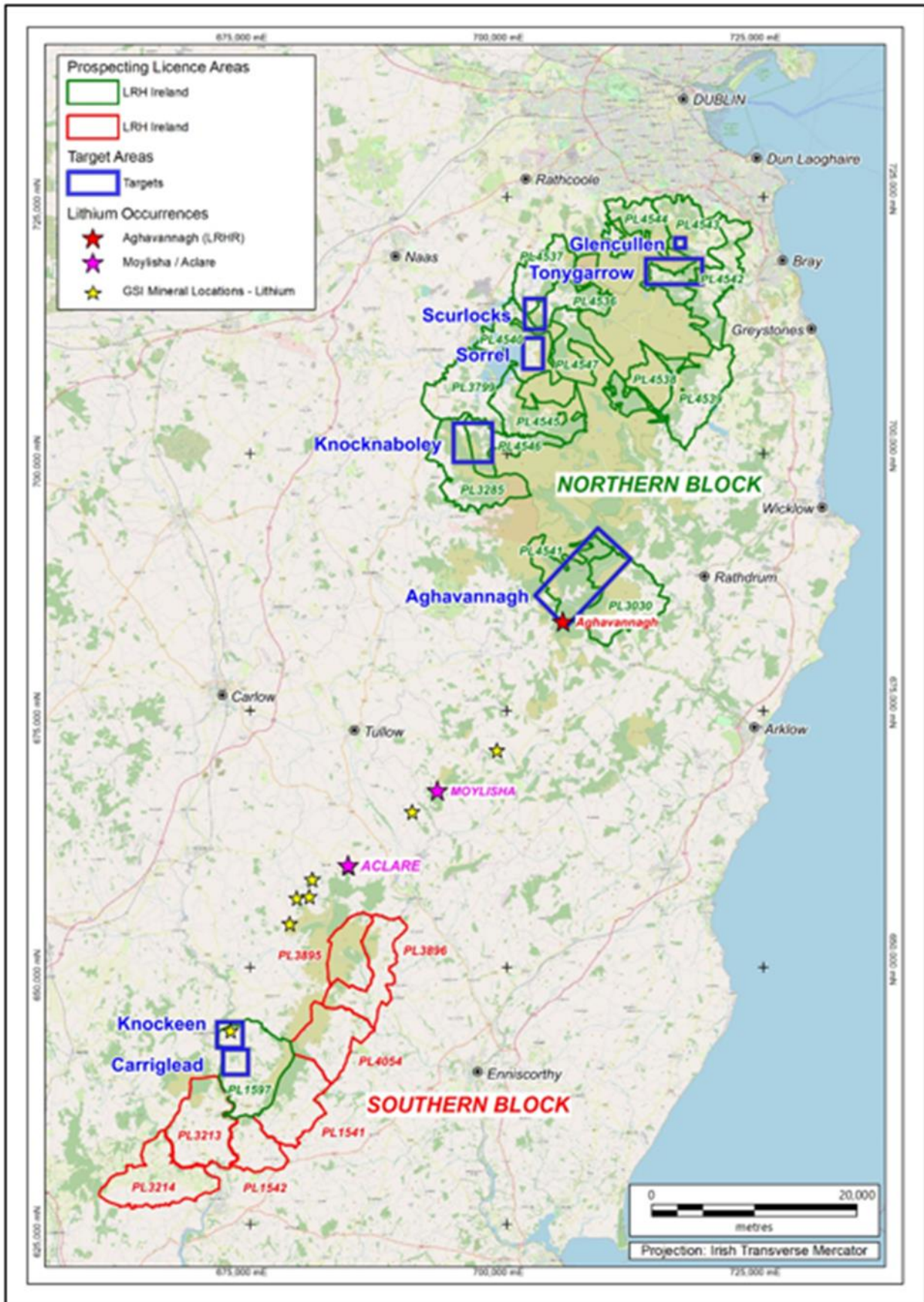


Figure 1 - License holding and Geological overview within the Leinster Massif

For personal use only

Geology & Structure

The project area over 761 square kilometers lies along part of ECDZ which is a 135 km long regional structural trend containing known rare metal LCT-bearing pegmatites occurrences, situated along the southeastern margin of the Leinster Granite Massif.

The Aclare and Moylisha prospect discovered during the 1960s and 1970s mainly for tin mining are currently being explored by Blackstairs Lithium (under the Ganfeng–International Lithium joint venture) and drilling in high grade surface LCT pegmatites has yielding significant wide intersections of up to 30 meters averaging over 2.0% lithium oxide (Black Stairs announcement TSXV April 2023).

The LCT Pegmatites are structurally emplaced within the (ECDZ), over 135 km along the SE flank of the Leinster Granite Massif between Dublin in the NE and north of New Ross to the SW. The Leinster Granite and older country rock has been metasomatized and formed the alumino - silicate spodumene accounting for lithium, cesium and tantalum bearing rare metal mineralization within the cooling pegmatites, (see figure 3)

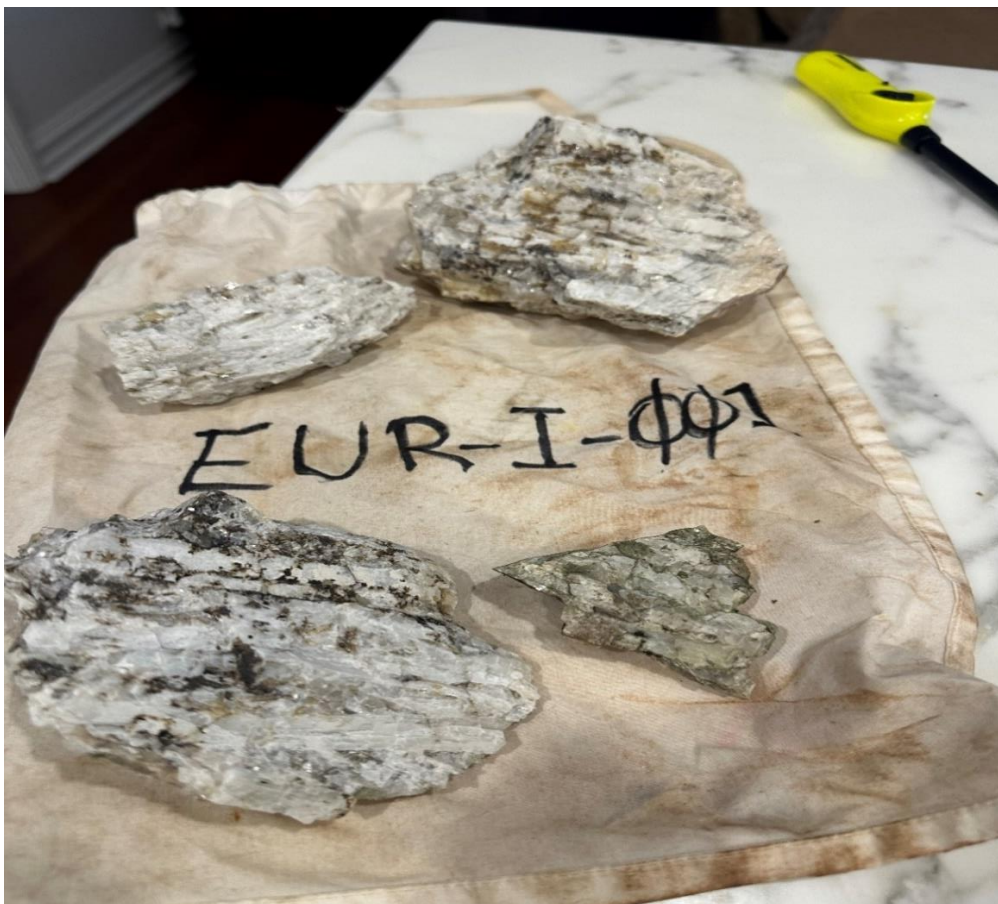


Figure 3 - Coarse grained Spodumene with 3.1% Li₂O sampled by the previous owner April 2024 from Tenement PL 1597 Knockneen (See EUR Announcement April 2024)

The project area overlays the broad trending contact zones between the Leinster Granite and older Sematic Micaceous Country rock shedding the intrusive and resistant to weathering Pegmatites containing very fine to very coarse grained spodumene over most of the vast project area.

Summary of Exploration Results

The Company has identified prospective areas and prioritized the higher lithium surface assay results for mapping and re sampling in both northern and southern blocks over the vast 761 square meter area. Licenses are currently undergoing the renewal process and review of the proposed exploration and development programs by the GSRO.

The Company is currently developing exploration programs in preparation to launch the sampling and drilling program in the second half of 2025.

The lower priority programs will focus on the licensed areas that have little or no modern exploration to date. The Company will use LIDRAR, Ground Penetrating Radar and Tomography overlaying Radiometric Surveys to identify surface and underlying Pegmatite feeder zones.

AUSTRALIA

E47/4144

The Company previously announced that it had secured tenement E47/4144 located in Northwest Western Australia via ballot under the WA Mining Act (refer EUR announcement 23 September 2020).

E47/4144 is progressing through the WA Mining Act regulatory application process. Objections with stakeholders have now been resolved and withdrawn.

E47/4534

During the period, a field reconnaissance trip was completed to assess various targets in the field for future exploration. Evaluation and interpretation of the data collected is pending.

UKRAINE

Dobra and Shevchenkivske Projects

On 2 January 2024, the Company announced that it had renegotiated the terms under which EUR will acquire European Lithium Ukraine LLC (formerly Petro Consulting LLC) (**European Lithium Ukraine**), a Ukraine incorporated company that is applying (through either court proceedings, public auction and/or production sharing agreement with the Ukraine Government) for 20-year special permits for the extraction and production of lithium at the Shevchenkivske project and Dobra Project in Ukraine (refer Figure 4), from Millstone and Company Global DW LLC (**Millstone**)(**Millstone Transaction**).



Figure 4 - Location of the deposit Shevchenkivske and Dobra in Ukraine

During the period, the Company did not conduct desktop or fieldwork on the assets associated with the Millstone Transaction. The Company continues to monitor closely the geopolitical situation in Ukraine and will continue to assess when it will become safe to commence in-country exploration activities, especially with the larger Dobra asset in the West of the country.

CRITICAL METALS CORP

On 1 March 2024, the Company announced the completion of the business combination agreement with Sizzle Acquisition Corp., a US special purpose acquisition company listed on NASDAQ (NASDAQ:SZZL) (Sizzle), pursuant to which EUR combined its wholly owned Wolfsberg Lithium Project (**Wolfsberg Project**) with Sizzle via a newly-formed, lithium exploration and development company named "Critical Metals Corp" (**Critical Metals** or **CRML**) which is listed on the NASDAQ (Transaction). Critical Metals commenced trading on the NASDAQ on 28 February 2024.

The Wolfsberg Project is Critical Metals' initial flagship asset. In addition, and as part of Critical Metals' business strategy, CRML also intends to seek to acquire assets and operations that are strategic and complementary to their existing operations. This may include acquisitions or investments in complementary companies, assets, mines, products, or technologies, including in other rare earth elements and minerals.

On 11 June 2024, the Company announced that Critical Metals had signed a binding heads of agreement to acquire in three stages a 92.5% controlling interest in the Tanbreez Greenland Rare Earth Mine (the **Tanbreez Project**) from Rimbal Pty Ltd (**Rimbal**), a company controlled by geologist Gregory Barnes, which is the registered holder of 92.5% of the issued capital of Tanbreez Mining Greenland A/S. The Tanbreez Project is a permitted, globally significant critical minerals asset positioned to unlock a sustainable, reliable, and long-term rare earth supply for North America and Europe. Once operational, the Tanbreez Project is expected to supply rare earth elements (REEs) to customers in the western hemisphere to support the production of a wide range of next-generation commercial products, as well as demand from the Western defense industry.

The Tanbreez Project is expected to possess higher levels of heavy rare earth elements (HREE), which carry a much higher value than light rare earth elements. In an industry where competitors primarily target light rare earth elements (LREE), the Tanbreez Project is believed to be unique not only due to its significant size but also because of its HREE asset mix. European Lithium will retain its 7.5% ownership in the Tanbreez Project.

As of 19 March 2025, European Lithium holds 66,416,641 ordinary shares in Critical Metals. Based on the closing share price of Critical Metals being US\$1.90 per share as of 19 March 2025, the Company's current investment in Critical Metals is valued at US\$126,191,618 (A\$200,644,672) noting that this valuation is subject to fluctuation in the share price of Critical Metals.

AUSTRIA

Wolfsberg Lithium Project

On 2 December 2024, the Wolfsberg Project received the decree from the Carinthian state government with confirmation that an Environmental Impact Assessment (EIA) is not required. The decree stipulates that given the Wolfsberg Project relates to underground mining where the surface area required by the above-ground facilities is less than 10 hectares, the Wolfsberg Project is not subject to a full-scale environmental approval process as required by law. The decree fast-tracks the transition from exploration into mining operation from the environmental perspective and is an important and critical milestone moving towards operational readiness to become one of the first integrated European producers of battery-grade Lithium monohydrate to BMW in Germany. The Wolfsberg Project has a binding long term supply agreement (LTA) with top tier European auto manufacturer BMW AG for the offtake of battery grade lithium hydroxide (refer ASX Announcements 21 December 2022 and 6 June 2024).

The Wolfsberg Project has completed, with the local energy supplier KELAG, the planning and technical layout of the energy supply corridor from the nearby municipality of Frantschach St Gertraud to the mine and concentrator site at the Weinebene. It is expected to commence building of the energy corridor in H1/2025 (dependant on KELAG) and is considered as the official project start in several stages from exploration towards operational readiness.

The assessment by the EIA authority covered the entire project on the Koralpe, i.e. the planned underground mining, the surface mining facility for the production of a spodumene concentrate, the energy supply lines and necessary clearance, and the refilling of the empty mining chambers with the surplus mining material, as well as an examination of interactions with other projects. The audit was carried out by official experts from the departments of forestry, nature conservation, geology, hydrogeology, waste management, chemistry, process engineering, water ecology and water management as well as torrent and avalanche control. On the basis of this comprehensive case-by-case examination, in which all relevant facts of the EIA Act were taken into account, the EIA authority came to the conclusion

that an EIA was not necessary.

Critical Metals continues to advance discussions for project financing for the Wolfsberg Project, as it approaches a build decision.

Joint Venture with Obeikan Investment Group

On 2 June 2023, European Lithium announced the execution of a binding term sheet with Obeikan Investment Group (Obeikan) to build and operate a hydroxide plant in Saudi Arabia (JV Term Sheet). The 50%/50% Joint Venture (JV) will be geared towards developing, constructing and commissioning a lithium hydroxide processing plant, and operating the plant for the conversion of lithium spodumene concentrate from the Wolfsberg Project.

Under the terms of the JV Term Sheet, European Lithium agreed to procure the assignment of its rights and obligations under the JV Term Sheet to Critical Metals or one of its wholly owned subsidiaries, subject to approval by the CRML Board.

On 4 July 2024, the Company announced that Obeikan has agreed to a deed of assignment and entered into the shareholder agreement for the development and operation of the plant. On 9 July 2024, Critical Metals announced that it had executed the deed of assignment and shareholder agreement and as such both agreements are now binding on all parties.

EV Resources

On 11 May 2021, the Company announced that it had entered into a Collaboration Agreement with EV Resources Limited (formerly Jadar Resources Limited) (ASX: EVR) (**EVR**) and an agreement to acquire a 20% interest in the Weinebene Lithium Project (the **Weinebene Project**) and the Eastern Alps Lithium Project (the **Eastern Alps Project**) both of which are located in southern Austria. As part of the merger transaction with Sizzle, the interest in the Weinebene Project and Eastern Alps Project was transferred from the Company to Critical Metals on 2 February 2024.

The Weinebene Project is adjacent to the Wolfsberg Project. The Eastern Alps Project comprises the project areas of Glanzalm-Ratzell-Poling, Millstätter Seerücken, Hohenwart, Falkenberg, Pallbauernalm-Mittreck-Zinkenschlucht, Mitterberg and St. Radegund.

The Weinebene Project and Eastern Alps Project are considered complimentary to the Wolfsberg Project given their geographical proximity and are expected to provide European Lithium with optionality in terms of future development and production scenarios.

There were no advancements during the period however the Technical Advisory Committee continues to identify the best options to advance the assets and operations.

GREENLAND

Tanbreez Project

On 19 June 2024, the Company announced that following the initial cash payment of US\$5.0m to Rimbal, Critical Metals completed the initial investment to acquire a 5.55% equity interest in the Tanbreez Project. By 24 July 2024 the Company announced that, following the issue of 8.4m CRML shares to Rimbal, Critical Metals had completed the stage 1 interest to earn a 36.45% equity interest in the Tanbreez Project.

Critical Metals' current equity interest in the Tanbreez Project is 42%, and European Lithium retains a 7.5% equity interest in the Tanbreez Project, for a combined shareholding of 49.5%. CRML has the right to acquire the remaining 50.5% equity interest in the Tanbreez Project subject to CRML expending a minimum of US\$10 million on the permit within 2 years from the execution of the binding heads of agreement.

On 4 September 2024, Critical Metals announced the commencement of confirmation and resource extension diamond drilling program at the Tanbreez Project. The drilling program consisted of 16 holes with a total cumulative length of up to 2,200 m. This confirmatory drill program was designed to optimise the resource for future production capacity and to extend the mine life of the Tanbreez Project.





Picture 1 – Drill hole A1-24 September 2024

The program was conducted by the experienced Greenland drilling contractor, 60 North Greenland, and was supervised by a team of internationally acclaimed rare earths experts including Mr. Gregory Barnes, the founder of the Tanbreez Project, Mr. Hans Kristian Schønwandt, a former Deputy Minister of Mines for Greenland, and Mr. Ole Christiansen. These industry experts bring together an extensive knowledge of the Tanbreez deposit and over 40 years of experience in the development of mining projects from greenfield stage to production.

The samples from the first hole have now been received from the laboratory.

The Tanbreez mineralisation is a highly fractionated Zr-Nb-Ta- REE, including HREE, deposit in the southern part of the Ilimaussaq intrusive complex in South Greenland. The Ilimaussaq intrusion is possibly the most differentiated deposit known globally to date, covering a potential area of 18 km long and 8 km wide, and of significant depth, that covers a portion of the Tanbreez tenement.

For personal use only

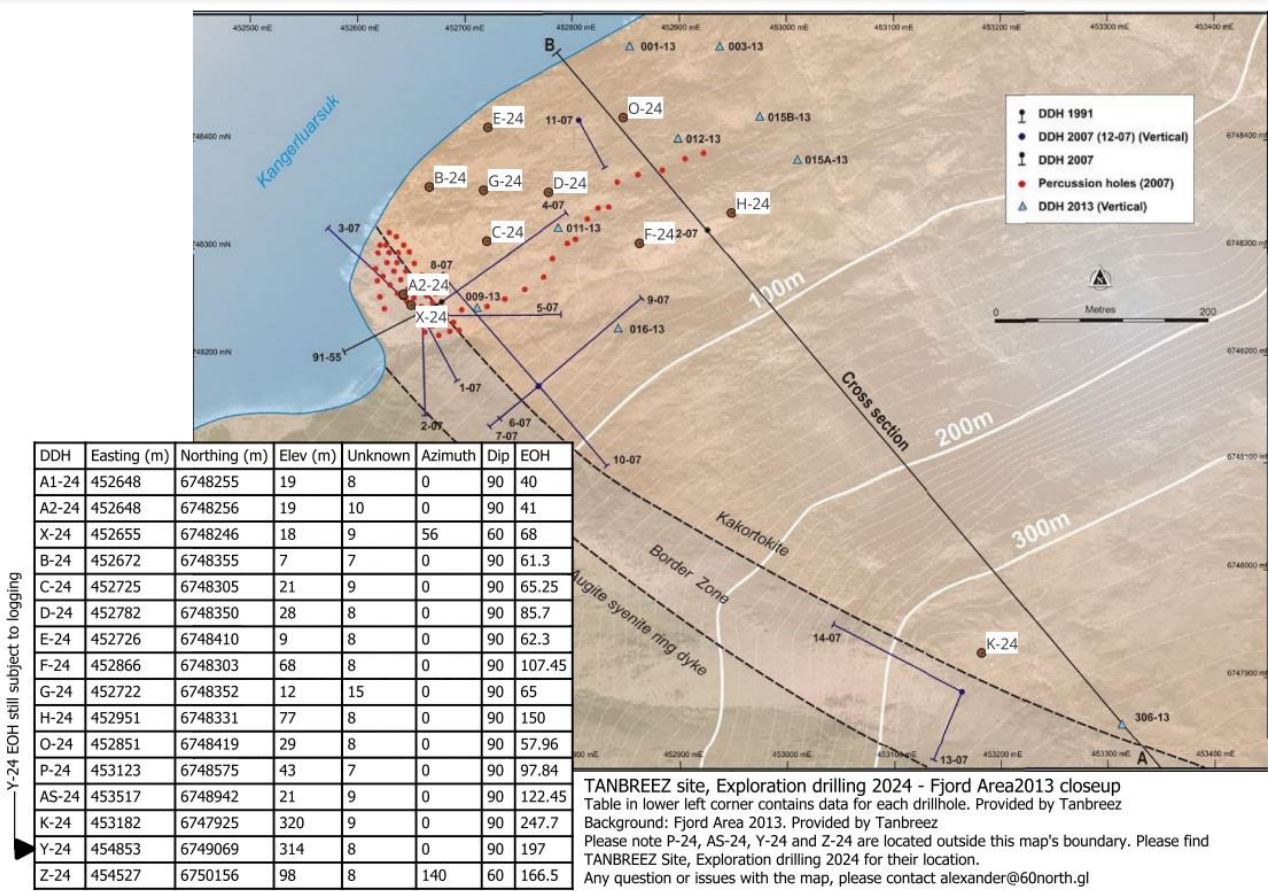


Figure 5 - Confirmation and extension dill collar map for the diamond drilling program 2024



Picture - 2 Drill Core from Tanbreez Projects

For personal use only



Picture 1 - Kakortokite host rock containing Eudialyte mineralization from the Tanbreez Project

The commodities are hosted in the mineral eudialyte being concentrated in the kakortokite rock layer at the floor of the exposed intrusion. The kakortokite sequence outcrops over an area of 5.0 km by 2.5 km and has a total thickness of 270 m.

The assays from the first drill hole confirm a significant 40 m wide intersection of high-grade rare-earth oxide averaging 4,722.51 ppm TREO (including 26.96% averaged heavy rare earth "HREO"), 1.82% ZrO_2 "zircon oxide", 130.92 ppm Ta_2O_5 "tantalum pentoxide", 1852.22 ppm Nb_2O_5 "niobium pentoxide", 393.68 ppm HfO_2 "hafnium oxide" and 101.67 ppm Ga_2O_3 "gallium oxide" (See Appendix 1 Sample and assay sheet and Appendix 2 Drill hole collars).



Picture 2 - Drill core showing "pink" Eudialyte from the diamond drill hole A1-24 drilled 2024

Initial results from the drilling program demonstrated significant upside potential for a globally significant rare earth asset in Southern Greenland. Based on initial results obtained from Critical Metals Corp's recent drilling program, four high-grade zones have now been identified. These zones are expected to play a significant role in the Company's strategy for optimising its mining operations and increasing throughput (the Tanbreez Project is currently licensed for 500,000 metric tons per year). The identification of these zones is a key milestone in the ongoing development of the project.

High Grade Zones:

- Unit Zero – This unit is up to 5 meters thick and is located approximately 50 metres behind the proposed plant location. This unit represents a potential target for future exploration.
- Base of the Kakortokite – At this zone there is a metasomatic replacement by eudialyte of the underlying unit. The unit possesses a high-grade rare earth element material, which is located approximately 40 meters below the surface.
- EALS – This horizon is entirely separate from the Kakortokite and occurs within the overlying naujaite. In some areas, the unit is high-grade and can be traced for approximately 3 kilometres, with a thickness of up to 80 meters. This year, the company conducted surface diamond drilling and extensive sampling across the unit. Notably, the percentage of heavy rare earths within the rare earth fraction ranged up to 40.8%.
- Area G – This area, identified this year, spans over 1 km² and contains extensive late-stage pegmatites and pegmatite scree. The area also holds high-grade ore in a zone that will adjoin the proposed road to the tailings area. There was a high concentration of Gallium discovered in this zone, with values reaching up to 147 ppm Ga₂O₃.

Discovery of Gallium

The discovery of a significant amount of Gallium at Area G, further demonstrates the Tanbreez Project's immense value. Gallium is a critical metal that is primarily produced as a by-product of bauxite mining, with additional sources from zinc smelters. Currently, approximately 98% of the world's gallium production is sourced from China, where it is primarily a by-product of bauxite mining. Certain South American bauxite deposits contain up to 80 ppm of Ga₂O₃.

The growing gallium market, currently worth billions of dollars per year and expanding at an annual rate of approximately 20%, presents a valuable opportunity for the Company. Critical Metals Corp plans to investigate the mineralogy of the gallium in this zone and assess its potential as a viable by-product.

The Company announced the drilling results on 20 January 2025.

Exploitation License Extension

On 15 October 2024, the Company announced that the Greenland Government has granted an extension to certain deadlines under the Exploitation license of the Tanbreez Project (License No. 2020-54) 2028. Under the new amendment, Tanbreez Mining Greenland A/S is required to submit its exploitation and closure plans by the end of 2025, provide financial security and a company guarantee by June 30th, 2026, and commence the exploitation of minerals by the end of 2028.

Competent Person Statements

The information in this report as it relates to exploration results and geology in respect to the Austrian Lithium Projects was compiled by Mr Geoff Balfe and Mr Kersten Kuehn who are Members of the Australasian Institute of Mining and Metallurgy. Mr Balfe is a Certified Professional and Mr Kuehn is a licensed Professional Geologist registered with the European Federation of Geologists. Both Mr Balfe and Mr Kuehn have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Balfe and Mr Kuehn consent to the inclusion in this report of matters based on the information in the form and context in which it appears.

The information in this release that relates to exploration results and geology in respect to the Leinster Lithium Project is based on information prepared by Dr Thomas Unterweissacher, EurGeol, MAusIMM. Dr Unterweissacher is a licensed Professional Geoscientist registered with European Federation of Geologists and based in Hochfilzen, Austria. Dr Unterweissacher has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify

as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Unterweissacher consents to the inclusion in the release of the matters based on their information in the form and context in which it appears. Dr Unterweissacher is a consultant to the Company and holds shares in EUR.

Statements contained in this report relating to exploration results, scientific evaluation and potential in respect to Tanbreez Project, are based on information compiled and evaluated by George Karageorge. Mr Karageorge is Principal of Geosan Consulting Pty Ltd, and a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), is a geologist with sufficient relevant experience in relation to rare earth and rare metal mineralization being reported on, to qualify as a competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Mr Karageorge consents to the use of this information in this report in the form and context in which it appears.

CORPORATE

Placement

On 10 December 2024, the Company issued 47,058,824 shares at an issue price of \$0.0425 per share to raise cash proceeds of \$2m (before expenses) (Placement). The Placement was lead managed by Evolution Capital Pty Ltd (Evolution). Evolution was paid 6% of the amount raised and was issued 10,000,000 listed options (\$0.08 each expiring 14 November 2025). Funds raised from the Placement will be used for advancing the Company's recently acquired Leinster Project including sampling and drilling and for working capital purposes.

Shareholder Meetings

On 29 November 2024, the Company held its annual general meeting (**AGM**) of shareholders. All resolutions were carried at the AGM.

Capital Movements

On 5 December 2024 the Company issued 45,000,000 performance rights to Directors of the Company as approved at the AGM. The performance rights vest upon the Company's undiluted market capitalisation being equal or greater than A\$200,000,000 for 5 consecutive trading days (based on the volume average weighted share price for each trading day during that period) at any time prior to 30 June 2025.

On 31 December 2024 a total of 45,000,000 performance rights lapsed unvested.

KEY RISKS

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks remain materially unchanged from the key risks outlined in the annual financial report for the year ended 30 June 2024.

Events Subsequent to Reporting Date

On 22 January 2025, CRML announced that it had executed up to a US\$500m BTC Convertible Note (Non-Recourse against BTC Price).

On 7 February 2025, CRML announced that it had completed a private placement of approximately US\$22.5 million of equity funding.

On 27 February 2025, CRML announced the appointment of Michael Ryan as an Independent Director the Company effective 1 March 2025.

On 3 March 2025, the Company participated in a placement for \$500,000 in Moab Minerals Ltd (ASX: MOM). MOM is an exploration and project development company with a portfolio of exploration projects including the Manyoni and Octavo Uranium Projects located in Tanzania, the REX Uranium-Vanadium Project located in the famed Uravan Mineral Belt of Colorado and the Highline Copper-Cobalt Project in Southern Nevada. On 5 March 2025, the Company was issued 166,666,667 ordinary shares in MOM and 83,333,334 unlisted options (\$0.008 expiring 5 December 2027) representing a 9.61% equity interest in MOM.



On 7 March 2025, the Company subscribed for convertible loan notes of US\$250,000 in Pan African Niger Limited (**PANL**). Interest accrues at 20% per annum and is repayable or convertible on or before 7 March 2026 (**Convertible Note**). The Company may elect to convert the Convertible Note into shares based on the market value price per PANL share at the date of conversion discounted by 50%. On the same day, the Company entered into a deed of variation to extend the repayment date from the convertible note entered into with PANL on 4 January 2024 to 31 December 2025.

On 13 March 2025, the Company announced the maiden mineral resources estimate of 45MT at the Tanbreez Project.

On 14 March 2025, the Company announced that 223,076,970 quoted options on issue exercisable at \$0.18 that are due to expire on 31 March 2025 (EUROB Options) and that it intends to conduct an offer to all registered holders of EUROB Options on 19 March 2025 (Record Date) with a registered address in Australia and New Zealand (Registered Holders) whereby Registered Holders can apply for one (1) option (New Option) for every one (1) EUROB Options held on the Record Date at an issue price of \$0.002 per New Option exercisable at \$0.10 on or before 30 April 2027 (Replacement Options Offer). The Company intends to apply for quotation of the New Options.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



Antony Sage
Executive Chairman
21 March 2025

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of European Lithium Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
21 March 2025



L Di Giallonardo
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Note	31 December 2024	31 December 2023
		\$	\$
Other income	3	844,167	113,378
Employee benefits expense	4	(1,318,290)	(276,000)
Depreciation and amortisation expense		(4,313)	(10,629)
Depreciation and amortisation expense - leased assets		(20,832)	(35,083)
Finance costs		(93,045)	(34,687)
Exploration expenditure expensed	4	(377,975)	(2,240)
Consulting fees		(2,168,339)	(404,641)
Travel expenses		(303,352)	(14,045)
Regulatory and compliance costs		(901,440)	(505,285)
Gain on fair value of financial assets through profit or loss	12	4,177,368	-
Share-based payments	19	(27,170,264)	(8,000)
Share of net (loss) of associates accounted for using the equity method	9	1,844	(10,344)
Merger expenses	4	-	(2,001,464)
Listing expenses		-	-
Foreign exchange gain/(loss)		1,387,854	(459,419)
Administration expenses		(334,945)	-
Promotion and investor relations		(521,729)	-
Insurance		(2,054,085)	-
Gain on fair value of warrants	15	9,303,811	-
Share of net profit of JV accounted for using the equity method	11	152,831	-
Other expenses		(8,548)	(327,146)
Loss before income tax		(19,409,282)	(3,975,605)
Income tax expense		-	-
Loss after tax		(19,409,282)	(3,975,605)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(6,010,066)	(154,239)
Other comprehensive (loss) for the period, net of income tax		(6,010,066)	(154,239)
Total comprehensive loss for the period		(25,419,348)	(4,129,844)
Loss for the period attributable to:			
Members of European Lithium Limited		(14,151,298)	(3,975,605)
Non-controlling interests		(5,257,984)	-
		(19,409,282)	(3,975,605)
Total comprehensive loss for the period attributable to:			
Members of European Lithium Limited		(26,400,775)	(4,129,844)
Non-controlling interests		981,427	-
		(25,419,348)	(4,129,844)
Loss per share for the period			
Basic loss per share (cents per share)	20	(1.38)	(0.28)
Diluted loss per share (cents per share)	20	(1.38)	(0.28)

*The above Condensed Consolidated Statement of Comprehensive Income is to be read in conjunction with the
Notes to the Condensed Consolidated Financial Statements*

For personal use only

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	31 December 2024	30 June 2024
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		2,513,937	5,778,638
Trade and other receivables	5	992,362	1,485,497
Prepaid expenses	6	11,851	2,500,542
Indemnification asset	14	1,714,192	1,714,192
Short-term loan receivable	7	-	2,274,383
Convertible note		298,869	298,869
Total Current Assets		5,531,211	14,052,121
Non-Current Assets			
Property, plant and equipment		5,912	8,418
Deferred exploration and evaluation expenditure	8	70,152,274	53,239,237
Investment in associates	9	916,680	806,148
Restricted cash and other deposits	10	24,256,006	22,564,947
Investment in joint venture	11	164,526,283	17,681,136
Financial assets at fair value through profit or loss	12	6,290,486	1,390,256
Right of use asset		79,270	98,314
Total Non-Current Assets		266,226,911	95,788,456
TOTAL ASSETS		271,758,122	109,840,577
LIABILITIES			
Current Liabilities			
Trade and other payables	13	19,685,905	20,125,155
Provisions		40,468	36,274
Lease liability		31,046	43,246
Short-term loan payable	14	1,912,755	1,886,948
Warrants liability	15	64,074,732	68,811,550
Total Current Liabilities		85,744,906	90,903,173
Non-Current Liabilities			
Offtake prepayment	16	24,173,700	22,483,950
Lease liability		57,451	64,725
Total Non-Current Liabilities		24,231,151	22,548,675
TOTAL LIABILITIES		109,976,057	113,451,848
NET ASSETS /(LIABILITIES)		161,782,065	(3,611,271)
EQUITY			
Issued capital	17	153,136,087	151,356,087
Reserves	18	224,369,991	86,963,325
Accumulated losses		(246,321,472)	(232,170,174)
Equity attributable to owners of European Lithium Limited		131,184,606	6,149,238
Non-controlling interest		30,597,459	(9,760,509)
TOTAL EQUITY/(DEFICIENCY)		161,782,065	(3,611,271)

*The above Condensed Consolidated Statement of Financial Position is to be read in conjunction with the
Notes to the Condensed Consolidated Financial Statements*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Issued Capital	Accumulated losses	Share-based Payments Reserve	Foreign Currency Translation Reserve	Nasdaq Listing Reserve	Sub-total	Non-Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$		
At 1 July 2023	75,725,376	(26,362,227)	14,769,159	2,171,606	-	66,303,914	-	66,303,914
Loss for the period	-	(3,975,605)	-	-	-	(3,975,605)	-	(3,975,605)
Foreign currency exchange differences arising on translation from functional currency to presentation currency	-	-	-	(154,239)	-	(154,239)	-	(154,239)
Total comprehensive loss for the period	-	(3,975,605)	-	(154,239)	-	(4,129,844)	-	(4,129,844)
Share buy-back	(1,302,483)	-	-	-	-	(1,302,483)	-	(1,302,483)
Options issued to Directors	-	-	8,000	-	-	8,000	-	8,000
At 31 December 2023	74,422,893	(30,337,832)	14,777,159	2,017,367	-	60,879,587	-	60,879,587
At 1 July 2024	151,356,087	(232,170,174)	16,850,958	1,154,001	68,958,366	6,149,238	(9,760,509)	(3,611,271)
Loss for the period	-	(14,151,298)	-	-	-	(14,151,298)	(5,257,984)	(19,409,282)
Foreign currency exchange differences arising on translation from functional currency to presentation currency	-	-	-	(12,249,477)	-	(12,249,477)	6,239,411	(6,010,066)
Total comprehensive loss for the period	-	(14,151,298)	-	(12,249,477)	-	(26,400,775)	981,427	(25,419,348)
Issue of shares – placement	2,000,000	-	-	-	-	2,000,000	-	2,000,000
Issue of listed options to advisor	(100,000)	-	100,000	-	-	-	-	-
CRML - Movement during the period								
- Issue of CRML shares for TM1 acquisition	-	-	12,339,524	-	-	12,339,524	1,297,353	13,636,877
- Issue of shares for Tanbreez acquisition and other issue of shares	-	-	114,850,495	-	-	114,850,495	30,980,704	145,831,199
- Issue of shares and RSUs by subsidiary	-	-	22,316,706	-	-	22,316,706	7,098,484	29,415,190
Options issued to Directors	-	-	49,418	-	-	49,418	-	49,418
Share issue costs	(120,000)	-	-	-	-	(120,000)	-	(120,000)
At 31 December 2024	153,136,087	(246,321,472)	166,507,101	(11,095,476)	68,958,366	131,184,606	30,597,459	161,782,065

The above Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Condensed Consolidated Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Note	31 December 2024	31 December 2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(5,287,715)	(1,759,633)
Finance costs		-	(8,779)
Interest paid – leased assets		-	(12,884)
Interest received		20,477	107,594
GST/VAT refunds (paid)/received		-	(76,632)
Grant proceeds		148,672	827
Net cash (used in) operating activities		(5,118,566)	(1,749,507)
Cash flows from investing activities			
Payments for exploration and evaluation	8	(1,277,381)	(933,976)
Purchase of property, plant and equipment		(1,784)	-
Investment in financial assets	12	(592,808)	-
Proceeds from sale of investments	12	150,000	-
Investment in joint venture	11	(1,076,937)	-
Cash acquired on acquisition of subsidiary	24	883	-
Costs associated with Obeikan Investment Group		(257,345)	-
Merger expenses		-	(966,484)
Net cash (used in) investing activities		(3,055,372)	(1,900,460)
Cash flows from financing activities			
Proceeds from exercise of options	5	1,063,118	-
Proceeds from the issue of shares	17	2,000,000	-
Convertible note		(350,000)	-
Transaction costs related to issue of equity		(120,000)	-
Advancement of short-term loan facility		-	(290,000)
Repayment of short-term loan facility	7	2,370,986	90,518
Share buy-back		-	(1,302,483)
Repayment of lease liabilities		(25,579)	(42,803)
Net cash provided by / (used in) financing activities		4,938,525	(1,544,768)
Net (decrease) in cash and cash equivalents		(3,235,413)	(5,194,735)
Cash and cash equivalents at beginning of the period		5,778,638	13,144,813
Effects on exchange rate fluctuations on cash held		(29,288)	15,049
Cash and cash equivalents at end of period		2,513,937	7,965,127

*The above Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the
Notes to the Condensed Consolidated Financial Statements*

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including *AASB 134 Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with *AASB 134* ensures compliance with *IAS 34 Interim Financial Reporting*.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by European Lithium Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

Basis of preparation

The interim financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

Going Concern

The consolidated financial statements of the Group have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2024 the Group generated a loss after income tax of \$19,409,282 (31 December 2023: \$3,975,605 loss), net cash outflows from operating activities of \$5,118,566 (31 December 2023: \$1,749,507), and at balance date had a working capital deficit (excluding liabilities that will be settled in CMCL shares) of \$16,138,963 (30 June 2024: \$8,039,502 deficit and cash on hand of \$2,513,937 (30 June 2024: \$5,778,638).

The Group's ability to continue as a going concern and to continue to fund its planned expanded activities is dependent on:

- raising further capital;
- funds received from the exercise of warrants;
- continued support from related party creditors;
- continued support from non-related party creditors in respect to the payment of overdue amounts; and
- reducing operational costs and spend on exploration.

Should the Group be unable to raise further capital, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be required to realise its assets and discharge its liabilities at different amounts to those recorded in the Statement of Financial Position.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group requires additional capital for its next phase. The Company continues to seek funding options;
- Successful renegotiation of the GEM financing facility by Critical Metals; and
- Deferral of expenditure.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

For personal use only

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2024

In the half-year ended 31 December 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the interim reporting periods beginning on or after 1 July 2024. As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 July 2024 with no material impact on the amounts or disclosures included in the financial report.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2024.

2. SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

The Company operates in the mineral exploration industry. For management purposes, the Company is organised into one main operating segment, the exploration of minerals. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

a) Information by geographical region

The analysis of the location of non-current assets is as follows:

	31 December 2024	30 June 2024
	\$	\$
Australia	6,744,315	1,791,093
Austria	81,135,872	76,316,227
Ireland	13,820,441	-
Greenland	164,526,283	17,681,136
	<u>266,226,911</u>	<u>95,788,456</u>

b) Revenue by geographical region

	Six months ended	Six months ended
	31 December 2024	31 December 2023
	\$	\$
Australia	299,604	112,551
Austria	544,563	827
Ireland	-	-
Greenland	-	-
	<u>844,167</u>	<u>113,378</u>

For personal use only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. OTHER INCOME

	Six months ended 31 December 2024	Six months ended 31 December 2023
	\$	\$
Bank interest revenue	416,367	107,594
Interest on loan (note 7)	96,603	4,957
Interest on convertible note	11,411	-
Other income	171,114	-
Grant proceeds	148,672	827
	<u>844,167</u>	<u>113,378</u>

4. EXPENSES

	Six months ended 31 December 2024	Six months ended 31 December 2023
	\$	\$
Employee benefits expenses		
Directors' remuneration & consulting	1,318,290	276,000
	<u>1,318,290</u>	<u>276,000</u>
Merger expenses		
Merger expenses	-	2,001,464
	<u>-</u>	<u>2,001,464</u>
Exploration expenditure expensed		
Impairment of exploration expenditure (note 8)	17,350	2,240
Costs associated with Obeikan Investment Group	360,625	-
	<u>377,975</u>	<u>2,240</u>

5. TRADE AND OTHER RECEIVABLES

	31 December 2024	30 June 2024
	\$	\$
Trade and other receivables	78,926	118,874
Security deposit	6,628	6,359
GST / VAT receivable	322,876	211,616
Interest receivable on restricted cash	482,133	62,393
Funds receivable in respect to the exercise of CRML warrants	-	1,063,118
Proceeds due from the sale of listed securities (note 12)	81,358	-
Other receivables	20,441	23,137
	<u>992,362</u>	<u>1,485,497</u>

6. PREPAID EXPENSES

	31 December 2024	30 June 2024
	\$	\$
Prepaid insurance	11,851	2,446,701
Other prepaid expenses	-	53,841
	<u>11,851</u>	<u>2,500,542</u>

For personal use only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. SHORT TERM LOAN

	31 December 2024	30 June 2024
	\$	\$
Short term loan	-	2,274,383
	-	2,274,383

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Balance at beginning of period	2,274,383	-
Drawdown of loan	-	2,290,000
Repayment of loan	(2,370,986)	(90,518)
Accrued interest (note 4)	96,603	74,901
Balance at end of period	-	2,274,383

On 14 September 2023, the Company entered into a loan agreement and advanced funds of \$200,000 to Cyclone Metals Ltd (ASX: CLE). The loan is secured over 25,000,000 unencumbered shares held by CLE in CuFe Limited (ASX: CUF). This loan was repayable on 31 December 2024 and accrued interest of 7.5% per annum. On 19 October 2023, the Company entered into a further loan agreement with CLE and advanced funds of \$90,000. On 16 November 2023, CLE repaid this loan, including accrued interest of \$518 to the Company. On 12 March 2024, the Company entered into a further loan agreement with CLE and advanced funds of \$2,000,000. The loan is secured over CLE's Iron Bear Project. This loan was repayable on 31 December 2024 and accrues interest of 10.0% per annum. During the period, the outstanding loans of \$2,370,986 were repaid in full with a nil balance owing at 31 December 2024.

8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Balance at beginning of period	53,239,237	52,694,287
Expenditure incurred	1,058,114	1,850,928
Acquisition of tenements (note 24)	13,632,279	-
Foreign exchange movement	2,239,994	(1,013,732)
Impairment of exploration expenditure	(17,350)	(292,246)
Balance at end of period	70,152,274	53,239,237

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

During the half year ended 31 December 2024, the Company recognised impairment losses in respect of capitalised exploration and evaluation of \$17,350 (year to 30 June 2024: \$292,246). The impairment made during the period was recognised on areas of interest on Western Australian tenements which have not yet been granted.

9. INVESTMENT IN ASSOCIATES

	31 December 2024	30 June 2024
	\$	\$
Investment in associates	916,680	806,148

a) Investment details

	31 December 2024	30 June 2024
	%	%
Percentage held at reporting date – EV Resources (i)	20	20
Percentage held at reporting date – John Wally (ii)	50	50

For personal use only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (i) On 11 May 2021, the Company announced that it had entered into a Collaboration Agreement with EV Resources Limited (formerly Jadar Resources Limited) (ASX: EVR) (EVR) and an agreement to acquire a 20% interest in Jadar's Austrian Lithium assets from their JV partner (Jadar Acquisition). EVR holds an 80% interest in the Austrian incorporated subsidiary EV Resources GmbH (previously Jadar Lithium GmbH), the holder of the Weinebene and Eastern Alps Projects which lies 20km to the east of the Company's Wolfsberg Project. On 29 February 2024 in accordance with the terms of the merger Transaction, the 20% interest in EV Resources GmbH was transferred from the Company to Critical Metals Corp.
- (ii) The Company holds a 50% interest in the Australian incorporated entity John Wally Resources Pty Ltd (John Wally). This investment is equity accounted given the significant influence the Company has on John Wally through Mr Sage's role on the board and the interchange of management personnel.

b) Movement in the carrying amount of the investment in associates

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Balance at beginning of period	806,148	666,390
Cash investment	69,854	168,056
Share of net losses recognised during the year	1,844	(15,021)
Foreign exchange	38,834	(13,277)
Balance at end of period	916,680	806,148

c) Summarised financial information

EV Resources GmbH

	31 December 2024	30 June 2024
	\$	\$
Current assets	1,736	5,119
Non-current assets	479,669	450,255
Current liabilities	(666,891)	(646,596)
Equity	(185,486)	(191,222)
Group's carrying amount of the investment	555,919	514,491

EV Resources GmbH has no contingent liabilities, capital commitments or bank guarantees on issue as at 31 December 2024.

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Revenue and other income	-	-
Depreciation	-	-
Profit/(loss) before tax	12,969	(34,738)
Income tax expense	-	-
Profit/(loss) for the period	12,969	(34,738)
Total comprehensive income/(loss) for the period	12,969	(34,738)
Group's share of income/(loss) for the period	2,594	(6,948)

John Wally

	31 December 2024	30 June 2024
	\$	\$
Current assets	-	-
Non-current assets	330,062	261,708
Current liabilities	-	-
Non-current liabilities	-	-
Equity	330,062	261,708
Group's carrying amount of the investment	360,761	291,657

John Wally has no contingent liabilities, capital commitments or bank guarantees on issue as at 31 December 2024.

For personal use only



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Revenue and other income	-	-
Depreciation	-	-
(Loss) before tax	(1,500)	(16,145)
Income tax expense	-	-
(Loss) for the period	(1,500)	(16,145)
Total comprehensive (loss) for the period	(1,500)	(16,145)
Group's share of (loss) for the period	(750)	(8,073)

d) Impairment assessment

The carrying amount of the investments in associates was assessed for impairment at 31 December 2024 with no indication of impairment at the reporting date.

10. RESTRICTED CASH AND OTHER DEPOSITS

	31 December 2024	30 June 2024
	\$	\$
Term deposits (i)	82,306	80,997
Funds held on deposit against offtake prepayment (ii)	24,173,700	22,483,950
	24,256,006	22,564,947

(i) Restricted cash relates to the bank guarantees provided by ECM Lithium AT GmbH to the value of €20,000 in respect of any unrepaired damage to property at the Wolfsberg Project. These deposits are subject to restrictions and are therefore not available for general use by the entities within the Group.

(ii) On 1 June 2024, Bayerische Motoren Werke Aktiengesellschaft (BMW) transferred funds of US \$15 million to ECM Lithium GmbH in relation to the offtake of battery grade lithium hydroxide (LiOH) from the Wolfsberg Project. The funds are held in a deposit account secured against a bank guarantee (note 16) and are to be offset against LiOH delivered to BMW.

11. INVESTMENT IN JOINT VENTURE

	31 December 2024	30 June 2024
	\$	\$
Shares in Tanbreez Mining Greenland A/S	164,526,283	17,681,136
Investment in joint venture accounted for using the equity method	164,526,283	17,681,136

a) Movements in the carrying amount of the investment in joint venture

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Balance at beginning of period	17,681,136	-
Purchase of unlisted investments (i)	145,042,200	7,494,650
Cash investments	96,695	-
Invoices paid by the Company on behalf of the joint venture	980,242	-
Share of profits of joint venture recognised during the year	152,831	-
Foreign exchange	573,179	-
Reclassification from financial assets at fair value through profit or loss	-	10,186,486
Investment in joint venture accounted for using the equity method	164,526,283	17,681,136

(i) On 5 June 2024, CRML entered into a heads of agreement to acquire 92.5% of the issued capital of Rimbal Pty Ltd (**Vendor**) which is the registered holder of 92.5% of the issued capital of Tanbreez Mining Greenland A/S (**Tanbreez**) which holds the only exploitation permit for rare earths in Greenland (**HOA**). The HOA was comprised of the following stages:

1. Initial Investment of US\$5,000,000 to acquire a 5.55% equity interest in Tanbreez
2. Stage 1 interest – Issue of US\$90,000,000 of shares in CRML subject to holding lock until 28 February 2025 to acquire a 36.45% equity interest in Tanbreez (note 21)
3. Stage 2 interest – Issue of US\$116,000,000 of shares in CRML equal to 95% of the closing price of CRML shares on the date upon which CRML meets a minimum of US\$10 million on the permit within 2 years to acquire a 50.50% equity interest in Tanbreez

For personal use only



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under the terms of the HOA, CRML has the right to appoint two directors to the board of Tanbreez. On 2 July 2024, Tony Sage was appointed as CRML's representative on the Board of Tanbreez.

The Vendor is a company controlled by geologist Gregory Barnes. Under the terms of the HOA, at completion of Stage 1 Interest, Gregory Barnes was appointed Strategic advisor to the board of CRML.

As at 31 December 2024, the CRML Group had completed the Initial Investment and Stage 1 interest and held an interest of 42.0% interest in Tanbreez. In addition, CRML's controlling entity European Lithium Limited holds a 7.5% interest in Tanbreez and consequently the Group held a 49.5% interest in Tanbreez as at 31 December 2024. As at 31 December 2024, consistent accounting policies have been applied in respect to the accounting of Tanbreez by the Group.

b) Tanbreez financial information

	31 December 2024	30 June 2024
	\$	\$
Current assets	75,262	74
Non-current assets	49,272,137	44,075,659
Current liabilities	(46,510,918)	(41,710,987)
Equity	2,836,481	2,364,746
Group's carrying amount of the investment	<u>164,526,283</u>	<u>17,681,136</u>
	Six months to	Year to
	31 December 2024	30 June 2024
	\$	\$
Revenue and other income	1,384,872	8,283
Depreciation	-	-
Profit/(loss) before tax	363,885	(1,580,935)
Income tax expense	-	-
Profit/(loss) for the period	<u>363,885</u>	<u>(1,580,935)</u>
Total comprehensive income/(loss) for the period	<u>363,885</u>	<u>(1,580,935)</u>
Group's share of income/(loss) for the period	<u>152,831</u>	<u>(663,993)</u>

The joint venture has no contingent liabilities or capital commitments as at 31 December 2024.

12. FINANCIAL ASSETS

	31 December 2024	30 June 2024
	\$	\$
Shares in Cyclone Metals Limited (ASX: CLE)	6,140,486	1,180,256
Shares in CuFe Limited (ASX: CUF)	150,000	210,000
Financial assets at fair value through profit or loss at end of period	<u>6,290,486</u>	<u>1,390,256</u>
	Six months to	Year to
	31 December 2024	30 June 2024
	\$	\$
Balance at beginning of period	1,390,256	4,765,257
Gain in fair value from revaluation	4,177,368	6,811,485
Participation in CLE rights issue (note 21)	592,808	-
Sale of equity securities (note 21)	(231,358)	-
Conversion of convertible note into equity (note 21)	361,412	-
Reclassification of investment to joint venture	-	(10,186,486)
Balance at end of period	<u>6,290,486</u>	<u>1,390,256</u>



13. TRADE AND OTHER PAYABLES

	31 December 2024	30 June 2024
	\$	\$
Trade payables	8,655,523	9,794,756
Other payables	635,174	973,861
Accruals	1,531,580	886,819
Excise tax payable	2,842,943	2,444,590
GEM commitment Fee Put Amount payable	6,020,685	6,025,129
	<u>19,685,905</u>	<u>20,125,155</u>

14. SHORT TERM LOAN

	31 December 2024	30 June 2024
	\$	\$
Loan with external parties	1,912,755	1,886,948
	<u>1,912,755</u>	<u>1,886,948</u>
	Six months to	Year to
	31 December 2024	30 June 2024
	\$	\$
Balance at beginning of period	1,886,945	-
Acquisition European Lithium Ukraine	-	1,727,390
Drawdown on loans	58,107	56,160
Loan discounting	4,031	14,367
Interest on loans	(36,328)	89,031
Balance at end of period	<u>1,912,755</u>	<u>1,886,948</u>

European Lithium Ukraine LLC has a number of loans with LLC "Finance Elite Company". The loans have repayment dates ranging from October 2024 through to May 2025. As part of the European Lithium Ukraine Acquisition, Millstone provided the Company with an indemnity against the fair value of the take on balances of European Lithium Ukraine, including the short term loans payable with a value of \$1,714,192 which has been accounted for as an indemnity asset in accordance with the Group's accounting policies.

15. WARRANTS LIABILITY

	31 December 2024	30 June 2024
	\$	\$
Unlisted warrants (\$10.00 expiring 27/05/2025) (a) (b)	11,537,382	13,785,211
Listed warrants (\$11.50 exp. 27/2/2029) (e)	2,844,279	3,508,115
Unlisted warrants (\$10.71 exp. 27/02/2027) (c)	43,834,977	40,770,896
Unlisted warrants (\$11.45 exp. 18/6/2029) (d)	5,858,094	10,747,328
	<u>64,074,732</u>	<u>68,811,550</u>
	Six months to	Year to
	31 December 2024	30 June 2024
	\$	\$
Balance at beginning of year	68,811,550	-
Issue of unlisted warrants	-	1,888,127
Issue of unlisted warrants	-	14,804,232
Issue of unlisted warrants	-	40,770,896
Issue of unlisted warrants	-	10,810,283
Issue of listed warrants	-	1,377,742
Exercise of warrants	-	(31,657,402)
(Gain)/loss on fair value of warrants	(9,303,811)	31,358,876
Foreign exchange	4,566,993	(541,204)
Balance at end of year	<u>64,074,732</u>	<u>68,811,550</u>



a) **Warrants issued on 27 February 2024 with exercise price of \$10.00 (subject to adjustments)**

On 27 February 2024, a total of 350,000 warrants were issued to Polar Multi-Strategy Master Fund (**Polar**) to settle historic obligations of Sizzle. The unlisted warrants are exercisable at \$10.00 each (subject to adjustments) on or before 27 May 2025.

The warrants are classified as derivative liabilities because it converts into a variable number of shares and its value varies with the Company's share price.

The fair value of the warrants granted to Polar is estimated as at the date of issue using the Black and Scholes option pricing model taking into account the terms and conditions upon which the warrants were granted.

	<u>Assumptions</u>
Number warrants issued	350,000
Dividend yield	0.00%
Expected volatility	75%
Risk-free interest rate	4.948%
Expected life of warrants	1.25 years
Exercise price	\$10.00
Issue date share price	\$10.20

The expected life of the warrants is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of the warrants granted is estimated as at 31 December 2024 using the Black and Scholes option pricing model taking into account the terms and conditions upon which the warrants were granted.

	<u>Assumptions</u>
Number warrants issued	350,000
Dividend yield	0.00%
Expected volatility	80%
Risk-free interest rate	4.255%
Expected life of warrants	0.41 years
Exercise price	\$10.00
Share price at 31 December 2024	\$6.79

b) **Empery PIPE Investor Warrants issued on 27 February 2024 with exercise price of \$10.00 (subject to adjustments)**

On 27 February 2024, a total of 1,000,000 warrants were issued to three Funds affiliated with Empery Asset Management LP (**Empery**) as part of the PIPE funding for consideration of US\$9,880,682. The unlisted warrants are exercisable at US\$10.00 each (subject to adjustments) on or before 27 May 2025. The Empery Warrants provide the PIPE Investor with 3 Additional Shares for each Ordinary Share that the PIPE Investor purchases upon exercise of the PIPE Investors' Warrants.

The PIPE Investor Warrants are classified as derivative liabilities because it converts into a variable number of shares and its value varies with the Company's share price.

The fair value of the PIPE Investor Warrants is estimated as at the date of issue using the Black and Scholes option pricing model taking into account the terms and conditions upon which the warrants were granted.

	<u>Assumptions</u>
Number of warrants issued	1,000,000
Dividend yield	0.00%
Expected volatility	75%
Risk-free interest rate	4.948%
Expected life of warrants	1.25 years
Exercise price	\$10.00
Issue date share price	\$10.20

As the fair value determined using the Black Scholes Model of the Warrants issued to PIPE Investors was in excess of the US\$9,880,682 cash received, the difference in fair value of the derivative liability and consideration received (the Calibration Allowance) is deferred and amortised over the 15 months that the warrant was exercisable or fully recognised as an expense when the warrant was exercised.

On 17 June 2024 Empery Asset Management LP (Empery) exercised 600,000 of the PIPE Warrants to acquire 2.4 million CMRL

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

shares for US\$6 million. This related to 600,000 CMRL shares at US\$10 per share and the 3 additional shares provided to PIPE Investors upon exercise of the PIPE Warrants.

As at 31 December 2024 the fair value of the warrants is as follows:

	<u>Assumptions</u>
Number of warrants issued	400,000
Dividend yield	0.00%
Expected volatility	80%
Risk-free interest rate	4.255%
Expected life of warrants	0.41 years
Exercise price	\$10.00
Share price at 31 December 2024	\$6.79

c) Warrants issued on 27 February 2024 with exercise price of \$10.71 (subject to adjustments)

On 27 February 2024, a total of 1,814,797 warrants were issued to Gem Global Yield LLC SCS (GEM) for a credit facility to be made available to the Company. The unlisted warrants are exercisable at \$10.71 each (subject to adjustments) on or before 27 February 2027. The warrants are classified as derivative liabilities because it converts into a variable number of shares and its value varies with the Company's share price.

The fair value of the warrants granted is estimated as at the date of grant using the Monte Carlos Simulation (MCS) model taking into account the terms and conditions upon which the warrants were granted.

	<u>Assumptions</u>
Number warrants issued	1,814,797
Dividend yield	0.00%
Expected volatility	75%
Risk-free interest rate	4.5%
Expected life of warrants	3.00 years
Exercise price	\$10.71
Issue date share price	\$10.20

The expected life of the warrants is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of the warrants issued is estimated as at 31 December 2024 using the Monte Carlos Simulation (MCS) model taking into account the terms and conditions upon which the warrants were granted.

	<u>Assumptions</u>
Number warrants issued	1,814,797
Dividend yield	0.00%
Expected volatility	80%
Risk-free interest rate	4.253%
Expected life of warrants	2.16 years
Exercise price	\$10.71
Share price at 31 December 2024	\$6.79

From 1 March 2025 the GEM Investor has the right require CRML to purchase the GEM Warrant from GEM Global in exchange for a number of ordinary shares in the Company having a value equal to US\$27,200,000. Accordingly, the GEM Warrants are valued at the higher amount of the fair value of the warrant and US\$27,200,000.

d) Additional warrants issued to Empery Asset Management LP

On 17 June 2024, a total of 1,000,000 warrants were issued to Empery Asset Management LP (**Empery**) induce early conversion of the February 2024 warrants. The unlisted warrants are exercisable at \$11.45 each (subject to adjustments) on or before 18 June 2029. The warrants are classified as derivative liabilities because it converts into a variable number of shares and its value varies with the Company's share price.

The fair value of the warrants is estimated as at the date of grant using the Black and Scholes option pricing model taking into account the terms and conditions upon which the warrants were granted.

For personal use only



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	<u>Assumptions</u>
Number warrants issued	1,000,000
Dividend yield	0.00%
Expected volatility	75%
Risk-free interest rate	4.3%
Expected life of warrants	5.00 years
Exercise price	\$11.45
Issue date share price	\$11.30

The expected life of the warrants is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of the warrants issued is estimated as at 31 December 2024 using the Black and Scholes option pricing model taking into account the terms and conditions upon which the warrants were granted.

	<u>Assumptions</u>
Number warrants issued	1,000,000
Dividend yield	0.00%
Expected volatility	80%
Risk-free interest rate	4.351%
Expected life of warrants	4.47 years
Exercise price	\$11.45
Share price at 31 December 2024	\$6.79

e) Listed warrants

CRML has a total of 7,750,000 public warrants on issue. The listed warrants are exercisable at \$11.50 each on or before 27 February 2029 and trade under the ticker CRMLW. The public warrants are valued at the closing warrant trading price at reporting date.

16. OFFTAKE PREPAYMENT

	<u>31 December 2024</u>	<u>30 June 2024</u>
	\$	\$
Bank guarantee issued against offtake prepayment (note 10)	24,173,700	22,483,950
	24,173,700	22,483,950

17. ISSUED CAPITAL

a) Ordinary shares

	<u>Six months to</u>		<u>Year to</u>	
	<u>31 December 2024</u>		<u>30 June 2024</u>	
	<u>No of Shares</u>	<u>\$</u>	<u>No of Shares</u>	<u>\$</u>
Total issued capital	1,398,122,640	151,356,087	1,494,239,175	75,725,376
Cancellation of shares – Share buyback	-	-	(100,000,000)	(1,302,483)
Issue of shares – Placement (i)	47,058,824	2,000,000	-	-
Issue of shares – Supplier	-	-	3,105,590	250,000
Issue of shares – Exercise of unlisted options – cash	-	-	777,875	58,341
Nasdaq business combination	-	-	-	76,624,853
Capital raising costs – cash	-	(220,000)	-	-
Balance at end of period	1,445,181,464	153,136,087	1,398,122,640	151,356,087

(i) On 10 December 2024, the Company issued 47,058,824 shares at an issue price of \$0.0425 per share to raise cash proceeds of \$2m (before expenses) (Placement). The Placement was lead managed by Evolution Capital Pty Ltd (Evolution). Evolution was paid 6% of the amount raised and issued 10,000,000 listed options (\$0.08 each expiring 14 November 2025). Funds raised from the Placement will be used for advancing the Company's recently acquired Leinster Project including sampling and drilling and for working capital purposes.



Terms and conditions of contributed equity

Fully paid ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of paid up shares held. Fully paid ordinary shares entitle their holder to one vote, either in person or by proxy, at any shareholders' meeting of the Company.

b) Options and Performance Rights

On 10 December 2024, the Company issued 10,000,000 listed options which are exercisable at \$0.08 each on or before 14 November 2025 to Evolution Capital Pty Ltd in connection with its engagement as lead manager to the placement (refer note 17a). The listed options were issued at \$0.01 per listed option being the last trading price before the date of issue.

At 31 December 2024, the unissued ordinary shares of the Company under option and performance rights are as follows:

Options

Date of Expiry	Status	Exercise Price	Number
31/3/2025	Listed	18.0 cents	223,076,970
14/11/2025	Listed	8.0 cents	176,721,965
27/01/2025	Unlisted	10.0 cents	7,000,000
01/05/2025	Unlisted	12.0 cents	5,000,000
01/05/2025	Unlisted	14.0 cents	5,000,000
01/05/2025	Unlisted	16.0 cents	5,000,000
01/05/2025	Unlisted	18.0 cents	5,000,000
26/06/2026	Unlisted	12.0 cents	4,000,000
			483,298,935

Performance Shares

Date of Expiry	Status	Exercise Price	Number
14/11/2025	Unlisted	0.00 cents	7,500,000
			7,500,000

Performance Rights

Date of Expiry	Status	Exercise Price	Number
30/06/2025	Unlisted	0.00 cents	45,000,000
			45,000,000

18. RESERVES

	31 December 2024	30 June 2024
	\$	\$
Share-based payment reserve	166,507,101	16,850,958
Foreign currency translation reserve	(11,095,476)	1,154,001
NASDAQ listing reserve	68,958,366	68,958,366
	224,369,991	86,963,325

For personal use only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
<i>Share-based payments reserve</i>		
Balance at beginning of period	16,850,958	14,769,159
Issue of listed options (\$0.08 each expiring 14 November 2025)	-	833,610
Nasdaq business combination	-	1,185,189
Issue of CRML shares for Irish Acquisition	12,339,524	-
Issue of performance rights – Advisor	100,000	-
Issue of shares for Tanbreez acquisition and other issue of shares (note 11)	114,850,495	-
Issue of shares and RSUs by subsidiary	22,316,706	-
Issue of performance rights – Directors (note 19a and 19b)	49,418	53,250
Issue of performance shares – Directors	-	9,750
Balance at end of period	166,507,101	16,850,958

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
<i>Foreign currency translation reserve</i>		
Balance at beginning of period	1,154,001	2,171,606
Foreign currency exchange differences arising on translation of foreign operations	(12,249,477)	(2,170,794)
Nasdaq business combination	-	1,153,189
Balance at end of period	(11,095,476)	1,154,001

	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
<i>Nasdaq listing reserve</i>		
Balance at beginning of period	68,958,366	-
Nasdaq listing costs	-	65,950,986
CRML non-controlling interest at completion of Nasdaq merger	-	3,007,380
Balance at end of period	68,958,366	68,958,366

19. SHARE-BASED PAYMENTS

a) Performance Rights to Directors – Prior Year Issue

On 11 December 2023, the Company issued performance rights to Okewood Pty Ltd (a related party of Tony Sage) (20,000,000), Pixsell Pty Ltd ATFT Pixsell Unit Trust (a company in which Malcolm Day is a Director) (15,000,000), Michael Carter (5,000,000) and Mykhailo Zhernov (5,000,000) (Performance Rights) in consideration for Director services following receipt of shareholder approval at the AGM held on 29 November 2023. The Performance Rights vest upon the Company's market capitalisation exceeding \$350m for 20 consecutive trading days (based on the volume average weighted price of shares for each trading day during that period). An external valuation of the Performance Rights was obtained for which a prorated amount of \$45,750 has been included in the accounts at 31 December 2024 to reflect the rendering of services in the year ended 31 December 2024.

	Number of Performance Rights	Grant date	Expiry Date	Fair value at grant date \$ per right	Vesting conditions
Antony Sage	20,000,000	29 November 2023	31 December 2024	\$0.0022	Tranche A
Malcolm Day	15,000,000	29 November 2023	31 December 2024	\$0.0022	Tranche A
Michael Carter	5,000,000	29 November 2023	31 December 2024	\$0.0022	Tranche A
Mykhailo Zhernov	5,000,000	29 November 2023	31 December 2024	\$0.0022	Tranche A

The fair value of the performance rights was determined using the Monte Carlo Simulation Methodology (MCSM), taking into account the terms and conditions upon which the performance rights were granted. The following table lists the input to the model for the performance rights:



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Antony Sage Tranche A	Malcolm Day Tranche A	Michael Carter Tranche A	Mykhailo Zhernov Tranche A
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	50%	50%	50%	50%
Risk free interest rate (%)	4.294%	4.294%	4.294%	4.294%
Exercise price (\$)	\$0.00	\$0.00	\$0.00	\$0.00
Marketability discount (%)	Nil	Nil	Nil	Nil
Expected life of options (years)	1.09 years	1.09 years	1.09 years	1.09 years
Share price at grant date (\$)	\$0.076	\$0.076	\$0.076	\$0.076
Value per option (\$)	\$0.0022	\$0.0022	\$0.0022	\$0.0022

b) Performance Rights to Directors – Current Year Issue

On 29 November 2024, the Company issued performance rights to Okewood Pty Ltd (a related party of Tony Sage) (20,000,000), Pixsell Pty Ltd ATFT Pixsell Unit Trust (a company in which Malcolm Day is a Director) (15,000,000), Michael Carter (5,000,000) and Mykhailo Zhernov (5,000,000) (Performance Rights) in consideration for Director services following receipt of shareholder approval at the AGM held on 29 November 2024. The Performance Rights vest upon the Company's market capitalisation exceeding \$200m for 5 consecutive trading days (based on the volume average weighted price of shares for each trading day during that period). An external valuation of the Performance Rights was obtained for which a prorated amount of \$3,668 has been included in the accounts at 31 December 2024 to reflect the rendering of services in the year ended 31 December 2024.

	Number of Performance Rights	Grant date	Expiry Date	Fair value at grant date \$ per right	Vesting conditions
Antony Sage	20,000,000	29 November 2024	30 June 2025	\$0.00054	Tranche A
Malcolm Day	15,000,000	29 November 2024	30 June 2025	\$0.00054	Tranche A
Michael Carter	5,000,000	29 November 2024	30 June 2025	\$0.00054	Tranche A
Mykhailo Zhernov	5,000,000	29 November 2024	30 June 2025	\$0.00054	Tranche A

The fair value of the performance rights was determined using the Monte Carlo Simulation Methodology (MCSM), taking into account the terms and conditions upon which the performance rights were granted. The following table lists the input to the model for the performance rights:

	Antony Sage Tranche A	Malcolm Day Tranche A	Michael Carter Tranche A	Mykhailo Zhernov Tranche A
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	70%	70%	70%	70%
Risk free interest rate (%)	4.303%	4.303%	4.303%	4.303%
Exercise price (\$)	\$0.00	\$0.00	\$0.00	\$0.00
Marketability discount (%)	Nil	Nil	Nil	Nil
Expected life of options (years)	0.59 years	0.59 years	0.59 years	0.59 years
Share price at grant date (\$)	\$0.0369	\$0.0369	\$0.0369	\$0.0369
Value per option (\$)	\$0.00054	\$0.00054	\$0.00054	\$0.00054

c) CRML RSUs to Directors and Management – Prior Year Issue

On 7 June 2024, CRML issued 2,240,000 restricted stock units (RSU's) to directors and management of the Company. The RSU's were originally subject to varying vesting conditions. On 25 January 2025, the vesting period for all 2,240,000 RSU's was revised to 27 February 2025.

The RSU's were valued based on the trading price on the date of issue with the overall cost to be spread over the vesting period taking into consideration the revised vesting period. An amount of \$26,170,808 (US\$17,294,242) has been booked in the accounts as at 31 December 2024.

d) CRML RSUs to Directors and Management – Current Year Issue

On 28 January 2025, the Company issued 100,000 restricted stock units (RSU's) to the newly appointed CFO of the Company. The RSU's are subject to the following vesting conditions:

- Tranche A – RSU's vest on 30 June 2025 subject to the participant not experiencing a termination of employment or service with the Company or its subsidiaries on or prior to the vesting date.

The RSU's have been valued based on the trading price on the date of issue with the overall cost to be spread over the vesting period. An amount of \$132,347 (US\$87,458) has been booked in the accounts at 31 December 2024.

For personal use only



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Number of RSU's	Grant date	Expiry Date	Fair value at grant date \$ per right	Vesting conditions
CRML CFO	100,000	28 January 2025	30 June 2025	\$8.07	Tranche A

e) CRML Shares to Suppliers - Bellatrix

On 25 January 2025, the Company issued 100,000 shares to Bellatrix Corporate Pty Ltd (Bellatrix), a related party to the previous CFO of CRML and Company Secretary of the Company Ms Melissa Chapman. The shares were issued in respect of accounting services provided to the Company by Bellatrix. The shares vest on 28 February 2025.

The shares have been valued based on the trading price on the date of issue with the overall cost to be spread over the vesting period. An amount of \$740,865 (US\$489,580) has been booked in the accounts at 31 December 2024.

f) RSU's to Suppliers – Chris Gale

On 25 January 2025, the Company issued 10,000 shares to Chris Gale for the provision of services to the Company. The shares vest on 30 June 2025.

The shares have been valued based on the trading price on the date of issue with the overall cost to be spread over the vesting period. An amount of \$76,826 (US\$50,768) has been booked in the accounts at 31 December 2024.

20. BASIC AND DILUTED LOSS PER SHARE

	Six months ended 31 December 2024	Six months ended 31 December 2023
	\$	\$
Loss used in the calculation of basic and dilutive loss per share	(19,409,282)	(3,975,605)
	Six months to 31 December 2024	Six months to 31 December 2023
	Cents per share	Cents per share
<i>Loss per share:</i>		
Basic loss per share (cents per share)	(1.38)	(0.28)
Diluted loss per share (cents per share)	(1.38)	(0.28)

There are dilutive potential ordinary shares on issue at balance date. However, given the Company has made a loss, there is no dilution of earnings hence the diluted loss per share is the same as basic loss per share.

	31 December 2024	31 December 2023
	Number	Number
Weighted average number of shares:	1,403,749,239	1,400,760,914

21. RELATED PARTY TRANSACTIONS

On 3 July 2024, the Company entered into a convertible note agreement with Cyclone Metals Ltd (ASX: CLE) for \$350k (Convertible Note). The Convertible Note incurs an interest rate of 10% per annum, has a repayment date of 31 December 2024 and subject to receipt of shareholder approval by no later than 30 November 2024, EUR will have the right to convert the convertible loan note and associated capitalised interest into new ordinary shares in CLE, at a conversion price of \$0.0008 per share. Following receipt of CLE shareholder approval, the Convertible Note totalling \$361,411 (comprising principle amount of \$350,000 plus accrued interest of \$11,411) was repaid through the issue of 451,763,699 shares in CLE on 1 November 2024. Mr Tony Sage is a director of CLE.

On 14 September 2023, the Company entered into a loan agreement and advanced funds of \$200,000 to CLE. The loan was secured over 25,000,000 unencumbered shares held by CLE in CuFe Limited (ASX: CUF). This loan was repayable on 31 December 2024 and accrued interest of 7.5% per annum. On 12 March 2024, the Company entered into a further loan agreement with CLE and advanced funds of \$2,000,000. The loan was secured over CLE's Iron Bear Project, was repayable on 31 December 2024 and accrued interest of 10.0% per annum. During the quarter, a total of \$2,371k was received from CLE for the repayment of loans, including accrued interest. As at 31

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

December 2024, both loans have been repaid in full with the security previously held by EUR relinquished. Mr Tony Sage is a director of CLE.

During the period, the Company participated in a pro-rata non-renounceable entitlement offer (the Rights Offer) undertaken by CLE. Under the Rights Offer, eligible shareholders were offered to apply for one (1) fully paid ordinary CLE shares for every two (2) fully paid ordinary CLE shares held as at the record date, at a price of 1.6 cents per Share on a post Consolidation basis. The Company elected to participate to their full entitlement under the Rights Issue and were issued 37,050,515 shares in CLE (on a post Consolidation basis) for consideration of \$592,808. Mr Tony Sage is a director of CLE.

On 31 October 2024, the Company sold 150,000,000 shares (on a pre Consolidation basis) in CLE for consideration of \$150,000. On 31 December 2024, the Company sold 1,500,000 shares (on a post Consolidation basis) in CLE for consideration of \$81,358. These funds were outstanding at 31 December 2024 (note 5). Mr Tony Sage is a director of CLE.

22. CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the last annual reporting date.

23. COMMITMENTS

There have been no material changes in commitments since the last annual reporting date.

24. ACQUISITION OF ASSETS

On 24 November 2024, the Company completed the acquisition of 100% of the issued share capital and voting rights of LRH Resources Limited (LRH) which holds 100% of the rights, title and interest in the Leinster Lithium Project (Leinster Lithium Project) in Ireland from Technology Metals plc (AIM: TM1) in an all-script transaction.

Consideration of \$US10 million was completed through the transfer of 1,371,742 shares in CRML held by the Company to LRH. The consideration shares will be locked up until 28 February 2025.

The fair value of the shares as at the date of acquisition are:

	Note	Total
Consideration		
Shares (1,372,742 shares in CRML)		15,365,200
Fair value adjustment		<u>(1,728,323)</u>
		13,636,877
Assets Acquired		
Cash		883
Trade and other receivables		10,124
Liabilities assumed		<u>(6,409)</u>
Net assets acquired		4,598
Deferred exploration and evaluation expenditure	8	<u>13,632,279</u>

(a) the financial liabilities acquired comprise loans with third parties.

25. EVENTS SUBSEQUENT TO REPORTING DATE

On 22 January 2025, CRML announced that it had executed up to a US\$500m BTC Convertible Note (Non-Recourse against BTC Price).

On 7 February 2025, CRML announced that it had completed a private placement of approximately US\$22.5 million of equity funding.

On 27 February 2025, CRML announced the appointment of Michael Ryan as an Independent Director the Company effective 1 March 2025.

On 3 March 2025, the Company participated in a placement for \$500,000 in Moab Minerals Ltd (ASX: MOM), MOM is an exploration and project development company with a portfolio of exploration projects including the Manyoni and Octavo Uranium Projects located

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

in Tanzania, the REX Uranium-Vanadium Project located in the famed Uravan Mineral Belt of Colorado and the Highline Copper-Cobalt Project in Southern Nevada. On 5 March 2025, the Company was issued 166,666,667 ordinary shares in MOM and 83,333,334 unlisted options (\$0.008 expiring 5 December 2027) representing a 9.61% equity interest in MOM.

On 7 March 2025, the Company subscribed for convertible loan notes of US\$250,000 in Pan African Niger Limited (**PANL**). Interest accrues at 20% per annum and is repayable or convertible on or before 7 March 2026 (**Convertible Note**). The Company may elect to convert the Convertible Note into shares based on the market value price per PANL share at the date of conversion discounted by 50%. On the same day, the Company entered into a deed of variation to extend the repayment date from the convertible note entered into with PANL on 4 January 2024 to 31 December 2025.

On 13 March 2025, the Company announced the maiden mineral resources estimate of 45MT at the Tanbreez Project.

On 14 March 2025, the Company announced that 223,076,970 quoted options on issue exercisable at \$0.18 expiring on 31 March 2025 (EUROB Options) and that it intends to conduct an offer to all registered holders of EUROB Options on 19 March 2025 (Record Date) with a registered address in Australia and New Zealand (Registered Holders) whereby Registered Holders can apply for one (1) option (New Option) for every one (1) EUROB Options held on the Record Date at an issue price of \$0.002 per New Option exercisable at \$0.10 on or before 30 April 2027 (Replacement Options Offer). The Company intends to apply for quotation of the New Options.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

26. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2024:

	At amortised cost	Fair value	
		Through profit or loss	Through other comprehensive income
	\$	\$	\$
Financial assets			
Trade and other receivables	992,362	-	-
Convertible note	-	298,869	-
Total current	992,362	298,869	-
Financial assets at fair value through profit or loss	-	6,290,486	-
Total non-current	-	6,290,486	-
Total assets	992,362	6,589,355	-
Financial liabilities			
Trade and other payables	19,685,905	-	-
Short term loan payable	1,912,755	-	-
Lease liability	31,046	-	-
Warrants liability	-	64,074,732	-
Total current	21,629,706	64,074,732	-
Lease liability	57,451	-	-
Total non-current	57,451	-	-
Total liabilities	21,687,157	64,074,732	-

The Directors consider that the carrying amounts of current receivables, current payables and current borrowings are a reasonable approximation of their fair values.



DIRECTORS' DECLARATION

In the opinion of the Directors of European Lithium Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Antony Sage
Executive Chairman

21 March 2025

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of European Lithium Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the interim financial report of European Lithium Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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 European Lithium Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) 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 responsibility is 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and 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 interim 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 interim 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 2024 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 an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
21 March 2025



L Di Giallonardo
Partner

For personal use only