

Patagonia Lithium Ltd

ACN 654 004 403

Interim Report - 30 June 2025

Patagonia Lithium Ltd
Directors' report
30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Patagonia Lithium Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

Directors

The following persons were directors of Patagonia Lithium Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Phillip Thomas – Executive Chairman
Pablo Tarantini – Non-Executive Director
Rick Anthon – Independent Director
Feiyu (Sam) Qi – Non-Executive Director (resigned 23 February 2025)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of pursuing mineral exploration projects in Argentina and Brazil.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$735,566 (30 June 2024: \$59,739).

Patagonia has a portfolio of prospective exploration projects in key, demand driven commodities including; the Formentera/Cilon and Tomas III Lithium Projects in the lithium triangle in Argentina, and the 25 concessions covering 41,706 Has in three states in Brazil exploring for Niobium, REE, Antimony and spodumene.

Formentera, Argentina

Patagonia made substantive, material progress during the half-year, with an ongoing core focus on the Formentera Lithium Project. The Company is focused on developing the Project into a significant lithium producing operation and delivering shareholder value. The project consists of two concessions covering more than 90% of the salar (salt lake) that covers 1,952 Has (19.5sqkm) and are located 10km from the township of Jama adjacent to a sealed highway to the major towns of Susques, San Antonio de la Cobres and Salta.

During the period, Patagonia reported its maiden lithium brine JORC Mineral Resource Estimate (MRE) at **3.814 million tonnes of lithium carbonate equivalent** or 717,000 tonnes of lithium metal equivalent (release dated 22 January 2025 "Significant Maiden Lithium Mineral Resource"). This was followed up in July 2025 with a 319% increase in the MRE. The expanded Mineral Resource came after Patagonia completed a Borehole Magnetic Resonance program on wells 1, 3 and 4, that delivered a significant Mineral Resource upgrade. The July 2025 mineral resource estimate was estimated on drainable brines which is more relevant as the brine containing lithium will eventually be pumped out for processing. The Mineral resource estimate was 551,000 tonnes of lithium carbonate equivalent.

The upgraded Mineral Resource at the Formentera/Cilon salar is reported as follows:

- Patagonia Lithium's Formentera JORC Inferred and Indicated Mineral Resource Estimate (MRE) for Lithium Carbonate Equivalent ("LCE") has increased by 319%, rising to 551,400 tonnes from 173,000 tonnes of LCE in drainable areas (as determined by Specific Yield). This upgrade is based on a significant increase in the lithium metal resource, which increased from 32,000 metric tonnes in January 2025 to 103,000 metric tonnes;
- The specific yield increased by 248% to 11.85% from 4.8% which is a key factor for lithium brine extraction and is amongst the highest values in the region;
- The average lithium concentration increased from 264ppm to 294ppm an increase of 13%;
- The Indicated Resource estimate of 14,800 tonnes of LCE was assigned around wells JAM-24-01 and JAM-24-02, supported by strong geological continuity confirmed through recently acquired downhole geophysical data. While all of the factors previously stated support confidence at the Project, the resource classification has been largely limited to the Inferred MRE category due to the absence of confirmed basement contacts, the small number of brine samples available and the large distances between drillholes. This is currently being addressed with the well 5 at Cilon concession.
- This MRE provides further proof that the Project is a highly strategic lithium asset being substantial in size with further upside targeting other high porosity areas on the salar at depth.
- A further drill hole (well 5) is planned to 600m depth in the Cilon concession where sub-surface samples of 1,122 parts per million (ppm) lithium¹ were collected. We plan to use the Integra Lithium drill and crew to achieve cost savings as they have a substantial office/warehouse complex in Paseo de Jama township and two high powered drill rigs capable of HQ diameter to 600m.
- A 100 ppm lithium (Li) cut-off grade (COG) was applied to the mineral resource estimate.
- Notably, the average porosity from core samples was higher than the Borehole Magnetic Resonance (BMR) derived values as these were sampled from discrete zones and achieved higher porosity.

The Mineral Resource estimate was prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (JORC Code). Full details on the Mineral Resource upgrade are provided in ASX announcement of 14 July 2025 "PL3 Lithium Carbonate Mineral Resource increased by 319%".

Exploration Plans for 2025

Our team in Salta are preparing to run a passive seismic survey to delineate the basement of the salar. This is important as it will improve and possibly increase the mineral resource estimate and show how deep we have to drill to hit country rock basement across the concession that lies underneath the aquifers.

Preparations are underway to drill JAM 25-05 well on Cilon to 600m. A drill rig is currently operating nearby and the company will probably start in September 25 if all goes to plan. The rig will operate 24/7 and our two geologists will alternate shifts. We intend to adopt regular interval packer tests to ensure data integrity. Subject to results we may drill a second well on Cilon concession. We have a drilling permit for up to eight wells.

Ekosolve Direct Lithium Extraction Plant

Preparations are nearly completed to lodge an application to build the 1,000 lithium carbonate tonne demonstration plant. A number of important steps have been completed:

- Mass balance of input and output chemicals is complete using the pilot plant data obtained in 2023.
- A flowsheet showing process flows has been completed and a detailed floor plan.
- Engineering drawings for key components are being finalised. especially the columns which make it a continuous production process.
- 99.7% of solvents and all acids and alkalis will be recovered and regenerated.
- We will be able to use the sodium chloride from waste brines in the process.
- Currently we are working on lithium chloride to lithium carbonate water usage to be reduced by up to 50%.
- The plant uses all the available sodium chloride so we are working on producing fresh potable water from the waste and native brines rather than reinjecting the brine or directing it into the lagoon.

Brazil

No exploration field work was completed. The focus is on the company's two concessions adjacent to the CMOC niobium mine, the presence of fenitisation a key indicator of Rare Earth Elements. We have staked large areas nearby significant gold-antimony mineralisation where deposits are hosted in metasedimentary rocks and metavolcanic rocks, with mineralisation in quartz veins along regional fault and shear structures. These structures are often linked to intrusive granites or granitic dykes that acted as pathways for mineralising fluids. Major antimony deposits in Brazil are historically found in Minas Gerais, particularly in the Iron Quadrangle region near Belo Horizonte, with significant exploration ongoing in areas like the Curral Range and the Seridó region in the north-east. The historical Alps-Alturas mine demonstrates the potential for high-grade antimony deposits in Brazil, with its ore averaging extremely high concentrations.

Corporate

Sam Qi resigned his directorship on 23 February 2025. The board thanked him for his service.

With the co-operation of Dr Jose Luis Manzano and Magnus Capital SA we successfully underwrote a capital raising of \$2.68m at \$0.045 per share. Approximately \$1.3m was subscribed in the entitlement issue and \$1.38m was further supported by the underwriters.

The lithium market as reflected in the futures markets has recently improved but the demand supply is delicately balanced. The announcement by CATL a major producer to close one of its mines in China responsible for 6% production has a positive effect on the share price of producers and the lithium price. Analysts believe that significant battery usage in buses and BESS systems will increase over the next few years and increase annual usage of 1.6 million tonnes to more than 2 million tonnes a year.

The number of U.S. gigafactories under construction is a dynamic figure, but as of early August 2025, there are at least 17 new projects added to the pipeline since mid-2022, contributing to the 2030 capacity. These additions are part of a significant expansion driven by the USA Inflation Reduction Act (IRA), with Benchmark a data analyst group estimating that 160 GWh (approximately 275,200 tonnes of lithium carbonate used) of new gigafactory capacity is expected to come online in 2025 alone.

Significant changes in the state of affairs

During the half-year, the company issued 44,573,108 fully paid ordinary share raising \$3,565,848 before costs.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 26 August 2025, the company issued 29,760,024 shares under an entitlement offer valued at \$0.045 per share, raising \$1,339,201 before costs.

On 1 September 2025, the company issued 29,945,156 shares to underwriters of the entitlement offer valued at \$0.045 per share, raising \$1,347,532 before costs.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Competent Person Reference

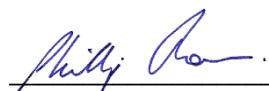
The Company confirms it is not aware of any new information or data that materially affects the information cross referenced in this announcement and all material assumptions and technical parameters underpinning the MRE (released on 14 July 2025 as "Lithium Carbonate Mineral Resource increased by 319%") continue to apply and have not materially changed. The MRE is comprised of 14.8kt indicated MRE and 536.6kt inferred MRE. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Patagonia Lithium Ltd
Directors' report
30 June 2025

The January 2025 inferred MRE (announced on 22 January 2025 as “Significant Maiden Lithium Mineral Resource” is comprised of in-situ 3,816,000 tonnes of Lithium Carbonate Equivalent (LCE) based on an in-situ lithium metal resource of 717,000 tonnes defined at the Formentera Lithium Brine Project (lithium metal to lithium carbonate factor is x 5.323).

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Phillip Thomas
Director

8 September 2025

**PATAGONIA LITHIUM LTD
AND CONTROLLED ENTITIES
ACN 654 004 403**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PATAGONIA LITHIUM LTD AND CONTROLLED ENTITIES**

As lead auditor for the review of Patagonia Lithium Ltd for the half-year ended 30 June 2025, I declare that, the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Anh (Steven) Nguyen
Director
Date: 8 September 2025
Hall Chadwick Melbourne
Level 14 440 Collins Street
Melbourne VIC 3000

Patagonia Lithium Ltd
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General information

The financial statements cover Patagonia Lithium Ltd as a consolidated entity consisting of Patagonia Lithium Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Patagonia Lithium Ltd's functional and presentation currency.

Patagonia Lithium Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 505 Little Collins Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 September 2025.

Patagonia Lithium Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2025

	Note	Consolidated June 2025 \$	June 2024 \$
Revenue			
Other income	3	-	503,310
Interest revenue calculated using the effective interest method		-	14,629
Expenses			
Corporate and administration expenses		(535,198)	(541,778)
Foreign exchange losses		(37,802)	-
Other expenses		(125,322)	(30,804)
Finance costs		<u>(37,244)</u>	<u>(5,096)</u>
Loss before income tax expense		(735,566)	(59,739)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Patagonia Lithium Ltd		(735,566)	(59,739)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(295,669)</u>	<u>(33,128)</u>
Other comprehensive loss for the half-year, net of tax		<u>(295,669)</u>	<u>(33,128)</u>
Total comprehensive loss for the half-year attributable to the owners of Patagonia Lithium Ltd		<u>(1,031,235)</u>	<u>(92,867)</u>
		Cents	Cents
Basic earnings per share	15	(0.74)	(0.10)
Diluted earnings per share	15	(0.74)	(0.10)

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

Patagonia Lithium Ltd
Statement of financial position
As at 30 June 2025

		Consolidated	December
	Note	June 2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		137,523	57,546
Trade and other receivables	4	203,460	147,093
Other		36,752	79,585
Total current assets		<u>377,735</u>	<u>284,224</u>
Non-current assets			
Trade and other receivables	4	700,226	646,975
Property, plant and equipment		3,592	-
Exploration and evaluation	5	9,909,211	10,049,317
Total non-current assets		<u>10,613,029</u>	<u>10,696,292</u>
Total assets		<u>10,990,764</u>	<u>10,980,516</u>
Liabilities			
Current liabilities			
Trade and other payables	6	120,756	1,703,670
Borrowings	7	-	867,210
Total current liabilities		<u>120,756</u>	<u>2,570,880</u>
Total liabilities		<u>120,756</u>	<u>2,570,880</u>
Net assets		<u>10,870,008</u>	<u>8,409,636</u>
Equity			
Issued capital	8	13,336,133	9,835,277
Reserves	9	1,262,748	1,567,666
Accumulated losses		<u>(3,728,873)</u>	<u>(2,993,307)</u>
Total equity		<u>10,870,008</u>	<u>8,409,636</u>

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

Patagonia Lithium Ltd
Statement of changes in equity
For the half-year ended 30 June 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2024	8,554,703	1,143,604	(2,579,013)	7,119,294
Loss after income tax expense for the half-year	-	-	(59,739)	(59,739)
Other comprehensive loss for the half-year, net of tax	-	(33,128)	-	(33,128)
Total comprehensive loss for the half-year	-	(33,128)	(59,739)	(92,867)
Balance at 30 June 2024	<u>8,554,703</u>	<u>1,110,476</u>	<u>(2,638,752)</u>	<u>7,026,427</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2025	9,835,277	1,567,666	(2,993,307)	8,409,636
Loss after income tax expense for the half-year	-	-	(735,566)	(735,566)
Other comprehensive loss for the half-year, net of tax	-	(295,669)	-	(295,669)
Total comprehensive loss for the half-year	-	(295,669)	(735,566)	(1,031,235)
Conversion of notes	-	(9,249)	-	(9,249)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	<u>3,500,856</u>	<u>-</u>	<u>-</u>	<u>3,500,856</u>
Balance at 30 June 2025	<u>13,336,133</u>	<u>1,262,748</u>	<u>(3,728,873)</u>	<u>10,870,008</u>

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

Patagonia Lithium Ltd
Statement of cash flows
For the half-year ended 30 June 2025

	Note	Consolidated June 2025 \$	June 2024 \$
Cash flows from operating activities			
Other income		-	476,037
Interest received		-	30,949
Payments to suppliers and employees (inclusive of GST)		(790,787)	(867,525)
Interest and other finance costs paid		(37,244)	(5,096)
Net cash used in operating activities		(828,031)	(365,635)
Cash flows from investing activities			
Payments for property, plant and equipment		(3,592)	-
Payments for exploration and evaluation rights		(1,711,911)	(1,989,913)
Net cash used in investing activities		(1,715,503)	(1,989,913)
Cash flows from financing activities			
Proceeds from issue of shares	8	3,565,848	-
Share issue transaction costs		(64,992)	-
Repayment of borrowings		(876,458)	-
Net cash from financing activities		2,624,398	-
Net increase/(decrease) in cash and cash equivalents		80,864	(2,355,548)
Cash and cash equivalents at the beginning of the financial half-year		57,546	2,650,901
Effects of exchange rate changes on cash and cash equivalents		(887)	566
Cash and cash equivalents at the end of the financial half-year		<u>137,523</u>	<u>295,919</u>

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

Note 1. Basis of preparation and significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of \$735,566 for the half-year ended 30 June 2025 and had negative cash flows from operating activities of \$828,031.

The directors have reviewed the cashflow forecasts which extend to 30 September 2026, and believe that there are reasonable grounds to believe that the Consolidated Entity will be able to meet its commitments for at least 12 months from the date of signing this report, for the below reasons;

- On 26 August 2025, the company issued 29,760,024 shares under an entitlement offer valued at \$0.045 per share, raising \$1,339,201 before costs;
- On 1 September 2025, the company issued 29,945,156 shares to underwriters of the entitlement offer valued at \$0.045 per share, raising \$1,347,532 before costs;
- As an ASX listed entity, the company has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the directors consider appropriate; and
- Management remain diligent in their monitoring of cash flows day by day.

Accordingly, the directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

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

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being pursuing lithium exploration projects in South America.

Note 3. Other income

	Consolidated	
	June 2025	June 2024
	\$	\$
Net foreign exchange gain	-	476,037
Other income	-	27,273
Other income	-	503,310

Patagonia Lithium Ltd
Notes to the financial statements
30 June 2025

Note 4. Trade and other receivables

	Consolidated	December
	June 2025	2024
	\$	\$
<i>Current assets</i>		
Other receivables	8,811	76,859
Indirect tax receivable	194,649	70,234
	<u>203,460</u>	<u>147,093</u>
<i>Non-current assets</i>		
Indirect taxes receivable	<u>700,226</u>	<u>646,975</u>

Note 5. Exploration and evaluation

	Consolidated	December
	June 2025	2024
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	<u>9,909,211</u>	<u>10,049,317</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration & evaluation \$
Balance at 1 January 2025	10,049,317
Additions	128,997
Exchange differences	<u>(269,103)</u>
Balance at 30 June 2025	<u>9,909,211</u>

Note 6. Trade and other payables

	Consolidated	December
	June 2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	47,015	46,045
Other payables and accruals	73,741	1,657,625
	<u>120,756</u>	<u>1,703,670</u>

Note 7. Borrowings

	Consolidated June 2025 \$	December 2024 \$
<i>Current liabilities</i>		
Short term loans	-	519,548
Convertible notes payable	-	347,662
	-	867,210

All loans and notes have been paid in full during the half-year.

Note 8. Issued capital

	June 2025 Shares	Consolidated December 2024 Shares	June 2025 \$	December 2024 \$
Ordinary shares - fully paid	119,410,360	74,837,252	13,336,133	9,835,277

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2025	74,837,252		9,835,277
Issue of shares	18 March 2025	12,500,000	\$0.080	1,000,000
Issue of shares	21 March 2025	1,628,505	\$0.080	130,280
Issue of shares	27 March 2025	30,444,603	\$0.080	2,435,568
Less cost of capital raised		-	\$0.000	(64,992)
Balance	30 June 2025	119,410,360		13,336,133

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 9. Reserves

	Consolidated	December
	June 2025	2024
	\$	\$
Foreign currency reserve	149,169	444,838
Share-based payments reserve	967,166	967,166
Convertible note reserve	-	9,249
Loyalty option reserve	146,413	146,413
	<u>1,262,748</u>	<u>1,567,666</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note reserve

The reserve is used to recognise the equity portion of convertible notes.

Loyalty option reserve

The reserve is used to recognise the funds received in relation to 14,621,250 loyalty options issued on 9 October 2023, with an exercise price of \$0.30 and expiring on 15 December 2023.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Convertible notes \$	Foreign currency \$	Share-based payments \$	Loyalty option \$	Total \$
Consolidated					
Balance at 1 January 2025	9,249	444,838	967,166	146,413	1,567,666
Foreign currency translation	-	(295,669)	-	-	(295,669)
Conversion of notes	(9,249)	-	-	-	(9,249)
Balance at 30 June 2025	<u>-</u>	<u>149,169</u>	<u>967,166</u>	<u>146,413</u>	<u>1,262,748</u>

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The fair value is classified as level 3 due to significant unobservable inputs used in the valuation, including credit risk.

Note 12. Contingent liabilities

As at 30 June 2025, the consolidated entity had no contingent liabilities (31 December 2024: nil).

Note 13. Related party transactions

Parent entity

Patagonia Lithium Ltd is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	June 2025	June 2024
	\$	\$
Other transactions:		
Exploration consulting paid to Gurtan Pty Ltd (an entity related to Phillip Thomas)	10,550	28,764

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	June 2025	December 2024
	\$	\$
Current payables:		
Fees and expense payable to directors	48,692	52,122

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	June 2025	December 2024
	\$	\$
Current borrowings:		
Short term loans from directors and related entities (including accrued interest)	-	365,392
Convertible notes from directors and related entities	-	98,590

All loans and notes have been repaid in full during the current half-year period.

Note 14. Events after the reporting period

On 26 August 2025, the company issued 29,760,024 shares under an entitlement offer valued at \$0.045 per share, raising \$1,339,201 before costs.

On 1 September 2025, the company issued 29,945,156 shares to underwriters of the entitlement offer valued at \$0.045 per share, raising \$1,347,532 before costs.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 15. Earnings per share

	Consolidated	
	June 2025	June 2024
	\$	\$
Loss after income tax attributable to the owners of Patagonia Lithium Ltd	<u>(735,566)</u>	<u>(59,739)</u>

Note 15. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	98,907,507	58,565,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	98,907,507	58,565,000
	Cents	Cents
Basic earnings per share	(0.74)	(0.10)
Diluted earnings per share	(0.74)	(0.10)

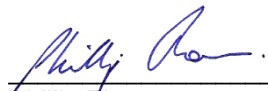
Patagonia Lithium Ltd
Directors' declaration
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Phillip Thomas
Director

8 September 2025

PATAGONIA LITHIUM LTD
ACN 654 004 403

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS OF PATAGONIA LITHIUM LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Patagonia Lithium Ltd and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Patagonia Lithium Ltd is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report.

We are independent of the Group in accordance with the auditor independence requirement 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 these requirements.

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

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for:

- a) the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*
- b) such internal control as the Directors determine is necessary to enable the preparation of the half-year 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 half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended as at that date; and complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000



Director: Anh (Steven) Nguyen

Date: 8 September 2025