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LEO LITHIUM LIMITED

ABN 70 638 065 068

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2025**

www.leolithium.com

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Simon Hay	- Executive Chairman
Amber Banfield	- Non-Executive Director
Brendan Borg	- Non-Executive Director
Alan Rule	- Non-Executive Director

COMPANY SECRETARY

John Sanders (from 28 February 2025)
Ron Chamberlain (until 28 February 2025)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 2, 16 Ventnor Avenue
West Perth WA 6005
Australia
Phone: + 61 8 6314 4500
Email: info@leolithium.com
Website: www.leolithium.com

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Phone: 1300 850 505 (within Australia)
Phone: + 61 3 9415 5000 (outside Australia)
Fax: + 61 8 9473 2500
Website: www.computershare.com
Investor Centre: www.investorcentre.com

AUDITORS

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring St
Perth WA 6000
Australia

AUSTRALIAN COMPANY NUMBER

638 065 068

Leo Lithium Limited shares are listed on the Australian Stock Exchange (**ASX**). ASX Code: LLL

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DIRECTORS' REPORT

Your Directors present their report together with the financial report of the Group consisting of Leo Lithium Limited (**Leo Lithium** or **Company**) and the entities it controlled (**Group**) during the six months ended 30 June 2025 (**Half-Year**).

Leo Lithium is currently seeking alternative, value accretive opportunities to deliver growth for shareholders.

DIRECTORS

The following persons were directors of Leo Lithium during the Half-Year and up to the date of this report, unless otherwise stated:

Simon Hay	Executive Chairman
Brendan Borg	Non-Executive Director
Amber Banfield	Non-Executive Director
Alan Rule	Non-Executive Director

OVERVIEW

On 26 November 2024, the Company completed the sale to GFL International Co, Ltd (**Ganfeng**) of its remaining 40% interest in Mali Lithium BV (a company incorporated in the Netherlands) (**MLBV**) which, via its wholly owned subsidiary Lithium du Mali SA (a company incorporated in Mali) (**LMSA**), owns the Goulamina Lithium Project (**Goulamina Project**) for a cash consideration of US\$342.7 million, payable in three instalments:

- US\$10.5 million non-refundable deposit. Funds were received on 17 May 2024;
- US\$161.0 million on completion of the transaction (**Tranche 1 Consideration**). Funds were received on 25 November 2024; and
- US\$171.2 million payable by 30 June 2025 or an earlier date (**Tranche 2 Consideration**) plus interest on the Tranche 2 Consideration at a rate equal to SOFR + 2%, commencing from the completion date until the Tranche 2 Consideration is paid in full to Leo Lithium. The Tranche 2 Consideration plus interest of US\$6.4 million was received on 3 July 2025.

Leo Lithium did not undertake any mining exploration, mining production or development activity during the Half-Year. Leo Lithium did not acquire or dispose of any mining tenements during the Half-Year and did not hold any mining tenements at the end of the Half-Year.

STRATEGY

In January 2025, the Company set out its strategic focus to acquire an asset and seek re-quotation of the Company's shares on the ASX.

The Company believes this strategy will provide the most flexibility to shareholders:

- Leo Lithium can only resume trading on the ASX if it acquires another business;
- Many shareholders would rather Leo Lithium deploy all or part of the Tranche 2 Consideration into other assets than receive further unfranked dividends;
- Resuming trading on the ASX will enable Leo Lithium shareholders to make personal decisions on their shareholding that suit their particular tax circumstances;
- Shareholders have the ultimate say in any major acquisition proposal that utilises any of the Tranche 2 Consideration; and
- Current lithium market conditions are conducive for potential acquirors with pricing of assets at cyclical lows.

Leo Lithium has a proven lithium development team and a solid balance sheet, supported by ongoing cash flow from the Goulamina royalty, with the potential for value creation when paired with the right opportunity.

When screening potential targets, the Company is focused on the following matters:

Screen	Considerations	Status update
Commodity	Focus on lithium - hard rock and brines	Current discussions focused on lithium hard rock and brine
Jurisdiction	WA, US, Canada, South America (including lithium triangle) and Europe	Current focus in North and South America
Project life stage	Development projects, pre-FID	All current opportunities pre-FID

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Screen	Considerations	Status update
Project scale	Projects capable of becoming a significant global lithium producer whilst maintaining financial discipline and balance sheet strength	Tier 1 opportunity targeted for a cornerstone asset
Structure	Leo Lithium to be the operator and/or majority owner to enable resumption of trading on ASX	Leo Lithium seeking majority ownership and operatorship
Timing	If no opportunities significantly progressed by 30 September 2025, return Tranche 2 funds to shareholders (expected in H2 2025)	Some or all of Tranche 2 funds to be returned if not used in acquisitions

Progress update

The Company has made solid progress on this strategy in the first half of 2025 with the team undertaking detailed reviews on multiple opportunities that span lithium spodumene, brine and geothermal assets across Australia, North and South America and Europe.

The Company has maintained a rigorous financial and technical approach to opportunity screening. Where initial screening demonstrated that a target met the Company's internal criteria, that target was progressed to the next stage which includes confidential engagement with the counterparty.

There has been initial engagement with several lithium-related companies, particularly those requiring development team expertise and funding sources for their assets. The majority of these counterparties who recognise the team's capability, proven delivery record, cash position and other key attributes have responded positively.

The Company is steadily advancing a small number of lithium hard rock M&A opportunities. The Company is assessing the potential structure allowing for an acquisition combined with a partial return of Tranche 2 funds to shareholders. Any deal announcement will address the Company's intended use of Tranche 2 funds, including any distribution to shareholders. It is expected that any shareholder approval and distribution will occur in the second half of calendar year 2025.

At this stage, all opportunities remain incomplete and confidential, and none have progressed to a point where commercial terms have been agreed or finalised. There is no guarantee that any transaction will be agreed or completed.

No resumption of trade on ASX

During the Half-Year, Leo Lithium met with representatives from the ASX to discuss the reinstatement of the Company's shares to trading on ASX.

Where completion of an acquisition occurs after the upcoming automatic delisting date of 19 September 2025, the transaction structure will include an application to relist on the ASX. The Company has engaged with ASX on this process although there is no guarantee the ASX will approve any relisting application. Generally, the ASX has stated that when it requires a company to re-comply with ASX's admission and quotation requirements in Chapters 1 and 2 of the ASX listing rules, ASX treats that application as if it were a new, fresh application by the entity to be admitted to the official list. Thus, seeking an application to relist on the ASX post 19 September 2025 should be no easier or harder for the Company in terms of satisfying the requirements of the ASX.

The Company will continue to engage with ASX to endeavour to resolve these compliance requirements.

CORPORATE KEY EVENTS

Shareholder Distribution of Goulamina Sale Proceeds

On 31 January 2025 the Company completed a cash distribution totaling A\$207.2 million to shareholders comprising:

- 100% of the A\$ equivalent of Tranche 1 Consideration net of CGT of US\$116.3 million,
- the non-refundable deposit of US\$10.5 million paid by Ganfeng; and
- the A\$11.5 million payment received from Firefinch.

This distribution was A\$0.172 per share and was comprised of a capital return of A\$0.0143 cents per share which was approved by shareholders on 13 January 2025, and an unfranked dividend of A\$0.1577 cents per share.

If no acquisition opportunities are significantly progressed by the end of the third quarter of 2025, Tranche 2 Consideration will be returned to shareholders in the fourth quarter of 2025. Given the dynamic nature of these ongoing discussions, it is not possible to be prescriptive as to if, or when, any or all of the Tranche 2 Consideration will be distributed to shareholders. The Company has committed that any acquisition that will use Tranche 2 Consideration will be put to Leo Lithium shareholders for a vote.

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Organisational changes

The rationalisation of the Company's staff following the sale of the Goulamina Lithium Project and all associated one-off costs were completed during the Half-Year.

OPERATING RESULTS FOR THE PERIOD

Profit & Loss

The Group's profit after tax for the Half-Year was A\$6.7 million (30 June 2024: A\$33.4 million) including the following key items:

- Interest income of A\$10.5 million;
- Administration expenses of A\$2.3 million;
- Employee benefits expense of A\$1.7 million; and
- Share based payment expenses of A\$0.4 million.

Cash Flow - Leo Lithium

Operating Cash Flows

Operating cash outflows for the Half-Year were A\$6.3 million (30 June 2024 A\$93.9 million) including the following key items:

- Payment of employees and suppliers of A\$7.4 million;
- Interest received of A\$3.2 million; and
- Income tax payment of A\$2.1 million.

Investing Cash Flows

Investing cash outflows for the Half-Year were A\$2.5 million (30 June 2024: A\$138.2 million inflow) including the following key items:

- Transaction fees for the sale of the remaining MLBV shares (40%) of A\$2.5 million;

Financing Cash Flows

Financing cash outflows for the Half-Year was A\$207.2 million (30 June 2024: Nil) including the following key items:

- Return of Tranche 1 proceeds to shareholders as a special dividend of A\$189.9 million (30 June 2024: Nil) and a capital return of A\$17.2 million (30 June 2024: Nil).

Closing Cash

Closing cash as at 30 June 2025 was A\$53.3 million (30 June 2024: A\$77.6 million).

Hedging

During the Half-Year, the Company entered into a deferred AUD:USD call option contract that expires on 15 July 2025 for the Tranche 2 proceeds plus interest due by 30 June 2025 as follows:

Value USD'000	Strike rate USD:AUD	Value A\$'000	Premium A\$'000	Net Value A\$'000
92,000	0.6150	149,593	(2,537)	147,056
85,000	0.6200	137,097	(2,393)	134,704
177,000		286,690	(4,930)	281,760

DIVIDENDS FOR THE PERIOD

An unfranked special dividend of A\$0.1577 cents per share (total of A\$189.9 million) was paid by the Company during the period (30 June 2024: Nil).

In addition, a capital return to shareholders of A\$0.0143 cents per share (total of A\$17.2 million) was paid by the Company during the period (30 June 2024: Nil).

The Directors do not recommend that any interim dividends be paid for the Half-Year (30 June 2024: Nil).

BUSINESS RISKS AND EXTERNAL FACTORS

Leo Lithium's business, operating and financial performance are subject to various risks and uncertainties, some of which are beyond Leo Lithium's reasonable control. The identification and, where possible, mitigation and management of these risks is central to achieving the objectives of the Company.

The Company established a risk management framework that articulates and mitigates the adverse impact these risks have on the business. The risk management framework included the formal adoption of a Risk Policy, drafting a Risk Standard and the development of a Corporate Risk Register.

As the Company is presently focused on investment opportunities, the Corporate Risk Register now includes the following risks that have been identified by management as capable of having a material adverse impact on the Company's business, results and future prospects.

These factors are not listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with Leo Lithium's business. However, they do represent the top risks identified at the time by the management of Leo Lithium.

Project Acquisition

Leo Lithium currently is seeking investment opportunities to deliver growth for shareholders. Whilst the Company has a structured and planned approach to project acquisitions, involving the use of experienced Leo Lithium staff and advisors, there is no certainty that an acquisition will be completed and there remains a risk that unexpected market issues or challenges, outside of the Company's control, may arise that impact the process and likelihood of project acquisition and consequently impact the value generated for shareholders.

MLBV Sale Tranche 2 Consideration

The sale of MLBV resulted in the Company having the Tranche 2 Consideration receivable from Ganfeng of US\$171.2 million plus accrued interest revenue of US\$6.4 million at 30 June 2025. These funds were received in full on 3 July 2025.

Cyber Security

The Company is exposed to cyber security risks including through using e-mail, information technology networks and banking software. Given the prevalence and constantly evolving nature of cyber-crime the Company is reliant on several mitigating controls, but there remains a risk of a breach, outside of the Company's control, which could have an adverse impact on the Company, including the value of financial assets and breach of confidential information.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the Half-Year, other than those described in this report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Other than the matters set out below, in the interval between the end of the Half-Year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years:

- On 3 July 2025, the Company announced receipt of the Tranche 2 Consideration of US\$171.2 million plus accrued interest of US\$6.4 million relating to the sale of Leo Lithium's 40% interest in MLBV (total proceeds received of US\$177.6 million); and
- On 7 July 2025, the Company exercised the deferred AUD:USD call option for US\$177.0 million and received net proceeds of A\$281.6 million.

ROUNDING

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the class order applies.

DIRECTORS' REPORT (CONTINUED)

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.

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

On behalf of the Directors



Simon Hay
Executive Chairman and Managing Director

Perth, 8 August 2025

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AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF LEO LITHIUM LIMITED

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

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

This declaration is in respect of Leo Lithium Limited and the entity it controlled during the period.



Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
8 August 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Continuing operations			
Income			
Other income	4	10,541	1,670
Expenses			
Administration	4	(2,253)	(1,737)
Employee benefits	4	(1,747)	(1,865)
Share-based payments		(411)	(2,086)
Foreign exchange loss realised		(5)	-
Finance costs	4	(38)	(45)
Profit/(loss) before income tax expense from continuing operations		6,087	(4,063)
Income tax benefit		600	-
Profit/(loss) after income tax expense for the period from continuing operations		6,687	(4,063)
Profit after income tax expense from discontinued operations		-	37,439
Profit after income tax expense for the period		6,687	33,376
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in fair value of derivatives		(5,094)	-
Foreign currency translation loss - reclassified to profit or loss on dilution/sale of interest in the Goulamina Project		-	(2,611)
Foreign currency translation gain - remeasurement of investment in the Goulamina Project		-	1,741
Other comprehensive income/(loss) for the period		(5,094)	(870)
Total comprehensive income for the period		1,593	32,506
Earnings/(loss) per share for loss from continuing operations attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings/(loss) per share		0.56	(0.34)
Diluted earnings/(loss) per share		0.55	(0.34)
Earnings per share for profit attributable to the ordinary equity holders of the company			
Basic earnings per share		0.56	2.79
Diluted earnings per share		0.55	2.75

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30 June 2025 \$'000	31 December 2024 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		53,329	269,306
Trade and other receivables		270,725	280,129
Derivative financial instruments	3	16,373	-
Total Current Assets		340,427	549,435
Non-Current Assets			
Intangible asset		36,814	36,814
Property, plant and equipment		31	55
Right-of-use assets		905	1,023
Total Non-Current Assets		37,750	37,892
Total Assets		378,177	587,327
LIABILITIES			
Current Liabilities			
Trade and other payables		5,704	6,885
Lease liabilities		236	224
Employee benefits		149	160
Income tax liability		-	2,015
Total Current Liabilities		6,089	9,284
Non-Current Liabilities			
Lease liabilities		787	908
Employee benefits		26	12
Deferred tax liability		1,172	1,854
Total Non-Current Liabilities		1,985	2,774
Total Liabilities		8,074	12,058
Net Assets		370,103	575,269
EQUITY			
Contributed equity	5(a)	88,576	105,814
Reserves	5(c)	(4,683)	7,215
Retained earnings		286,210	462,240
Total Equity		370,103	575,269

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Contributed equity \$'000	Foreign currency translation reserve \$'000	Share based payment reserve \$'000	Hedge Reserve \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 1 January 2024	105,924	9,796	3,787	-	64,616	184,123
Profit for the period	-	-	-	-	33,376	33,376
Foreign currency translation loss	-	(2,611)	-	-	-	(2,611)
Foreign currency translation gain	-	1,741	-	-	-	1,741
Total comprehensive income/(loss)	-	(870)	-	-	33,376	32,506
Share issue costs	(111)	-	-	-	-	(111)
Share-based payments	-	-	2,086	-	-	2,086
Balance at 30 June 2024	105,813	8,926	5,873	-	97,992	218,604
Balance at 1 January 2025	105,814	-	7,215	-	462,240	575,269
Profit for the period	-	-	-	-	6,687	6,687
Changes in fair value of derivatives	-	-	-	(5,094)	-	(5,094)
Total comprehensive income	-	-	-	(5,094)	6,687	1,593
Share capital return	(17,224)	-	-	-	-	(17,224)
Share issue cost	(14)	-	-	-	-	(14)
Dividends paid	-	-	-	-	(189,932)	(189,932)
Share-based payments transferred to retained earnings	-	-	(7,215)	-	7,215	-
Share-based payments	-	-	411	-	-	411
Balance at 30 June 2025	88,576	-	411	(5,094)	286,210	370,103

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2025

	30 June 2025 \$'000	30 June 2024 \$'000
Cash flow from operating activities		
Payments to suppliers and employees	(7,405)	(4,043)
Interest received	3,200	619
Income tax paid	(2,098)	-
Goulamina Project management and administrative fees	-	341
Mali Government settlement	-	(90,781)
Net cash (used in) operating activities	(6,303)	(93,864)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(4)
Payments made on behalf of the Goulamina Project	-	(21,998)
Receipt of reimbursements from the Goulamina Project	-	57,633
Capital gains tax paid on sale of MLBV shares	-	(11,506)
Proceeds from sale of MLBV shares	-	98,346
Receipt of non-refundable deposit from Ganfeng	-	15,712
Transaction fees on sale of MLBV	(2,500)	-
Net cash (used in)/inflow from investing activities	(2,500)	138,183
Cash flows from financing activities		
Transaction costs related to share issue	(14)	-
Share capital return	(17,223)	-
Dividends paid	(189,932)	-
Net cash (used in) financing activities	(207,169)	-
Net (decrease)/increase in cash and cash equivalents	(215,972)	44,319
Cash and cash equivalents at the beginning of the period	269,306	33,561
Effects of foreign exchange rate changes	(5)	(295)
Cash and cash equivalents at the end of the period	53,329	77,585

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

Leo Lithium Limited (**Leo Lithium** or **Company**) is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are traded on ASX.

The interim condensed consolidated financial statements of the Company for the Half-Year ended 30 June 2025 (**Half-Year Financial Statements**) comprise the Company and the entities it controlled (**Group**).

The Group is primarily involved in mineral exploration and evaluation.

These Half-Year Financial Statements were authorised for issue by the Board of Directors on 8 August 2025.

NOTE 2. BASIS OF PREPARATION

(a) *Introduction and Statement of Compliance*

The Half-Year Financial Statements have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

The Half-Year Financial Statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these Half-Year 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 Leo Lithium during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Half-Year Financial Statements are presented in Australian dollars (\$) and all values are rounded to the nearest thousand dollars (A\$1,000) unless otherwise stated, in accordance with the Australian Securities and Investment Commission Corporations Instrument 2016/191.

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

(b) *New and amended standards and interpretations*

From 1 January 2025 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 January.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting this amended standard. The Group has not elected to early adopt any new accounting standards and interpretations.

(c) *Going Concern*

The Half-Year Financial Statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. With the sale of MLBV completed, the Company's future activities is, in addition to distributions to shareholders, focused on the identification of value-accretive investment opportunities.

There is uncertainty regarding the timing and successful completion of a suitable value-accretive investment acquisition and the Company's subsequent relisting on ASX. However, the Company has sufficient financial resources to continue its operations and pursue potential acquisitions. Accordingly, the Directors believe that the going concern basis of preparation is appropriate.

(d) *Currency of Presentation*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of the parent entity, Leo Lithium, is Australian dollars. The Half-Year Financial Statements are presented in Australian dollars which is the Groups' presentation currency.

NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS

The Company has the following derivative financial instruments:

	30 June 2025 \$'000	31 December 2024 \$'000
Deferred AUD:USD Call Option	16,373	-

The following table details the derivative financial instruments outstanding at the reporting date.

	USD'000	Strike rate USD:AUD	Contract Date	Expiry	Fair value AUD'000
Deferred AUD:USD Call Option	92,000	0.6150	8 April 2025	15 July 2025	9,085
Deferred AUD:USD Call Option	85,000	0.6200	8 April 2025	15 July 2025	7,288
	177,000				16,373

Recognition and measurement

The Group documents, at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a current asset or liability when the maturity of the hedged item is less than 12 months; it is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months. Movements in the hedging reserve in shareholder's equity are shown in note 5.

(i) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve in equity, limited to the cumulative change in the fair value of the hedged item on a present value basis from the inception of the hedge.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

The changes in the time value component of options that relate to hedged items are recognised with other comprehensive income in the hedging reserve within equity. The cumulative changes accumulated in the hedge reserve are reclassified to the profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is immediately reclassified to profit or loss

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NOTE 4. REVENUE AND EXPENSES

	30 June 2025 \$'000	30 June 2024 \$'000
Other income		
Interest received	10,541	766
Net foreign exchange gain	-	904
	<u>10,541</u>	<u>1,670</u>
Administration expenses		
Corporate and administration	2,116	1,590
Depreciation and amortisation	137	147
	<u>2,253</u>	<u>1,737</u>
Employee benefits expense		
Salaries and wages	1,579	1,729
Superannuation	168	136
	<u>1,747</u>	<u>1,865</u>
Finance cost		
Interest and finance charges paid/payable on lease liabilities	<u>38</u>	<u>45</u>

NOTE 5. CONTRIBUTED EQUITY AND RESERVES
(a) Issued and paid-up share capital

	30 June 2025 Shares	31 December 2024 Shares	30 June 2025 \$'000	31 December 2024 \$'000
Ordinary shares - fully paid	1,204,827,813	1,198,927,409	88,576	105,814

Movements in ordinary share capital

Details	Shares	\$'000
Opening Balance at 31 December 2024	1,198,927,409	105,814
Share capital return	-	(17,224)
Performance rights exercised	5,900,404	-
Costs relating to the exercise of performance rights	-	(14)
Closing Balance at 30 June 2025	<u>1,204,827,813</u>	<u>88,576</u>

(b) 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.

(c) (i) Reserves

	30 June 2025 \$'000	31 December 2024 \$'000
Share-based payments reserve	411	7,215
Hedge Reserve	(5,094)	-
	<u>(4,683)</u>	<u>7,215</u>

NOTE 5. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

(c) (ii) Movement in Reserves

	Share based payment reserve \$'000	Hedge reserve \$'000
Balance at 1 January 2025	7,215	-
Share based payment expense	411	-
Transfer to retained earnings	(7,215)	-
Change in fair value	-	(5,094)
Balance at 30 June 2025	411	(5,094)

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

(d) Options and Performance Rights

Reconciliation of Options and Performance Rights

	Number at the beginning of the Half- Year	Granted during the Half-Year	Vested during the Half-Year	Forfeited during the Half-Year	Lapsed/ cancelled during the Half-Year	Number at the end of the Half- Year
Options	7,950,000	-	-	-	(6,770,000)	1,180,000
Long Term Incentive Performance Rights	5,900,404	-	(5,900,404)	-	-	-
Short Term Incentive Performance Rights	-	4,349,917	-	-	-	4,349,917
Total	13,850,404	4,349,917	(5,900,404)	-	(6,770,000)	5,529,917

Options outstanding at 30 June 2025 consist of the following:

Grant date	Exercisable date	Expiry date	Fair value	Exercise price	Number
1-Nov-22	29-Apr-25	29-Oct-25	\$0.33	\$0.763	590,000
18-May-23	18-Nov-25	1-Jan-26	\$0.41	\$0.643	590,000
Total					1,180,000

Performance Rights outstanding at 30 June 2025 consist of the following:

Grant date	Exercisable date	Expiry date	Fair value	Exercise price	Incentive Plan	Number
27-Feb-2025	31-Dec-2025	30-Jun-2026	\$0.24	\$0.00	2025 STI	4,349,917
Total						4,349,917

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NOTE 6. COMMITMENTS AND CONTINGENCIES

The Group had no material commitments, contingent assets or contingent liabilities at 30 June 2025.

NOTE 7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Other than the matters set out below, in the interval between the end of the Half-Year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years:

- On 3 July 2025, Leo Lithium announced receipt of the Tranche 2 Consideration of US\$177.2 million plus accrued interest of US\$6.4 million relating to the sale of Leo Lithium's 40% interest in MLBV (total proceeds received of US\$177.6 million); and
- On 7 July 2025, the Company exercised the deferred AUD:USD call option for US\$177.0 million and received net proceeds of A\$281.78 million.

DIRECTORS' DECLARATION

In the opinion of the Directors:

- (a) the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001* including:
- i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. 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 on that date; and
- (b) 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 made in accordance with a resolution of the Directors.



Simon Hay
Executive Chairman and Managing Director

Perth, 8 August 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Leo Lithium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Leo Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

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

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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

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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 financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 8 August 2025

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