



ABN 27 648 890 126

ANNUAL REPORT
FOR THE YEAR ENDED
30 June 2026

ANNUAL REPORT

for the year ended 30 June 2026

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CORPORATE DIRECTORY

DIRECTORS

James Durrant (Executive Chairman)
Jeremy Robinson (Managing Director)
Todd Romaine (Non-Executive Director)
Leo Horn (Non-Executive Director)

COMPANY SECRETARIES

Lewis Flynn
Thomas O'Rourke

REGISTERED OFFICE

Level 1, 1 Alvan Street
SUBIACO WA 6008

POSTAL ADDRESS

Level 1, 1 Alvan Street
SUBIACO WA 6008

PRINCIPAL PLACE OF BUSINESS

Level 1, 1 Alvan Street
SUBIACO WA 6008

CONTACT INFORMATION

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AUDITORS

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Perth WA 6000

SHARE REGISTRY

[XCEND Share Registry](#)
Level 2, 477 Pitt Street
Haymarket NSW 2000

+61 2 8591 8509 (Local)
www.xcend.co

BANKER

[National Australia Bank](#)
2/140 William Street
Perth WA 6000

SECURITIES EXCHANGE LISTING

[Australian Securities Exchange \(ASX\)](#)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX CODE: [EAU \(previously C1X\)](#)

DIRECTORS' REPORT

The directors of EAU Lithium Limited (ASX: EAU) and its subsidiaries (the Group) submit their report, together with the financial report of the Group, for the year ended 30 June 2026 in accordance with the Corporations Act 2001. The Company was formerly known as Cosmos Exploration Limited, with the change of name becoming effective on 2 September 2026.

DIRECTORS

The names and particulars of the directors of the Company in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Director	Position
James Durrant	Executive Chairman (appointed 27 May 2026)
Jeremy Robinson	Managing Director, Formerly Executive Chairman (until 27 May 2026)
Leo Horn	Non-Executive Director
Todd Romaine	Non-Executive Director (appointed 27 May 2026)
James Bahen	Non-Executive Director (resigned 27 May 2026)

The names of the secretaries in office at any time during or since the end of the year are:

Company Secretaries	Position
Lewis Flynn	Company Secretary (appointed 27 May 2026)
Thomas O'Rourke	Company Secretary (appointed 27 May 2026)
James Bahen	Company Secretary (resigned 27 May 2026)
Robbie Featherby	Company Secretary (resigned 27 May 2026)

OPERATING RESULTS

The Company has incurred a net loss after tax for the year ended 30 June 2026 of \$20,074,748 (2025: \$4,418,949).

DIRECTORS' MEETINGS

During the period 1 July 2025 to 30 June 2026, two meetings of directors were held. Attendances by each director during the year were as follows:

Director	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Mr James Durrant	-	-
Mr Jeremy Robinson	2	2
Mr Leo Horn	2	2
Mr Todd Romaine	-	-
Mr James Bahen	2	2

Directors' other formal business was conducted via circular resolution.

The directors have determined that the Company is not of a sufficient size to merit the establishment of Board committees and therefore duties ordinarily assigned to committees are carried out by the full Board.

INFORMATION ON DIRECTORS

Information on Directors at the date of this report as follows:

James Durrant

EXECUTIVE CHAIRMAN (Appointed 27 May 2026)

Mr Durrant brings over 20 years of experience spanning mine operations, project development, and sustainable resource management to the company. With a strong background in managing emerging market mineral resource projects, James provides strategic leadership for the company's operations. His expertise in pre-feasibility and feasibility studies, stakeholder engagement, and navigating complex geopolitical environments aligns perfectly with the company's focus on sustainable and impactful mining initiatives.

James is currently Managing Director and CEO of RareX Ltd, showcasing his ability to optimize asset portfolios and expand operations through targeted acquisitions and advanced technical strategies. His tenure at Danakali Limited, and subsequently Canyon Resources, saw him lead critical feasibility and socio-environmental workstreams for the Colluli Potash Project in Eritrea, East Africa, and the Minim Martap bauxite project in Cameroon, respectively, further demonstrating his capability in delivering large-scale projects in challenging environments. With deep operational knowledge from his time at BHP Billiton and project leadership roles in Africa and Australia, James combines technical proficiency with visionary leadership to drive sustainable growth at the company.

Interest in shares and options at the date of this report	12,736,938 Ordinary Shares 3,000,000 Options 6,000,000 Performance Rights
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Directorships held in other listed entities (last 3 years)	RareX Limited (current) Kincora Copper (current)
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Jeremy Robinson

MANAGING DIRECTOR, FORMERLY EXECUTIVE CHAIRMAN (Until 27 May 2026)

Mr Robinson is an experienced mining executive having held senior roles at multiple junior and mid-tier mining and exploration companies. Mr Robinson holds a Bachelor of Commerce from the University of Western Australia majoring in Corporate Finance, Investment Finance and Marketing. He is also currently a director of RareX Limited and Churchill Strategic Investments Group. His strategic acumen is further demonstrated through his leadership roles at Lac Gold Limited and Brazilian Critical Minerals Limited, where he contributes to growth and governance.

Interest in shares and options at the date of this report	12,191,691 Ordinary Shares 2,750,000 Options 3,500,000 Performance Rights
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Directorships held in other listed entities (last 3 years)	RareX Limited (current) Lac Gold Limited (current) Brazilian Critical Minerals Limited (current) Mont Royal Resources Limited (current) Kincora Copper Limited (resigned 18 November 2025)
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Leo Horn*NON-EXECUTIVE DIRECTOR*

Leo Horn is a technical geologist with over 21 years' experience in the exploration and mining industry for precious, base and rare earth metals, diamonds and uranium across Australia, Asia, North and South America and Africa.

During that time Mr Horn has contributed to several significant discoveries including leading the team that delineated several large, high grade uranium resources in the prolific Athabasca Basin of Canada. In addition to key exploration management roles, Mr Horn has extensive experience in executive officer positions in which he has developed valuable corporate finance, marketing and capital raising experience. Mr Horn holds a Bachelor of Science with Majors in Geology & Geomorphology and Honours in Geology from the University of Western Australia and is a member of the Australian Institute of Geoscientists.

Interest in shares and options at the date of this report/Resignation	1,450,000 Ordinary Shares 500,000 Options 1,500,000 Performance Rights
Directorships held in other listed entities (last 3 years)	Lodestar Battery Metals Corp. (current) Austin Metals Limited (resigned 10 October 2023)

Todd Romaine*NON-EXECUTIVE DIRECTOR (Appointed 27 May 2026)*

Todd Romaine is a seasoned executive with extensive experience driving sustainable business outcomes, government relations, and political risk strategies across the mining and natural resource sectors. This includes holding numerous executive leadership positions in ASX, TSX and NYSE publicly traded oil & gas and mining companies with operations in North America, Africa and Europe. He has worked in the gold, copper, zinc, and potash sectors prior to getting involved with lithium.

Todd has extensive experience working effectively with national governments through Joint Venture partnerships balancing the sustainability of the mining operation with community and societal objectives. This has created stable long-term beneficial partnerships. Todd received his tertiary education in Canada, Madagascar, U.S., and more recently the U.K. at the University of Cambridge.

Interest in shares and options at the date of this report/Resignation	12,867,098 Ordinary Shares 3,000,000 Options 6,000,000 Performance Rights
Directorships held in other listed entities (last 3 years)	Lion One Metals Limited (current)

INFORMATION ON COMPANY SECRETARIES

Information on Company Secretaries at the date of this report as follows:

Lewis Flynn

JOINT COMPANY SECRETARY (Appointed 27 May 2026)

Lewis Flynn has extensive legal background spanning regulation, commercial litigation, ASX compliance and corporate governance. Lewis has previously advised on IPOs, backdoor listings, M&A transactions and continuous disclosure across a large portfolio of listed companies, predominantly in the resource sector. Lewis has experience providing corporate advisory and company secretarial support to ASX-listed entities, with a focus on governance, capital markets and regulatory compliance, and not-for-profit entities. Lewis holds a Bachelor of Commerce, a Juris Doctor and is admitted as a Barrister and Solicitor of the Supreme Court of Western Australia. He is currently undertaking the Graduate Diploma of Applied Corporate Governance.

Thomas O'Rourke

JOINT COMPANY SECRETARY (Appointed 27 May 2026)

Thomas O'Rourke is a chartered accountant with over 16 years' experience in both private and public companies. More recently Mr O'Rourke has specialised in corporate advisory, company secretarial and financial management services for ASX listed companies. Mr O'Rourke is a member of Chartered Accountants Australia and New Zealand (CAANZ), holding a Bachelor of Commerce from the University of Western Australia and a Master's degree in Project Management from Curtin University.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$500,000. Non-executive directors do not receive cash performance-based remuneration; any equity-based remuneration is separately approved and disclosed in this report.

The Company may grant options or other equity-based incentives to Non-Executive Directors, subject to obtaining the relevant shareholder approvals. The grant of options or other equity based incentives is designed to attract and retain suitably qualified Non-Executive Directors.

Notwithstanding Guideline 8.2 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which provides that Non-Executive Directors should not receive options, the Directors consider that the grant of the options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

The long-term incentive framework comprises share-based payments, including options and performance rights. The performance rights granted during 2026 are subject to project-development milestones relating to the announcement of a qualifying JORC Code compliant mineral resource estimate and completion and announcement of a positive pre-feasibility study for a Bolivian project. The terms, valuation and expense recognised for these awards are disclosed below.

Voting and comments made at the company's 2025 Annual General Meeting ('AGM')

At the 2025 AGM for the company, 100.00% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of EAU Lithium Limited:

- James Durrant - Executive Chairman (appointed 27 May 2026)
- Jeremy Robinson - Managing Director (appointed 27 May 2026), Executive Chairman (Resigned 27 May 2026)
- Leo Horn - Non-Executive Director
- Todd Romaine - Non-Executive Director (appointed 27 May 2026)
- James Bahen - Non-Executive Director (resigned 27 May 2026)

	Short Term		Post-employment		Equity Share-based		Performance related	
	Salary & Fees	Bonus	Other benefits	Super-annuation	Prescribed benefits	Payments Options or Performance rights	Total	Percentage of Remuneration
	\$	\$	\$	\$	\$	\$	\$	%
2026								
Directors								
James Durrant ¹	15,523	-	-	1,650	-	394,957	412,130	14%
Jeremy Robinson	142,500	-	-	9,420	-	197,479	349,399	8%
James Bahen ²	36,465	-	-	-	-	-	36,465	-
Leo Horn	36,000	-	-	-	-	65,826	101,826	9%
Todd Romaine ¹	40,026	-	-	-	-	394,957	434,983	13%
	270,514	-	-	11,070	-	1,053,219	1,334,803	12%

¹ Appointed 27 May 2026

² Resigned 27 May 2026

2025

Jeremy Robinson	132,000	-	-	-	-	(38,281) ¹	93,719	-41%
James Bahen	39,780	-	-	-	-	(38,281) ¹	1,499	-2,554%
Leo Horn	36,000	-	-	-	-	(38,281) ¹	(2,281)	-1,678%
	207,780	-	-	-	-	(114,843)	92,937	-124%

¹ The share-based payment expense recognised in prior periods was reversed during the year because the relevant milestones were not satisfied.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

The Company entered into a consultancy agreement with Jeremy Robinson whereby Jeremy receives remuneration of \$72,000 per annum as a director fee and \$120,000 per annum (plus GST) for technical advice, but was amended down to \$60,000 per annum starting from 1 April 2024. The agreement may be terminated subject to a 3-month notice period.

Following the acquisition of EAU Lithium on 27 May 2026, the company replaced the consultancy agreement with Jeremy Robinson with an Executive Services Agreement which commenced on 1 June 2026. Jeremy receives remuneration of \$300,000 per annum (FTE) exclusive of superannuation, performing his services part-time, 12.67 hours per week. The agreement may be terminated subject to a 3-month notice period.

The company, via its wholly owned subsidiary EAU Lithium Bolivia Pty Ltd entered an Executive Services Agreement with James Durrant which commenced on 1 June 2026. James receives remuneration of \$300,000 per annum (FTE) exclusive of superannuation, performing his services part-time, 12.5 hours per week. The agreement may be terminated subject to a 3-month notice period.

The company, via its wholly owned subsidiary EAU Lithium Bolivia Pty Ltd entered a Consultancy Agreement with Todd Romaine which commenced on 18 May 2026. Todd receives remuneration of \$22,550 per month exclusive of GST. The agreement may be terminated subject to a 3-month notice period.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Pricing Model
James Durrant	3,000,000	11 May 2026	11 May 2026	27 May 2029	\$0.40	A
Jeremy Robinson	1,500,000	11 May 2026	11 May 2026	27 May 2029	\$0.40	A
Leo Horn	500,000	11 May 2026	11 May 2026	27 May 2029	\$0.40	A
Todd Romaine	3,000,000	11 May 2026	11 May 2026	27 May 2029	\$0.40	A

Options granted carry no dividend or voting rights. All options are valued using the Black-Scholes option pricing model.

Inputs into pricing model	A
Number of Options	8,000,000
Grant Date	11 May 2026
Underlying Share Price at Grant Date	\$0.215
Expiry of Option Life	3.05 years
Expected Dividend Yield	-
Risk-free Rate	4.67%
Exercise Price	\$0.40
Expected Volatility	100%
Fair Value per Instrument	\$0.1123
Total Fair Value	\$898,543

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
James Durrant	\$336,954	-	-	82%
Jeremy Robinson	\$168,477	-	-	48%
Leo Horn	\$56,159	-	-	65%
Todd Romaine	\$336,954	-	-	77%

Performance Rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of performance rights granted	Grant date	Vesting date	Expiry date	Vesting Condition	Pricing Model
James Durrant	3,000,000	11 May 2026	27 May 2029	27 May 2029	(1)	A
Jeremy Robinson	1,500,000	11 May 2026	27 May 2029	27 May 2029	(1)	A
Leo Horn	500,000	11 May 2026	27 May 2029	27 May 2029	(1)	A
Todd Romaine	3,000,000	11 May 2026	27 May 2029	27 May 2029	(1)	A
James Durrant	3,000,000	11 May 2026	27 May 2029	27 May 2029	(2)	B
Jeremy Robinson	1,500,000	11 May 2026	27 May 2029	27 May 2029	(2)	B
Leo Horn	500,000	11 May 2026	27 May 2029	27 May 2029	(2)	B
Todd Romaine	3,000,000	11 May 2026	27 May 2029	27 May 2029	(2)	B

Vesting Condition

- 1 The Company announcing a JORC Code compliant mineral resource estimate (Measured, Indicated or Inferred) on a Bolivian Project of greater than or equal to 1Mt of contained Lithium Carbonate Equivalent and with a grade greater than or equal to 500ppm Lithium.
- 2 The Company completing and announcing a positive Pre-Feasibility Study for any of the Bolivian Projects.

The grant-date fair value of performance rights with non-market vesting conditions was determined by reference to the underlying share price at grant date. In accordance with AASB 2, the probability of satisfying those non-market vesting conditions is reflected in the number of awards expected to vest when determining the expense recognised over the vesting period, rather than in the grant-date fair value of each right.

Inputs into pricing model	A	B
Number of Performance Rights	8,000,000	8,000,000
Grant Date	11 May 2026	11 May 2026
Underlying Share Price at Grant Date	\$0.215	\$0.215
Expiry Date of Performance Rights	27 May 2029	27 May 2029
Probability of Non-Market Condition being achieved	100%	100%
Total Fair Value	\$1,720,000	\$1,720,000
Expense forming part of Directors remuneration for the year	\$77,338	\$77,338

Values of performance rights over ordinary shares granted, converted and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Value of performance rights granted during the year	Value of performance rights converted during the year	Value of performance rights lapsed during the year	Remuneration consisting of performance rights for the year
James Durrant	\$58,004	-	-	14%
Jeremy Robinson	\$29,002	-	-	8%
Leo Horn	\$9,667	-	-	9%
Todd Romaine	\$58,004	-	-	13%

Additional information

The key performance indicators of the group over the last five years is summarised below:

	2026	2025	2024	2023	2022
Loss for the year attributable to the owners of EAU Lithium Limited (\$)	(20,074,748)	(4,418,949)	(3,960,008)	(2,343,366)	(1,640,199)
Basic earnings per share (\$)	(0.16)	(0.049)	(0.069)	(0.056)	(0.081)
Dividend payments (\$)	-	-	-	-	-
Dividend payout ratio (%)	n/a	n/a	n/a	n/a	n/a
Year-end share price	11 cents	7 cents	3.5 cents	37 cents	11 cents

Additional disclosures relating to key management personnel

Shareholding in EAU Lithium Limited

The number of shares in EAU Lithium Limited held during the financial period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at 1 July or Appointment Date No.	Granted as remuneratio n No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
Directors					
James Durrant ¹	12,562,869	-	174,079	-	12,736,948
Jeremy Robinson	9,691,691	-	2,500,000	-	12,191,691
James Bahen ²	3,311,650	-	385,000	3,696,650	-
Leo Horn	1,450,000	-	-	-	1,450,000
Todd Romaine ¹	12,867,098	-	-	-	12,867,098
	39,883,308	-	3,059,079	3,696,650	39,245,737

¹ Appointed 27 May 2026. Balance at appointment date includes the issuing of consideration shares to shareholders of EAU Lithium.

² Resigned 27 May 2026

Option holding in EAU Lithium Limited

The number of options over ordinary shares in EAU Lithium Limited held during the financial period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at 1 July or Appointment Date No.	Granted as remuneration No.	Net other change No. ³	At date of resignation No.	Balance at 30 June No.	Number vested at year end
Directors						
James Durrant ¹	-	3,000,000	-	-	3,000,000	3,000,000
Jeremy Robinson	-	1,500,000	1,250,000	-	2,750,000	2,750,000
James Bahen ²	-	-	192,500	192,500	-	-
Leo Horn	-	500,000	-	-	500,000	500,000
Todd Romaine ¹	-	3,000,000	-	-	3,000,000	3,000,000
	-	8,000,000	1,442,500	192,500	9,250,000	9,250,000

¹ Appointed 27 May 2026

² Resigned 27 May 2026

³ Free-attaching options (1 free-attaching options for every 2 placement shares subscribed) as a part of a share placement completed in May 2026.

Performance right holding in EAU Lithium Limited

The number of performance rights over ordinary shares in the company held during the financial period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at 1 July or Appointment Date No.	Granted as remuneration No.	Net other change No.	At date of resignatio n No.	Balance at 30 June No.	Number vested at year end
Directors						
James Durrant ¹	-	6,000,000	-	-	6,000,000	-
Jeremy Robinson	-	3,000,000	-	-	3,000,000	-
James Bahen ²	-	-	-	-	-	-
Leo Horn	-	1,000,000	-	-	1,000,000	-
Todd Romaine ¹	-	6,000,000	-	-	6,000,000	-
	-	16,000,000	-	-	16,000,000	-

¹ Appointed 27 May 2026

² Resigned 27 May 2026

Other transactions with key management personnel and their related parties

The Company had an agreement with Smallcap Corporate (SCC), of which Mr James Bahen is a Director, (Corporate Services Agreement). Pursuant to the Corporate Services Agreement, the SCC was appointed to provide corporate, accounting, company secretary and administrative services to the Company. During the year \$118,400 (2025: \$123,000) was charged in relation to providing corporate, accounting, company secretary and administrative services to the group. The agreement has been negotiated at arm's length and contains standard commercial terms and therefore falls within the exception on section 210 of the Corporations Act. The outstanding amount as at 30 June 2026 was \$nil (2025: \$15,035).

The Company has an arrangement with RareX Limited (RareX), of which Mr Jeremy Robinson and Mr James Durrant are directors, where RareX provides the group use of their geological service and use of its equipment. The arrangement has been negotiated at arm's length and contains standard commercial terms. During the year the cost amounted to \$Nil (2025: \$Nil). Amount outstanding as at 30 June 2026 was \$Nil (2025: \$Nil).

The company through its wholly owned subsidiary, EAU Lithium Pty Ltd, has an arrangement with RareX Limited, of which Mr Jeremy Robinson and Mr James Durrant are directors, which RareX provides consultancy services to EAU Lithium Bolivia Pty Ltd. The arrangement has been negotiated on arm's length. No expense was recognised during the year. Amount outstanding as at 30 June 2026 was \$135,548

Mr Jeremy Robinson is also a Director of Churchill SIG Pty Ltd, which provides office rent, broker and consultancy services. During the year the cost amounted to \$41,789 (2025: \$Nil). Amounting outstanding as at 30 June 2026 was \$Nil (2025: \$Nil).

The Company has an arrangement with All Terrain Geology, of which Mr Leo Horn is a Director, where it provides the group geological service and use of its equipment. The arrangement has been negotiated at arm's length and contains standard commercial terms. During the year the cost amounted to \$Nil (2025: \$35,920). Amount outstanding as at 30 June 2026 was \$Nil.

END OF REMUNERATION REPORT (AUDITED).

REVIEW OF OPERATIONS

FINANCIAL RESULTS

The financial results of the Company for the year ended 30 June 2026 are:

	30/06/2026	30/06/2025	% Change
Cash and cash equivalents (\$)	3,759,070	681,511	453%
Net assets (\$)	3,538,684	3,242,660	9%
Other Income (\$)	13,613	4,108	224%
Net loss after tax (\$)	20,074,748	4,418,949	356%

PRINCIPAL ACTIVITIES

EAU Lithium Limited (ASX: EAU) is a Bolivia-focused lithium developer advancing the application of Vulcan Energy's VULSORB® adsorption-type direct lithium extraction (A-DLE) technology to Bolivia's lithium brines. Alongside its Bolivian activities, the Company holds exploration interests in Canada's Thelon Basin, Nunavut (uranium) and at Orange East in New South Wales, Australia (gold and copper). Its shares are quoted on the ASX and Frankfurt Stock Exchange (symbol UW90). Vulcan Energy Resources is both a strategic technology partner and shareholder in EAU.

The year ended 30 June 2026 marked a period of substantial progress as the Company brought together the business, technology relationships and technical capability underpinning its Bolivian strategy. Having commenced the year with an option to acquire EAU Lithium Pty Ltd, the Company completed the acquisition in May 2026, bringing EAU's management team and Bolivian activities into the listed group.

Building on EAU's existing VULSORB® technology licence within the Vulcan Group, work during the year advanced from laboratory evaluation towards preparation for pilot-scale testing. EAU progressed its brine testing program, committed to acquire Vulcan's A-DLE Pilot Plant 4 and entered a Master Services Agreement with SEPCON for engineering and potential deployment support in Bolivia. These milestones connected the technology testing program with the equipment and regional engineering capability needed for its next phase.

Progress continued after year end with a Master Services Agreement with VULTEC, Vulcan's German technology subsidiary, extending access to technology and engineering expertise. The subsequent change of name to EAU Lithium Limited reflected the strategic direction established during the year.

Bolivia lithium development

Building on the Vulcan relationship

EAU's strategic relationship with Vulcan Energy Resources underpinned the advancement of its Bolivian lithium program during the year. Through its existing licence agreement with Vulcan Energie Ressourcen GmbH, EAU has access to VULSORB® adsorption-type direct lithium extraction technology for its initiatives in Bolivia.

During FY26, EAU built on this technology access by progressing brine testing, entering an agreement to acquire Vulcan's A-DLE Pilot Plant 4 (PP4) and securing regional engineering support. These steps brought together the technology, equipment and expertise needed to prepare for the next stage of evaluation.

Vulcan's experience developing its integrated lithium and renewable energy business in Germany provides the technical background to this relationship. Its Lionheart Project is designed to extract lithium from geothermal brines using VULSORB®, while using the brine's heat to generate renewable energy. Following a positive Final Investment Decision, construction is underway, supported by contracted offtake.

Advancing the brine testing program

EAU's testing arrangements cover brines from Salar de Coipasa, Salar de Empexa and Salar de Pastos Grandes in western Bolivia. During the year, work at Vulcan's German laboratory progressed from synthetic brine

formulations to natural samples. The wider program also included synthesised Uyuni brine, broadening the evaluation of VULSORB® across different Bolivian brine chemistries.

This work supported EAU's preparation for pilot-scale testing and further engagement in Bolivia. In February 2026, following technology demonstration work, EAU entered a non-binding Negotiation Agreement establishing a process for discussions on potential future contracts using VULSORB®. Full testing results remain subject to completion, quality review and applicable confidentiality and disclosure arrangements.

Preparing for pilot scale testing

EAU took a significant step towards pilot-scale evaluation in August 2025, signing a sale agreement with Vulcan Energie Ressourcen GmbH to acquire PP4 in Germany for EUR 1.0 million. The agreement established a pathway to acquiring an already constructed A-DLE facility for further testing and process optimisation on Bolivian brines.

In June 2026, EAU progressed the purchase by issuing a formal election notice and waiving all remaining conditions precedent. An initial payment of EUR 125,000 had been made, with the remaining EUR 875,000 payable following successful acceptance testing. Planning for deployment was underway at year end.

PP4 is intended to enable EAU to evaluate the VULSORB® process beyond laboratory scale. The facility would support process optimisation and the development of operating experience to inform potential future deployment in Bolivia.

Beyond its technical role, EAU intends the plant to support community education and engagement, helping local stakeholders understand DLE technology and its potential application. The Company also plans to explore university and academic partnerships linked to the pilot program, supporting local skills development and technical training.

Adding engineering capability in Bolivia

As preparations for pilot testing advanced, EAU secured access to regional engineering expertise through a Master Services Agreement with SEPCON, announced on 22 June 2026. The agreement covers pilot plant mobilisation, transport and installation, engineering feasibility work and process optimisation.

SEPCON's engineering, procurement and construction management capability complements EAU's technology relationship with Vulcan. The agreement provides a framework for planning how the pilot equipment could be deployed and supported in Bolivia, connecting the German technology and testing program with regional delivery expertise.

By year end, EAU had progressed its testing program, committed to the pilot plant purchase and established an engineering services framework for the next stage of evaluation. These activities are technical and commercial preparations; EAU's Bolivian testing and negotiation arrangements confer no land or resource rights, production rights or operational approvals. Further development remains subject to technical and commercial assessment, funding, definitive agreements and applicable approvals.

Exploration portfolio

During the year, the Company reviewed its Australian and Canadian exploration portfolio to prioritise expenditure as its Bolivian lithium activities advanced. The Company retained its Nunavut uranium claims and its three Orange East licences in New South Wales, reduced its Byro East holding and commenced its exit from the Fenix claims.

Nunavut, Canada – uranium

The Company retained its Nut Lake South and Angilak West claims in the Thelon Basin while progressing its exit from the Fenix claims.

Previously reported surface sampling at Nut Lake South returned results of up to 1.24% U₃O₈. Follow-up micro-XRF analysis of sample LHNS05 from the Gyrfalcon prospect identified uranophane, chalcopyrite and pyrite, providing further information on the mineralisation. These historical results relate to selected surface samples and do not establish a mineral resource.

Byro East, Western Australia – rare earths and base metals

Following the portfolio review, the Company elected not to renew Byro East licences E09/2386 and E09/2409 and retained E09/2443. Previous exploration had identified the Leatherback rare earth complex and untested bedrock conductors.

Orange East, New South Wales – gold and copper

Orange East lies within the Molong Volcanic Belt, north of the McPhillamys deposit. The Company holds three exploration licences at Orange East: a 75% interest in EL 8442, in joint venture with RareX Limited, and an 80% interest in each of EL 9482 and EL 8807.

Corporate

The acquisition of EAU Lithium Pty Ltd was completed on 27 May 2026, following shareholder approval on 11 May 2026. The transaction brought the Bolivian business, its management team and existing technology and commercial relationships into the listed group, completing a central part of the Company's strategic transition.

The Company acquired 100% of EAU Lithium Pty Ltd through the issue of 108,466,586 consideration shares and a cash payment of A\$525,000. Half of the consideration shares were escrowed for 12 months.

A A\$5.0 million placement at A\$0.20 per share supported the transaction and ongoing activities. The Company ended the financial year with cash of A\$3.759 million to support the next phase of its work.

James Durrant and Todd Romaine joined the Board on completion, with James Durrant appointed Chairman. Their appointments brought EAU's leadership and experience into the combined company. James Bahen resigned as a Non-Executive Director.

Lewis Flynn and Thomas O'Rourke were appointed Joint Company Secretaries, replacing Robbie Featherby and James Bahen, whose resignations took effect on 31 May 2026.

Events subsequent to year end

Extending technical support through VULTEC

The Company continued to build on the year's progress through a Master Services Agreement with VULTEC GmbH, Vulcan Energy Resources' German technology subsidiary, announced on 13 August 2026.

The agreement formalised access to the VULSORB® technology team and broader engineering expertise. Its scope includes engineering feasibility studies, potential geothermal power integration, DLE process optimisation, evaluation of by-product opportunities, and support for future plant operations and training. VULTEC's responsibilities encompass technology provision, process design, sorbent supply and A-DLE system performance. The agreement complements EAU's existing technology licence, pilot plant purchase arrangements and June 2026 SEPCON agreement. Together, the arrangements provide a framework connecting Vulcan's technology and process expertise in Germany with SEPCON's regional engineering capability, supporting preparation for potential deployment in Bolivia. The services agreements do not confer Bolivian rights or approvals.

EAU Lithium name change

Following shareholder approval in August, the Company changed its name from Cosmos Exploration Limited to EAU Lithium Limited and its ASX trading code from C1X to EAU in September 2026.

The new identity reflects the transformation undertaken during the year and the Company's focus on advancing its Bolivian lithium strategy.

Outlook

EAU enters the next financial year with the acquisition completed, an established technology relationship with Vulcan, an expanded brine testing program and a commitment to acquire pilot equipment. The subsequent VULTEC agreement further strengthens the engineering support available to advance this work.

The priorities ahead are to complete acceptance testing and the pilot plant purchase, progress arrangements for mobilisation to Bolivia, continue process evaluation and formal review of testing results, and advance discussions under the Negotiation Agreement. These activities build on the technical, corporate and commercial progress achieved during FY26, with timing dependent on funding, successful negotiations and applicable approvals.

Annual Report – ASX Announcements

This Annual Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Report can be found in the following announcements lodged on the ASX:

Date	Announcement
28/08/2025	EAU Lithium Reaches Agreement with Vulcan Energy Resources to Acquire A-DLE Pilot Plant
30/09/2025	Annual Report to Shareholders
28/10/2025	Quarterly Activities/Appendix 5B Cash Flow Report
13/01/2026	Response to ASX Price and Volume Query
30/01/2026	Quarterly Activities/Appendix 5B Cash Flow Report
17/02/2026	EAU Lithium Executes Negotiation Agreement with YLB
26/02/2026	Trading Halt
02/03/2026	Suspension from Quotation
04/03/2026	C1X Advises Intention to Exercise EAU Lithium Option and Raises A\$5.0 Million
04/03/2026	Response to ASX Price and Volume Query
04/03/2026	Reinstatement to Quotation
09/04/2026	Notice of General Meeting
29/04/2026	Quarterly Activities/Appendix 5B Cash Flow Report
11/05/2026	Results of Meeting
27/05/2026	Completion of Merger with EAU Lithium
04/06/2026	Becoming a Substantial Holder x 3
05/06/2026	Director's Interest Notice – James Durrant
22/06/2026	Strategic Agreement Executed with SEPCON
23/06/2026	Commitment to Purchase Vulcan A-DLE Pilot Plant

These announcements are available for viewing on the Company's website www.eaulithium.com under the Investors tab. The company confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

Competent Person Statement

This report's information related to Exploration Results is based on information and data compiled or reviewed by Mr Kristian Hendricksen. Mr Hendricksen is an employee and shareholder of EAU Lithium Limited and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Hendricksen has sufficient experience relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Accordingly, Mr Hendricksen consents to the inclusion of the matters based on the information compiled by him, in the form and context it appears.

This report's information related to Exploration Results is based on information and data compiled or reviewed by Mr Leo Horn. Mr Horn is a vendor of the Corvette Far East Project and a Non-Executive Director of the Company. Mr Horn is a Member of the Australian Institute of Geoscientists (AIG).

Mr Horn has sufficient experience relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Accordingly, Mr Horn consents to the inclusion of the matters based on the information compiled by him, in the form and context it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases. The form and context of the announcement have not materially changed. This announcement has been authorised for release by the Board of EAU Lithium Limited.

ASX Listing rule statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement.

Capital Management

The Company maintains 241,933,188 fully paid ordinary shares on issue and \$3,759,070 in net cash as at the end of the year.

Significant Events After Balance Date

On 21 August 2026, the company issued 1,000,000 options and 5,000,000 performance rights.

On 2 September 2026, the company changed its name from Cosmos Exploration Limited to EAU Lithium Limited.

No other matter or circumstance has arisen since 30 June 2026 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.

Significant Change in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the year other than what is stated in the above review of operations.

Future Developments, Prospects and Business Strategies

Further information, other than as disclosed the Directors' Report, about likely developments in the operations of the Company and the expected results of those operations in future years has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

Environmental Issues, Regulations and Performance

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory. The Group is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licences.

Dividends

No dividends were paid or declared during the year. The directors do not recommend the payment of a dividend in respect of the financial year.

Options on Issue

There were 35,000,000 options on issue at the date of this report.

	No. of options	Exercise price of options	Expiry
Option Class			
C1XAG	6,500,000	0.08	08/08/2027
C1XAH	20,500,000	0.30	27/05/2028
C1XAI	8,000,000	0.40	27/05/2029

Indemnification of Officers and Directors

The Company has entered into Indemnity Deeds with each Director. Under the Deeds, the Company indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the Company, or breach by the Company of its obligations under the Deed.

During the year the amount paid for Directors and Officers insurance was \$27,000 (2025: \$15,608).

Indemnification of the Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceeding on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or Group are important. No non-audit services were provided by the Company's current auditors (2025: \$Nil).

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Rounding of Amounts

The company is of a kind referred to in Corporations Instruments 2026/183, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of EAU Lithium Limited support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that EAU Lithium Limited complies to the extent possible with those guidelines, which are of importance and add value to the commercial operation of an ASX listed resources company.

The Company has established a set of corporate governance policies and procedures and these can be found on the Company's website: www.eaulithium.com.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Material Business Risks

The consolidated entity considered the following to be key material business risks

Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in order to carry out its exploration programs. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration program as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Risk of failure in exploration, development or production

Payment of compensation is ordinarily necessary to acquire participating interests. Also, surveying and exploratory drilling expenses (exploration expenses) become necessary at the time of exploration activities for the purpose of discovering resources. When resources are discovered, it is necessary to further invest in substantial development expenses.

There is, however, no guarantee of discovering resources on a scale that makes development and production feasible. The probability of such discoveries is low despite various technological advances in recent years, and even when resources are discovered the scale of the resource does not necessarily make commercial production feasible. For this reason, the Group conservatively recognizes expenses related to exploration investment in our consolidated financial statements.

To increase recoverable resources and production, the Group plans to always take an interest in promising properties and plans to continue exploration investment. Although exploration and development (including the acquisition of interests) are necessary to secure the resources essential to the Group's future sustainable business development, each type of investment involves technological and economic risks, and failed exploration or development could have an adverse effect on the results of the Group's operations.

Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licenses.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Climate risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

1. the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
2. climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Governance risk

The Group must comply with a range of governance requirements which are conditions of its listing on the ASX and of its mineral exploration and mining activities. There is a risk that the Group may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those governance requirements or if the requirements change in the future and the Group is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. The Group seeks to manage and minimise this risk through its existing risk management framework including Board-approved governance policies which are subject to regular review.

Sovereign risk

The Group's Bolivian projects are exposed to sovereign, political, legal, regulatory and fiscal risks. These include changes in mining, environmental, foreign investment, foreign exchange, taxation, royalty, customs and repatriation requirements; delays in obtaining or renewing permits and approvals; changes in government policy; community or social licence issues; and restrictions affecting ownership, access to land, project development or the transfer of funds. These matters could increase costs, delay or prevent exploration and development, impair the value of project interests or limit the Group's ability to realise or repatriate returns. The Group seeks to manage these risks through local legal and technical advisers, government and stakeholder engagement, compliance monitoring and staged expenditure; however, these measures cannot eliminate sovereign or regulatory risk.

Commodity prices

The Group's future prospects are exposed to movements in lithium prices and market demand. Lithium prices may be affected by global supply and demand, the pace of electric vehicle and battery-storage adoption, changes in battery chemistry, substitution risk, producer inventory levels, government policy and broader economic conditions. Sustained lower prices or weaker demand could reduce project economics, affect the recoverability of exploration and evaluation assets, delay development decisions and make additional funding more difficult or dilutive to obtain. The Group monitors lithium-market conditions and considers price assumptions in project evaluation and expenditure decisions; however, it cannot control commodity prices.

Global conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration activities, as well as on its ability to fund those activities.

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency) and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act 2001 in relation to the audit for the year is set out on page 21 of this report.

This report is presented in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors pursuant to section 306(a) of the Corporations Act 2001, by:

A handwritten signature in black ink, appearing to be 'JR' or similar initials, written in a cursive style.

Jeremy Robinson

Managing Director

Perth, Western Australia this 30th day of September 2026

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

As lead auditor of EAU Lithium Limited for the year ended 30 June 2026, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
30 September 2026

INDEPENDENT AUDITOR'S REPORT

To the members of EAU Lithium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EAU Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit 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 audits of the financial report of public interest entities 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1.4 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration & evaluation assets

Key audit matter	How the matter was addressed in our audit
The carrying value of the capitalised exploration and evaluation asset as at 30 June 2026 is disclosed in note 5 of the financial report. As the carrying value of the exploration asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves exists; • Evaluating management's basis for the impairment across the relevant tenements and considering whether any facts or circumstances existed to suggest impairment testing was required for any other area of interest; and • Assessing the adequacy of the related disclosures in Note 5 of the Financial Statements.

Acquisition of EAU Lithium Pty Ltd (EAU Lithium)

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 6 to the financial statements, the Group completed the acquisition of 100% of EAU Lithium Pty Ltd during the year for consideration comprising the issue of 108,466,586 ordinary shares and cash consideration of \$525,000. The transaction was significant to the Group and required management to apply significant judgement in: - determining that the transaction should be accounted for as an asset acquisition rather than a business combination; - assessing whether contractual rights acquired met the definition of an identifiable intangible asset; and - assessing the recoverability of the acquired intangible asset, which resulted in a full impairment being recognised during the year; and - determining accounting acquirer in line with requirements of AASB 3. Due to the significance of the transaction and the level of judgement involved, this matter was considered a key audit matter.	Our procedures included, but were not limited to: - Reviewing the relevant agreements to obtain an understanding of the contractual terms and nature of the assets and rights acquired; - Evaluating management's conclusion that the acquisition represented an asset acquisition rather than a business combination; - In consultation with our internal technical accounting specialists, evaluating whether the acquired contractual rights met the requirements for recognition as an intangible asset; - Assessing the basis for the valuation and allocation of consideration to the acquired assets; - Evaluating management's assessment supporting the full impairment of the acquired intangible asset; and - Reviewing the adequacy of the financial report disclosures, including estimates and judgements applied within the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 11 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of EAU Lithium Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO
A handwritten signature in black ink, appearing to be 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 30 September 2026

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 27 to 49 in accordance with the Corporations Act 2001:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 2.1.1, the financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the entity as at 30 June 2026 and of its performance for the year ended on that date.
- (d) The consolidated entity disclosure statement on page 50 is true and correct as at 30 June 2026.

In the directors' opinion there are reasonable grounds to believe that EAU Lithium Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made by the Chairman to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2026.

This declaration is made in accordance with a resolution of the directors.

For, and on behalf of, the Board of the Company,



Jeremy Robinson

Managing Director

Perth, Western Australia this 30th day of September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2026

	Note	30 June 2026 \$	30 June 2025 \$
Income			
Other income		13,613	4,108
Expenses			
Corporate compliance costs		(13,478)	(53,221)
Accounting, audit and corporate fees		(264,935)	(132,011)
Directors' fees, salaries, superannuation, and consulting costs		(682,458)	(167,114)
Administration costs		(67,151)	(201,490)
Legal fees		(85,802)	(34,592)
Travel expenses		(59,343)	(2,277)
Exploration expenditure expenses	5	(151,455)	(734,317)
Impairment of capitalised exploration	5	(1,951,219)	(3,187,500)
Lapsing of option agreement for Fenix Uranium Project	4	(152,288)	-
Share based payment expense	9	(1,053,219)	117,071
Impairment of intangible assets	6	(15,587,219)	-
Depreciation		(19,794)	(27,606)
Total loss before tax from continuing operations		(20,074,748)	(4,418,949)
Income tax (benefit)/expense	10	-	-
Loss after tax from continuing operations		(20,074,748)	(4,418,949)
Other comprehensive gain for the period, net of tax		17,546	258
Total comprehensive loss net of tax for the Period		(20,057,202)	(4,418,691)
Basic and diluted loss per share (\$ per share)	12	(0.16)	(0.049)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Note	As At 30 June 2026 \$	As At 30 June 2025 \$
Current assets			
Cash and cash equivalents	2	3,759,070	681,511
Trade and other receivables	3	297,279	74,196
Total current Assets		4,056,349	755,707
Non-Current assets			
Property, plant and equipment		4,865	23,838
Other assets	4	-	302,288
Exploration assets	5	327,781	2,279,000
Total Non-Current assets		332,646	2,605,126
Total assets		4,388,995	3,360,833
Current liabilities			
Trade and other payables	7	802,376	90,763
Provision for employee benefits		47,935	27,410
Total current liabilities		850,311	118,173
Total liabilities		850,311	118,173
Net assets		3,538,684	3,242,660
Equity			
Issued capital	8	32,449,043	13,955,702
Share based payment reserve	9	2,860,778	1,310,886
FX reserve		(2,143)	(19,689)
Accumulated losses		(31,768,994)	(12,004,239)
Total equity		3,538,684	3,242,660

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

		Issued Capital	Share-based payment Reserve	Foreign Exchange Reserve	Accumulated Losses	Total Equity
	Note	\$	\$	\$	\$	\$
Opening Balance 1 July 2024		12,461,770	1,744,723	(19,947)	(8,085,450)	6,101,096
Other Comprehensive gain		-	-	258	-	258
Loss for the year		-	-	-	(4,418,949)	(4,418,949)
Total comprehensive loss for the year		-	-	258	(4,418,949)	(4,418,691)
Share based payments	9	-	93,720	-	-	93,720
Reversal of Performance rights	9	-	(210,791)	-	-	(210,791)
Expiry of share based payments			(500,160)	-	500,160	-
Shares issued during the year	8	1,767,288	-	-	-	1,767,288
Capital raising costs	8	(273,356)	183,394	-	-	(89,962)
Balance at 30 June 2025		13,955,702	1,310,886	(19,689)	(12,004,239)	3,242,660
Opening Balance 1 July 2025		13,955,702	1,310,886	(19,689)	(12,004,239)	3,242,660
Other Comprehensive gain		-	-	17,546	-	17,546
Loss for the year		-	-	-	(20,074,748)	(20,074,748)
Total comprehensive loss for the year		-	-	17,546	(20,074,748)	(20,057,202)
Shares issued during the year	8	5,000,000	-	-	-	5,000,000
Capital raising costs	8	(1,149,648)	806,666	-	-	(342,982)
Shares issued on EAU Lithium Transaction	6	14,642,989	-	-	-	14,642,989
Share based payments	9		1,053,219	-	-	1,053,219
Expiry of share based payments		-	(309,993)	-	309,993	-
Balance at 30 June 2026		32,449,043	2,860,778	(2,143)	(31,768,994)	3,538,684

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

	Note	30 June 2026 \$	30 June 2025 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,036,879)	(897,404)
Payment for exploration activities		(158,547)	(552,709)
Interest received		11,609	4,108
<i>Net cash used in operating activities</i>	17	(1,183,817)	(1,446,005)
Cash flows from investing activities			
Payment for plant and equipment	3	(205,040)	-
Net cash acquired on EAU Lithium transaction	6	150,186	-
Payment for EAU Lithium transaction	6	(339,950)	(150,000)
<i>Net cash used in investing activities</i>		(394,804)	(150,000)
Cash flows from financing activities			
Proceeds from issue of shares	8	5,000,000	1,670,000
Share issue cost	8	(342,982)	(88,636)
<i>Net cash generated by financing activities</i>		4,657,018	1,581,364
Net increase/(decrease) in cash and cash equivalents		3,078,397	(14,641)
Cash and cash equivalents at the beginning of the year		681,511	695,853
Effects of foreign exchange		(838)	299
Cash and cash equivalents at the end of the year	2	3,759,070	681,511

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

GENERAL INFORMATION

EAU Lithium Limited (**EAU** or the **Company**) (ASX: EAU) is a for-profit company limited by shares, domiciled and incorporated in Australia. These financial statements comprise of the Company and its subsidiaries (collectively the **Group**). The financial statements are presented in the Australian currency. The nature of operations and principal activities of the Company are described in the Directors' Report.

1. BASIS OF PREPARATION

1.1 Reporting Basis and Conventions

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. EAU Lithium Limited is a listed public company, incorporated and domiciled in Australia. All amounts are presented in Australian dollars. The company is of a kind referred to in Corporations Instruments 2026/183, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1.2 Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of EAU Lithium Limited ('the Company') and its subsidiaries ('the Group'). Subsidiaries are those entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full. Unrealised losses are also eliminated unless costs cannot be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

1.4 Going Concern

The Directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has 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.

For the financial year ended 30 June 2026, the Group incurred a net loss after tax of \$20,074,748 (2025: \$4,418,949), and a net cash outflow from operations of \$1,183,816 (2025: \$1,446,005). The group as at 30 June 2026 has cash and cash equivalents on hand of \$3,759,070 (30 June 2025: \$681,511) and a working capital position of \$3,206,038 (30 June 2025: \$637,534).

The ability of the Company to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Company to successfully raise capital, as and when necessary; and
- the ability to complete the successful development and commercialisation of its projects.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The consolidated entity's ability to issue additional shares under the Corporations Act 2001 to raise further working capital; and
- The ability of the consolidated entity to further scale back certain parts of their activities that are non-essential to conserve cash.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. 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 entity not continue as a going concern.

Material Accounting Policies

a. Share-based payment transactions

(i) Equity settled transactions:

The Company provides benefits to individuals acting as employees, and providing services similar to employees (including Directors) of the Company in the form of share-based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula and monte carlo. The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

The fair value of share-based payments to asset vendors is determined with reference to the fair value of the equity instruments issued as consideration for the assets acquired per the terms of the relevant asset purchase agreement. If the fair value of the transactions cannot be estimated with direct reference to the fair value of the asset received given limited fair value information over the asset available at the time of the transaction, the fair value of each instrument is estimated using the latest trading price of the shares relative to the date of completion of the sale.

b. **Exploration Expenditure**

Exploration and evaluation costs are accumulated and accounted for separately on an area of interest basis. An area of interest is represented by an exploration project, which may include multiple tenements within a single geographic region.

For each area of interest, the Company makes an election regarding its treatment of exploration and evaluation expenditure (including the costs of tenement acquisitions) and whether it will be charged to the income statement as incurred, under the expense category "exploration expenditure" (or other appropriate expense category), or capitalised as an exploration and evaluation asset, or a combination thereof. The Company currently elects that Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case-by-case basis and if appropriate may be capitalised.

An exploration and evaluation asset can only be recognised in relation to an area of interest if the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and

b) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration and evaluation expenditures are recorded as an exploration asset at cost less impairment charges. All capitalised exploration and evaluation expenditure are monitored for indicators of impairment. Where an impairment indicator is identified, an assessment is performed for each area of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

interest to which the exploration and evaluation expenditure is attributed. To the extent that capitalised expenditure is not expected to be recovered it is charged to the income statement.

c. **Critical Accounting Estimates and Judgements**

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditure includes project acquisition costs that have been capitalised on the basis that the Company will complete the acquisition of mineral licenses / leases where it has entered into a binding share purchase agreement. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount, where indicators of impairment are present.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. During the period the group issued performance options with non-market based vesting conditions. As such management have used significant judgement in assessing the probability of the performance criteria being met. The fair value of performance rights with market conditions is determined by an internal valuation using a monte carlo option pricing model.

Asset Acquisition

Judgement has been applied in application of the definition of a business under AASB 3 Business Combinations in determining the appropriate accounting treatment for the EAU Lithium transaction as an asset acquisition.

On initial recognition, the acquired assets and liabilities are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

During the year, the Group acquired 100% of the issued share capital of EAU Lithium Pty Ltd and its subsidiaries. Significant judgement was required in determining the appropriate accounting treatment for the acquisition. Significant judgement was also applied in assessing whether the acquired contractual arrangements met the definition of identifiable intangible assets under AASB 138 and in allocating the consideration transferred to the identifiable assets acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Identification of the accounting acquirer

Significant judgement was applied in determining the accounting acquirer for the acquisition completed during the year (refer to note 6 for further details). The transaction contained several features that required careful consideration of the guidance in AASB 3, including ownership interest, voting rights, existence of a large minority interest, composition of governing body and terms of exchange of equity interests.

After assessing all relevant indicators, management identified EAU Lithium Limited (Cosmos Exploration Limited at the date of transaction) as the accounting acquirer. This judgement had a significant impact on the accounting treatment of the transaction.

Impairment of intangible assets

Judgement was required in assessing the recoverability of the contractual rights acquired as part of the EAU Lithium transaction. Given the early-stage nature of the underlying projects and the uncertainty surrounding future economic benefits, the Directors adopted a prudent approach and determined that the carrying value of the acquired intangible assets should be fully impaired at 30 June 2026. As a result, an impairment expense of \$15,587,219 was recognised during the year.

d. **New and amended accounting standards**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

e. **New Accounting Standards and Interpretations not yet mandatory or early adopted**

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2 CASH AND CASH EQUIVALENTS

	As At 30 June 2026 \$	As At 30 June 2025 \$
Cash at bank	3,759,070	681,511

3 TRADE AND OTHER RECEIVABLES

	As At 30 June 2026 \$	As At 30 June 2025 \$
Prepayments ¹	233,732	11,318
GST Receivable	43,542	17,258
Other Receivables	20,005	45,620
Closing Balance	297,279	74,196

¹ During the year the company made an initial payment of EUR 125,000 as a commitment to purchase the A-DLE Pilot Plant from Vulcan Energie Ressourcen GmbH, the German subsidiary of Vulcan Energy Resources. The remaining balance to be paid subsequently is EUR 875,000 for a total consideration of EUR 1,000,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

4 OTHER ASSETS

	As At 30 June 2026 \$	As At 30 June 2025 \$
Prepayment – Tenement Acquisition ¹	-	150,000
Fenix Acquisition ²	-	152,288
Closing Balance	-	302,288

¹ The Company had previously entered into an option agreement which gave the company 12 months exclusivity to acquire EAU Lithium. The acquisition was completed during the year. Refer to note 6 for further information.

² The company had previously entered into an agreement to earn an 80% interest in the Fenix Uranium Project. The company previously paid the following upfront consideration for the option to earn the earn-in interest:

- CAD 50,000 cash; and
- 2,211,089 fully paid ordinary shares

During the year the company decided not to proceed with the Fenix Acquisition, as such the balance has been expensed to the profit or loss statement.

5 DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	As At 30 June 2026 \$	As At 30 Jun 2025 \$
Opening Balance:	2,279,000	5,466,500
Impairment of Acquisition Cost ¹	(1,951,219)	(3,187,500)
Closing Balance	327,781	2,279,000

¹The ultimate recoupment of the expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest. The Group incurred \$151,455 (2025: \$734,317) of exploration expense associated to its projects which was not capitalised. The Company did not meet the requirements of AASB 6 for the Byro East Project which resulted in a \$1,951,219 impairment during the year.

6 EAU LITHIUM TRANSACTION

In December 2024, the Company entered into an Option Agreement with EAU Lithium Pty Ltd (EAU Lithium) and its subsidiaries to acquire a 100% interest. On March 4, 2026, the Company advised of its intention to exercise the option. On 27 May 2026, the Company completed the acquisition of EAU Lithium and its subsidiaries, issuing 108,466,586 consideration shares to the shareholders of EAU Lithium and payment of the cash consideration component of \$525,000.

The company does not consider that the transaction meets the definition of a business combination in accordance with AASB 3 Business Combinations as EAU Lithium is not deemed to be a business for accounting purposes. Therefore, the Company accounted for the transaction as an asset acquisition.

Management assessed whether contractual arrangements acquired met the definition of identifiable intangible assets under AASB 138. In making this assessment, management considered the nature of the rights obtained, the existence of present economic resources, the ability of the arrangements to generate future economic benefits, and whether any material value could be reliably attributed to those rights. Management concluded that material identifiable intangible assets arose from the acquired contractual arrangements and therefore have been included as part of the acquired identifiable assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

EAU LITHIUM TRANSACTION (CONTINUED)

As the acquired entities held limited net tangible assets, the majority of the consideration transferred was allocated to the acquired contractual arrangements recognised as intangible assets.

Consideration

The agreed purchase consideration was:

	\$
108,466,586 C1X shares (at a deemed market price of \$0.135 per share)	14,642,989
Option fee paid on 23 December 2024	150,000
Option extension fee paid on 1 December 2025	15,000
Payment to founders of EAU Lithium paid on 24 March 2026	300,000
Payment to Vulcan Energy Resources Limited (paid subsequent to year-end, refer note 7)	225,000
	15,332,989

Assets Acquired

The fair value of EAU Lithium assets and liabilities acquired were:

	\$
Cash and cash equivalents	150,186
Intangible assets ¹	15,587,219
Other receivables	11,789
Property, Plant and Equipment	794
Trade Payables and Accrued Expenses	(416,999)
Net Assets Acquired	15,332,989

¹ The contractual rights acquired, which met the definition of intangible assets in accordance with AASB 138, were subsequently impaired down to nil following management's assessment of recoverable amount at 30 June 2026. Following completion of the transaction, the Directors assessed the recoverability of the asset having regard to the early-stage nature of the Bolivian lithium opportunity and the uncertainty associated with future commercial outcomes. As a prudent measure, the Directors determined that the carrying value of the asset should be fully impaired as at 30 June 2026 and recognised an impairment expense of \$15,587,219.

In determining the recoverability of acquired intangible assets, the Directors consider the stage of project development, available technical information, commercial progress and the extent to which future economic benefits can be supported at reporting date.

At each reporting date, the Group assesses whether there is any indication that an impairment loss recognised in prior periods for an intangible asset, may no longer exist or may have decreased, and, where a change in the estimates used to determine the asset's recoverable amount has occurred, the impairment loss is reversed in profit or loss up to the carrying amount that would have been determined had no impairment loss been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

7 TRADE AND OTHER PAYABLES

Trade Payables
Other Payables and Accrued Expenses¹
Closing Balance

As At 30 June 2026	As At 30 Jun 2025
\$	\$
290,321	53,763
512,055	37,000
802,376	90,763

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

¹ As part of the transaction with EAU Lithium, the company were to pay a cash component of \$525,000 with \$225,000 of this cash component owed to Vulcan Energy Resources Limited. This balance was paid subsequent to year-end. Refer to note 6 for further details on the transaction with EAU Lithium.

8 ISSUED CAPITAL

Fully paid ordinary shares

As At 30 June 2026	As At 30 Jun 2025
No.	No.
241,933,188	108,466,602

Opening Balance
Placement Shares at \$0.0425
Placement Shares at \$0.050
Asset Acquisition Shares – Fenix¹
Capital raising costs
Balance at end of the year

As At 30 June 2025	
No.	\$
71,373,162	12,461,770
9,882,351	420,000
25,000,000	1,250,000
2,211,089	97,288
-	(273,356)
108,466,602	13,955,702

¹ Refer to note 4 for further details

Opening Balance
Placement Shares at \$0.20
EAU Lithium Transaction Shares²
Capital raising costs
Balance at end of the year

As At 30 June 2026	
No.	\$
108,466,602	13,955,702
25,000,000	5,000,000
108,466,586	14,642,989
-	(1,149,648)
241,933,188	32,449,043

² Refer to note 6 for further details

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(a) Terms of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

ISSUED CAPITAL (CONTINUED)

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.

(b) Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

9 SHARE BASED PAYMENT RESERVE

	As At 30 June 2025 \$
Opening Balance:	1,744,723
Issue of Director rights and options (share-based payment expense)	57,658
Issue of Corporate Advisors Options (share-based payment Equity)	45,433
Issue of Corporate Advisors Options 2 (share-based payment Equity)	137,961
Issue of Exploration Manager Options/PR (share-based payment expense)	36,062
Expiry of performance rights and options	(500,160)
Reversal of performance rights (share-based payment expensed)	(210,791)
Closing Balance	1,310,886
	As At 30 June 2026 \$
Opening Balance:	1,310,886
Issue of options to Directors (share-based payment expense) ¹	898,543
Issue of performance rights to Directors (share-based payment expense) ²	154,676
Issue of options to Advisors (capital raising expense) ³	806,666
Expiry of performance rights and options	(309,993)
Closing Balance	2,860,778

¹ 8,000,000 options were granted to Directors on 11 May 2026, expiring 27 May 2029. The options are defined as share-based payments in accordance with AASB 2. The valuation of the share-based payment transaction is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Details of the options granted during the year are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

SHARE BASED PAYMENT RESERVE (CONTINUED)

Inputs	
Number of Options	8,000,000
Grant Date	11 May 2026
Underlying Share Price at Grant Date	\$0.215
Expiry of Option Life	3.05 years
Expected Dividend Yield	-
Risk-free Rate	4.67%
Exercise Price	\$0.40
Expected Volatility	100%
Fair Value per Instrument	\$0.1123
Total Fair Value	\$898,543

² Fair value for performance rights granted to Directors during the current financial year with non-market vesting conditions have been determined by reference to the underlying share price on date of grant. Details of the performance rights granted during the year are as follows

	Inputs – Tranche 1	Inputs – Tranche 2
Number of Performance Rights	8,000,000	8,000,000
Grant Date	11 May 2026	11 May 2026
Underlying Share Price at Grant Date	\$0.215	\$0.215
Expiry Date	27 May 2029	27 May 2029
Probability of Non-Market Condition being achieved	100%	100%
Share-based payment expense for the financial year	\$77,338	\$77,338

³ 8,000,000 options were granted to Advisors on 11 May 2026, expiring 27 May 2028. The options are defined as share-based payments in accordance with AASB 2. The valuation of the share-based payment transaction is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Details of the options granted during the year are as follows:

Inputs	
Number of Options	8,000,000
Grant Date	11 May 2026
Underlying Share Price at Grant Date	\$0.215
Expiry of Option Life	3.05 years
Expected Dividend Yield	-
Risk-free Rate	4.71%
Exercise Price	\$0.30
Expected Volatility	100%
Fair Value per Instrument	\$0.1008
Total Fair Value	\$806,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

10 INCOME TAX EXPENSE

	As At 30 June 2026 \$	As At 30 June 2025 \$
(a) Income tax expense	-	-
	-	-
(b) Numerical reconciliation between tax expense and before income tax loss		
Loss before income tax	(20,074,748)	(4,418,949)
Income tax calculated at 30% (2025: 25%)	(6,022,425)	(1,104,737)
Tax effect of:		
- Capital raising expenditure	14,349	3,733
- Non- deductible Tax Expense	5,577,817	730,189
- Future income tax benefit not brought to account	430,259	370,815
Income tax benefit	-	-
(c) Unrecognised deferred tax assets		
Tax losses	2,833,712	1,916,592
Other timing differences	6,876,276	1,056,870
Deferred tax assets not brought to account	9,709,988	2,973,462
Deferred tax assets offset against deferred tax liabilities	(9,838)	(8,790)
Net deferred tax assets	9,700,150	2,964,672

The Company has not recognised any deferred tax assets or liabilities. These benefits will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

(d) Franking credits

The Company has no franking credits available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

11 FINANCIAL INSTRUMENTS

(i) FINANCIAL RISK MANAGEMENT OBJECTIVES

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk) and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

(a) Market Risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group is exposed to foreign exchange rate risk arising from cash and deposits held in Canadian dollars and Bolivian Boliviano. At the reporting date the sensitivity for the Group's foreign exchange exposures was:

	Carrying Amount 2026 \$	Carrying Amount 2025 \$
Cash on deposit – CAD \$29,908 (2025: CAD \$10,376)	33,387	11,597
Cash on deposit – BOB \$584 (2025: BOB \$ nil)	122	-
A change of 10% in CAD:AUD and BOB:AUD foreign exchange rates at the end of the reporting period would have increased/(decreased) profit and loss and equity by the amounts shown below. The analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2025:		
10% increase	3,351	1,160
10% decrease	(3,351)	(1,160)

The consolidated entity's exposure to the risks of changes in market interest rates relates primarily to the consolidated entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates. The sensitivity to the movement in interest rates for the likely range of outcomes is immaterial.

At 30 June 2026, if interest rates had changed by 10% during the entire period with all other variables held constant, profit/(loss) for the period and equity would have been \$1,161 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

FINANCIAL INSTRUMENTS (CONTINUED)

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% increase sensitivity would move short term interest rates at 30 June 2026 from around 4.35% to 4.75% (10% decrease: 3.95%) representing a 40 basis points shift. This would represent one decrease which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move down than up in the coming period.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted, resulting in a decrease or increase in overall income.

(b) Liquidity Risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Consolidated 30 June 2026 Non-derivatives	Weighted average interest rate %	1 year or less \$	over 1 year less than 5 \$	more than 5 years \$	Remaining contractual maturities \$
Non-interest bearing					
Trade and other payables	-	802,376	-	-	802,376
Total non-derivatives	-	802,376	-	-	802,376

Consolidated 30 June 2025 Non-derivatives	Weighted average interest rate %	1 year or less \$	over 1 year less than 5 \$	more than 5 years \$	Remaining contractual maturities \$
Non-interest bearing					
Trade and other payables	-	90,763	-	-	90,763
Total non-derivatives	-	90,763	-	-	90,763

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

(c) Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

12 LOSS PER SHARE

	As At 30 June 2026 \$	As At 30 June 2025 \$
(a) Loss used in the calculation of basic and diluted loss per share	20,074,748	4,418,949
	Number of shares	Number of shares
(b) Weighted average number of ordinary shares outstanding during the financial year used in calculation of basic earnings per share	125,244,479	88,970,758
Basic and diluted loss per share (\$ per share)	0.16	0.049

The instruments that could potentially dilute basic EPS in the future, but not included in the calculation are options and performance rights.

13 SEGMENT REPORTING

The Company has adopted AASB 8 'Operating Segments' which requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Company reviews internal reports prepared as consolidated financial statements and strategic decisions of the Company are determined upon analysis of these internal reports.

The group operates in the mineral exploration sector predominantly in Australia, Canada and Bolivia for 2026 and Australia and Canada for 2025.

2026

(A) Segment performance

	Australia \$	Canada \$	Bolivia \$	Total \$
Income				
Other income	13,609	-	4	13,613
Total other income	13,609	-	4	13,613
Exploration expenditure	151,455	-	-	151,455
Total exploration amount	151,455	-	-	151,455
Segment net profit before tax	(137,846)	-	4	(137,842)
Reconciliation of segment result to net profit (loss) before tax				
Unallocated items:				
- other	(19,927,015)	(3,172)	(6,719)	(19,936,906)
Net loss before tax	(20,064,861)	(3,172)	(6,715)	(20,074,748)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

SEGMENT REPORTING (CONTINUED)

(B) Segment assets

	Australia \$	Canada \$	Bolivia \$	Total \$
Segment assets	4,360,307	26,840	1,848	4,388,995

(C) Segment liabilities

	Australia \$	Canada \$	Bolivia \$	Total \$
Segment liabilities	849,252	-	1,059	850,311

2025

(A) Segment performance

	Australia \$	Canada \$	Total \$
Revenue			
Interest revenue	4,108	-	4,108
Total revenue	4,108	-	4,108
Exploration expenditure	724,775	9,542	734,317
Total exploration amount	724,775	9,542	734,317
Segment net profit before tax	(720,667)	(9,542)	(730,209)
Reconciliation of segment result to net profit (loss) before tax			
Unallocated items:			
- other	(3,670,370)	(18,370)	(3,688,740)
Net loss before tax	(4,391,037)	(27,912)	(4,418,949)

(B) Segment assets

	Australia \$	Canada \$	Total \$
Segment assets	3,349,236	11,597	3,360,833

(C) Segment liabilities

	Australia \$	Canada \$	Total \$
Segment liabilities	118,179	-	118,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

14 SUBSEQUENT EVENTS

On 21 August 2026, the company issued 1,000,000 options and 5,000,000 performance rights.

On 2 September 2026, the company changed its name from Cosmos Exploration Limited to EAU Lithium Limited.

No other matter or circumstance has arisen since 30 June 2026 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.

15 RELATED PARTY TRANSACTIONS

During the year ended 30 June 2026 the following related party transaction was undertaken between the Group and director related entities:

a) Key Management Personnel compensation

The totals of remuneration paid to key management personnel during the year are as follows:

	As At 30 June 2026 \$	As At 30 June 2025 \$
Short-term salary, fees and commissions	270,514	207,780
Post-employment benefits	11,070	-
Share-based payments	1,053,219	(114,843)
Total key management personnel compensation	1,334,803	92,937

b) Other related party transactions

The Company had an agreement with Smallcap Corporate (SCC), of which Mr James Bahen is a Director, (Corporate Services Agreement). Pursuant to the Corporate Services Agreement, the SCC was appointed to provide corporate, accounting, company secretary and administrative services to the Company. During the year \$118,400 (2025: \$123,000) was charged in relation to providing corporate, accounting, company secretary and administrative services to the group. The agreement has been negotiated at arm's length and contains standard commercial terms and therefore falls within the exception on section 210 of the Corporations Act. The outstanding amount as at 30 June 2026 was \$nil (2025: \$15,035).

The Company has an arrangement with RareX Limited (RareX), of which Mr Jeremy Robinson and Mr James Durrant are directors, where RareX provides the group use of their geological service and use of its equipment. The arrangement has been negotiated at arm's length and contains standard commercial terms. During the year the cost amounted to \$Nil (2025: \$Nil). Amount outstanding as at 30 June 2026 was \$Nil (2025: \$Nil).

The company through its wholly owned subsidiary, EAU Lithium Pty Ltd, has an arrangement with RareX Limited, of which Mr Jeremy Robinson and Mr James Durrant are directors, which RareX provides consultancy services to EAU Lithium Bolivia Pty Ltd. The arrangement has been negotiated on arm's length. No expense was recognised during the year. Amount outstanding as at 30 June 2026 was \$135,548

Mr Jeremy Robinson is also a Director of Churchill SIG Pty Ltd, which provides office rent, broker and consultancy services. During the year the cost amounted to \$41,789 (2025: \$Nil). Amount outstanding as at 30 June 2026 was \$Nil (2025: \$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

RELATED PARTY TRANSACTIONS (CONTINUED)

The Company has an arrangement with All Terrain Geology, of which Mr Leo Horn is a Director, where it provides the group geological service and use of its equipment. The arrangement has been negotiated at arm's length and contains standard commercial terms. During the year the cost amounted to \$Nil (2025: \$35,920). Amount outstanding as at 30 June 2026 was \$Nil.

16 AUDITOR'S REMUNERATION

Remuneration of the auditor for:

Audit or review of the financial report of the Company and controlled entities:

As At 30 June 2026 \$	As At 30 June 2025 \$
69,630	48,000
69,630	48,000

The disclosures include amounts received or due and receivable by BDO Audit Pty Ltd and their respective related entities.

17 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax

	As At 30 June 2026 \$	As At 30 June 2025 \$
Loss after income tax expense for the period	(20,074,748)	(4,418,949)
Depreciation	19,794	27,606
Impairment of intangible assets	15,587,219	-
Share based payment expense	1,053,219	(117,071)
Lapsing of Option Agreement for Fenix Uranium Project	152,288	-
Impairment expense	1,951,219	3,187,500
Changes in operating assets and liabilities:		
Movement in trade and other receivables	(223,083)	(9,773)
Movement in provisions	20,524	(106,966)
Movement in trade and other payables	329,751	(8,352)
	(1,183,817)	(1,446,005)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

18 COMMITMENTS AND CONTINGENT LIABILITIES

Tenement Related Commitments and Contingencies

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. As at 30 June 2026 the company has an expenditure commitment of \$540,000 (30 June 2025: \$1,043,000).

Quintons Project

The Vendors of the Quintons Project are to retain a 2% NSR Royalty for the first 500,000 ounces of Gold Equivalent production

A-DLE Pilot Plant Commitment

The company via its fully owned subsidiary, EAU Lithium Pty Ltd, has committed to acquiring A-DLE Pilot Plant 4 from Vulcan Energie Ressourcen GmbH, the German subsidiary of Vulcan Energy Resources. During the year, a EUR 125,000 payment was made as part of the commitment, with the remaining balance to be paid subsequently is EUR 875,000 for a total consideration of EUR 1,000,000.

Other than the above, there are no other contingencies or commitments.

19 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of Entity	Entity Type	Trustee, partner or participant in a joint venture	Country of Incorporation	Class of Shares	Equity holding 2026	Equity holding 2025
Cosmos Tanami Pty Ltd	Company	n/a	Australia	Ordinary	100%	100%
Cosmos Li Development Canada Ltd	Company	n/a	Canada	Ordinary	100%	100%
9481-6337 Quebec Inc*	Company	n/a	Canada	Ordinary	100%	100%
EAU Lithium Bolivia Pty Ltd	Company	n/a	Australia	Ordinary	100%	-
EAU Lithium Holdings Pty Ltd	Company	n/a	Australia	Ordinary	100%	-
Empresa Industrial Minera Eaulithium Bolivia S.A.	Company	n/a	Bolivia	Ordinary	100%	-

*100% owned subsidiary of Cosmos Li Development Canada Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2026

20 PARENT ENTITY NOTE

The following details information related to the parent entity, EAU Lithium Limited, at 30 June 2026. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2026 \$	2025 \$
Current Assets	3,788,412	894,109
Non-Current Assets	176,465	2,466,730
Total Assets	3,964,877	3,360,839
Current Liabilities	426,193	118,179
Total Liabilities	426,193	118,179
Net Asset	3,538,684	3,242,660
Contributed Equity	32,449,043	13,955,702
Reserves	2,860,778	1,310,888
Accumulated losses	(31,771,137)	(12,023,930)
Total Equity	3,538,684	3,242,660
Loss for the year	(20,747,207)	(4,418,691)
Total comprehensive loss for the year	(20,747,207)	(4,418,691)

CONSOLIDATED ENTITY TAX RESIDENCY DISCLOSURE STATEMENT

Name of Entity	Type of entity	Trustee, partner or participant in joint venture	Country of Incorporation	% of share capital held	Australian Resident	Foreign jurisdiction in which the entity is a resident for tax purposes
Cosmos Exploration Limited	Company	-	Australia	N/A	Yes	N/A
Cosmos Tanami Pty Ltd	Company	-	Australia	100%	Yes	N/A
Cosmos Li Development Canada Ltd	Company	-	Canada	100%	Yes	Canada
9481-6337 Quebec Inc*	Company	-	Canada	100%	Yes	Canada
EAU Lithium Bolivia Pty Ltd	Company	-	Australia	100%	Yes	N/A
EAU Lithium Holdings Pty Ltd	Company	-	Australia	100%	Yes	N/A
Empresa Industrial Minera EAU Lithium Bolivia S.A.	Company	-	Bolivia	100%	No	Bolivia

*100% owned subsidiary of Cosmos Li Development Canada Ltd

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295(3B)(a) of the *Corporations Act 2001* defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
 - o The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency
 - o Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

SHAREHOLDER INFORMATION FOR THE YEAR ENDED 30 JUNE 2026

The shareholder information set out below was applicable as at 23 September 2026.

Quoted Securities – Fully Paid Ordinary Shares

a) Distribution of Equitable Securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Ordinary shares % of total shares issued
1 to 1,000	54	0.00
1,001 to 5,000	155	0.20
5,001 to 10,000	159	0.55
10,001 to 100,000	374	6.30
100,001 and over	216	92.95
	<u>958</u>	<u>100.00</u>

At the prevailing market price of \$0.155 per share, there were 147 shareholders holding less than a marketable parcel of shares, totalling 218,514 shares.

b) Twenty Largest Shareholders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
JEANETTE LEIDY ZIMMER	13,439,765	5.56
SIBON LEGACY PTY LTD <THE DURRANT FAMILY A/C>	12,562,869	5.20
ROMAINE INTERNATIONAL CONSULTING LTD	12,509,182	5.17
JEREMY ROBINSON	12,091,691	5.00
RAREX LIMITED	11,250,000	4.65
VULCAN ENERGY SA PTY LTD	10,844,870	4.48
CITICORP NOMINEES PTY LIMITED	10,235,439	4.23
COREY LORD	7,981,538	3.30
MR GIANCARLO GIANATTI & MRS MARIA AGATHA GIANATTI	7,968,550	3.30
WINSOME MARY SANTA MARIA <THE SANTA FAMILY A/C>	7,569,934	3.13
MRS MICHELLE ANGELIQUE PYNES <PYNES ASSET A/C>	7,444,663	3.08
KENDALI PTY LTD	5,880,686	2.43
BNP PARIBAS NOMS PTY LTD	4,983,726	2.06
JACINTA MARTINO	4,473,956	1.85
KAY HOFMANN	3,257,040	1.35
KRISTIAN DAVID HENDRICKSEN	2,326,457	0.96
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,318,045	0.96
MR JAMES TIMOTHY BAHEN <GRAJAGAN A/C>	2,235,180	0.92
RANGEHILL HOLDINGS PTY LTD <CALYPSO FAMILY A/C>	2,077,750	0.86
THINK TONBO PTY LTD <TONBO HOLDINGS TRUST>	2,039,582	0.84
	<u>143,490,923</u>	<u>59.33</u>

SHAREHOLDER INFORMATION FOR THE YEAR ENDED 30 JUNE 2026

c) Substantial Holders

Substantial holders in the company are set out below:

	Number held	Ordinary shares % of total shares issued
JEANETTE LEIDY ZIMMER	13,439,765	5.56
SIBON LEGACY PTY LTD <THE DURRANT FAMILY A/C>	12,562,869	5.20
ROMAINE INTERNATIONAL CONSULTING LTD	12,509,182	5.17
JEREMY ROBINSON	12,091,691	5.00

d) Restricted and Escrowed Securities

The company has the following securities subject to voluntary escrow:

Security Type	Number of Securities	Date Escrow Period Ends
Ordinary Shares	54,233,299	27 May 2027

e) Voting Rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

f) On Market Buy-back

There is currently no on market buy-back in place.

Unquoted Securities – Options

a) Details of options on issue

Class	Number on issue	Number of holders
Exercisable at \$0.08 Expiring 8 August 2027	6,500,000	1
Exercisable at \$0.30 Expiring 27 May 2028	20,500,000	81
Exercisable at \$0.40 Expiring 27 May 2029	8,000,000	4
Exercisable at \$0.25 Expiring 21 August 2029	2,000,000	1
	<u>37,000,000</u>	<u>87</u>

b) Voting Rights

Unquoted options do not entitle the holder to any voting rights.

SHAREHOLDER INFORMATION FOR THE YEAR ENDED 30 JUNE 2026

c) Holders of More than 20% of a Class of Unquoted Options

The Group has a total of 27,000,000 unquoted options over ordinary shares on issue that were not issued under the Employee Incentive Option & Performance Rights Plan. Security holders holding more than 20% of a class of unquoted options, not issued under the Employee Incentive Option & Performance Rights Plan are set out in the following table.

Option Holder	Exercisable at \$0.08 Expiring 8 August 2027	Exercisable at \$0.30 Expiring 27 May 2028
YELVERTON CAPITAL PTY LTD	6,500,000	8,000,000
	<u>6,500,000</u>	<u>8,000,000</u>

Unquoted Securities – Performance Rights

a) Details of performance rights

Class	Number on issue	Number of holders
2023 rights, Expiring 15 August 2028	750,000	2
2023 rights, Expiring 14 April 2028	1,000,000	2
2023 rights, Expiring 10 November 2028	2,000,000	4
2026 rights, Expiring 27 May 2029	16,000,000	4
2026 rights, Expiring 21 August 2029	5,000,000	5
	<u>24,750,000</u>	<u>17</u>

b) Voting Rights

Unquoted performance rights do not entitle the holder to any voting rights.

c) Holders of More than 20% of a Class of Unquoted Performance Rights

The Group has a total of 1,000,000 unquoted performance rights over ordinary shares on issue that were not issued under the Employee Incentive Option & Performance Rights Plan. Security holders holding more than 20% of a class of unquoted performance rights, not issued under the Employee Incentive Option & Performance Rights Plan are set out in the following table.

Performance Right Holder	2023 rights, Expiring 14 April 2028
DG RESOURCE MANAGEMENT LTD	500,000
IKIGAI STRATEGIC INVESTMENTS	500,000
	<u>1,000,000</u>

SHAREHOLDER INFORMATION FOR THE YEAR ENDED 30 JUNE 2026

Tenement Information

As at 30 June 2026, the Company has an interest in the following tenements:

Australia Tenement List

Tenement ID	Status	State	Location	Project Name	Area Km2	% Interest
E09/2443	Granted	WA	326km NE of Geraldton	Byro East	27.6	100
EL8442	Granted	NSW	20km E of Orange	Orange East	40	75
EL9482	Granted	NSW	20km E of Orange	Orange East	25.8	80
EL8807	Granted	NSW	25km E of Orange	Orange East	48.7	80

Canada – Nunavut Claims List

Tenement ID	Status	State	Location	Project Name	Area Km2	% Interest
104530	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	16.03	100
104531	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	16.72	100
104532	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	16.88	100
104533	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	4.72	100
104535	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	16.19	100
104536	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	14.14	100
104537	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	13.47	100
104534	ACTIVE	NUNAVUT	145km NW of Baker Lake	FENIX	14.33	100
104553	ACTIVE	NUNAVUT	250km SW of Baker Lake	ANGILAK WEST	7.47	100
104648	ACTIVE	NUNAVUT	275km SW of Baker Lake	ANGILAK WEST	5.63	100
104666	ACTIVE	NUNAVUT	270km SW of Baker Lake	ANGILAK WEST	5.62	100
104547	ACTIVE	NUNAVUT	235km SW of Baker Lake	ANGILAK WEST	18.18	100
104548	ACTIVE	NUNAVUT	235km SW of Baker Lake	ANGILAK WEST	16.88	100
104540	ACTIVE	NUNAVUT	240km SW of Baker Lake	ANGILAK WEST	17.86	100
104541	ACTIVE	NUNAVUT	240km SW of Baker Lake	ANGILAK WEST	9.3	100
104542	ACTIVE	NUNAVUT	235km SW of Baker Lake	ANGILAK WEST	18.34	100
104549	ACTIVE	NUNAVUT	235km SW of Baker Lake	ANGILAK WEST	6.49	100
104799	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	4.23	100

Tenement ID	Status	State	Location	Project Name	Area Km2	% Interest
104800	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	7.17	100
104801	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	3.68	100
104544	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	18.21	100
104545	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	18.37	100
104546	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	18.36	100
104543	ACTIVE	NUNAVUT	180km SW of Baker Lake	NUT LAKE STH	14.89	100

** EAU Lithium Ltd holds a 100% beneficial interest in the Nunavut claims through trust arrangements. Trust Deeds are in place for claims (104530 - 104537) held under Nicholas Rodway and for additional claims (104540-104549, 104553, 104648, 104666, 104799-104801) held under Trent Potts as trustee on behalf of EAU Lithium Ltd.