PATRIOT LITHIUM

ACN 647 470 415

AND ITS CONTROLLED ENTITIES

ANNUAL REPORT

For the year ended 30 June 2022

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CORPORATE INFORMATION

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

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

Directors
Mr Matthew Gauci – Managing Director
Dr Oliver Kreuzer – Executive Director
Mr Philip Thick – Non-Executive Director
Mr Matthew Worner – Non-Executive Director

Joint Company Secretary
Mr Matthew Worner
Mr Cameron O’Brien

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Level 3, 16 Milligan Street, Perth WA 6000

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
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Auditors
BDO Audit (WA) Pty Ltd
Level 9
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5 Spring Street
Perth WA 6000

Bankers
Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Solicitors
Steinepreis Paganin
Level 4, 16 Milligan Street
Perth WA 6000

DIRECTORS' REPORT

Your Directors present the following report on the consolidated entity (referred to hereafter as the "consolidated entity" or "group") consisting of Patriot Lithium Limited ("Patriot" or "the Company") and its subsidiary for the year ended 30 June 2022.

Directors

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

NAME		APPOINTMENT/RESIGNATION DATE
Mr Hugh Warner	Non-Executive Chairman	Appointed on 31 March 2021 and resigned on 21 October 2021
Mr Matthew Gauci	Managing Director	Appointed on 28 January 2021
Dr Oliver Kreuzer	Executive Director	Appointed on 28 January 2021
Mr Philip Thick	Non-Executive Director, Non-Executive Chairman	Appointed 31 March 2021, Appointed on 1 February 2022
Mr Matthew Worner	Non-Executive Director and Joint Company Secretary	Appointed 21 October 2021

Joint Company Secretary

Mr Matthew Worner (appointed on 21 October 2021)
Mr Cameron O'Brien (appointed on 28 January 2021, resigned on 21 October 2021, and reappointed on 8 February 2022)
Mr Christopher Hilbrands (appointed on 31 March 2021 and resigned on 21 October 2021)

Principal Activities

During the financial year the principal activities of the entity is a holding company, with the company commencing the staking of claims around the Keystone and Wickenburg projects. The company has an intention to acquire additional exploration assets as part of the initial public offering process with the Australian Stock Exchange ("ASX").

Dividends

There were no dividends paid or proposed during the period.

Review of Operations

The company was incorporated on 28 January 2021, and the Statement of Profit or Loss and other Comprehensive Income shows the Group's operating loss for the year ended 30 June 2022 was $755,170 (Period ended 30 June 2021: loss of $18,460).

Significant Change in State of Affairs

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

DIRECTORS' REPORT

Matters Subsequent to Reporting Date

DATE	DETAILS
23-Aug-2022	Patriot raised seed capital through issue of 3,300,000 ordinary shares at $0.10 per share to raise $330,000.
19-Sep-2022	Patriot raised seed capital through issue of 1,700,000 ordinary shares at $0.10 per share to raise $170,000.

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

Likely developments and expected results of operations

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

Environmental Regulation

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

DIRECTORS' REPORT

Information on Directors

The names of the directors of Patriot who held office during the financial period and at the date of this report are:

Mr Matthew Gauci
Managing Director

Qualifications

BSc, MBA

Appointed

Managing Director since 28 January 2021

Experience

Mr Gauci is an experienced mining executive with more than 20 years' experience in strategic management and corporate finance in the mining industry having successfully financed and managed private and public mining exploration companies operating in Australia, Africa and South America. Mr Gauci has managed teams in the exploration, development and feasibility of a number of mining exploration projects in precious metals, base metals and bulk commodities. Mr Gauci has a BSc. and an MBA from the University of Western Australia.

Interest in Shares and Options

4,750,001 Ordinary fully paid shares

Other current directorships

Managing Director: NickelX Limited (ASX: NKL)
Non-Executive Director: 92 Energy Limited (ASX: 92E)

Former directorships held in past three years

Metallicity Limited (ASX:MCT)

Dr Oliver Kreuzer
Executive Director (Technical)

Qualifications

MAIG RPGeo, MAusIMM

Appointed

Executive Director since 28 January 2021

Experience

Dr Kreuzer, a geoscientist with 20+ experience, is a world recognised project generator and explorer having been involved in the generation and exploration of significant uranium, gold and base metals projects globally.

Interest in Shares and Options

4,850,001 Ordinary fully paid shares

Other current directorships

Non-Executive Director: 92 Energy Limited (ASX: 92E)
Non-Executive Director: NickelX Limited (ASX: NKL)
Non-Executive Director: Eclipse Metals Limited (ASX:EPM)

Former directorships held in past three years

Non-Executive Director: Cygnus Gold Ltd (ASX: CY5) (2015-2020)

DIRECTORS' REPORT

Mr Philip Thick
Non-Executive Chairman

Qualifications
BEng(CivEng) (Hons)

Appointed
Non-Executive Director since 31 March 2021, Non-Executive Chairman since 1 Feb 2022

Experience
Mr Thick is a Mining Executive with more than 30 years' experience as a senior executive and director in oil and gas, mining and chemical processing. During the past 5 years, Mr Thick headed up Tianqi Lithium Australia, a subsidiary of Tianqi Lithium Corp, one of the world's largest lithium companies and majority owner of the Greenbushes lithium mine. Mr Thick was charged with building the world's largest lithium hydroxide plant in Kwinana, south of Perth, an investment of nearly A$1 billion. Mr Thick has held a number of Executive and Non-Executive Director positions in the oil and gas, chemical manufacturing and mining industries and currently holds various Chairman and Director roles with a strong focus on arts and culture in Western Australia.

Interest in Shares and Options
2,150,000 Ordinary fully paid shares.

Other current directorships
Executive Chair: TiGa Minerals & Metals Limited

Non-Executive Director: Lithium Australia Ltd

Chair: Chamber of Arts & Culture WA

Chair: Perth Symphony Orchestra

Former directorships held in past three years
Executive Director: Tianqi Lithium Australia

Executive Director: Tianqi Lithium Kwinana

Mr Matthew Worner
Non-Executive Director

Qualifications
LLB, B.Bus

Appointed
Non-Executive Director since 21 October 2021

Experience
Mr Worner is an experienced oil and gas executive who has worked with ASX and London listed E&P companies in various legal, commercial and new ventures/business development roles. He has overseen the completion of multiple asset acquisitions and divestments the world over, including Asia, Africa, Us and Australasia as well as significant experience dealing with joint venture partners, host governments, and NOCs in these regions.

Interest in Shares and Options
250,000 Ordinary fully paid shares.

Other current directorships
Executive Director: Talon Petroleum Ltd (ASX: TPD)

Former directorships held in past three years
N/A

DIRECTORS' REPORT

DIRECTOR MEETINGS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Board Meetings	
	Attended	Held
Phil Thick	2	2
Matthew Gauci	2	2
Oliver Kreuzer	2	2
Matthew Worner	2	2
Hugh Warner*	0	0

* Appointed on 31 March 2021 and resigned on 21 October 2021

Held: represents the number of meetings held during the time the director held.

JOINT COMPANY SECRETARY

Matthew Worner was appointed as Non-Executive Director and Joint-Company Secretary on 21 October 2021. Mr Worner is a Corporate Advisor at Grange Consulting Group Pty Ltd, where he specialises in corporate advisory, company secretarial and financial management services. Mr Worner is a former lawyer, with a broad experience in IPOs, capital raisings, Listing Rules and Corporations Act issues. Mr Worner has held management, company secretarial and board positions with various ASX, AIM, and London listed E&P companies. Mr Worner was previously company secretary for Tap Oil Limited (ASX: TAP) and is currently a director of Talon Petroleum Limited (ASX: TPD).

Cameron O'Brien was appointed as Joint-Company Secretary on appointed on 28 January 2021, resigned on 21 October 2021, and reappointed on 8 February 2022. Mr O'Brien is a corporate finance and company secretarial executive with a broad experience across the resources and industrial sector. Mr O'Brien is a qualified chartered accountant with experience at leading international audit and tax advisory firms and has also provided services and advice relating to due diligence, expert reports, valuations and ASX listings. He currently works as a Corporate Adviser at Grange Consulting Group Pty Ltd and provides company secretarial and financial services to several ASX listed companies.

Prior to this, the company secretary was Chris Hilbrands. Mr Hilbrands resigned on 21 October 2021.

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year the company has not paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

DIRECTORS' REPORT

NON-AUDIT SERVICES

The Company may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided were disclosed in Note 18. The Board of Directors has considered the position and is satisfied that the provision on non-audit services is compatible with the general standard of independence of auditors imposed by the Corporation Act 2001. The Directors also satisfied that the provision on non-audit services by the auditor, did not compromise the auditor independence requirements of the Corporation Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

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

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

On behalf of Directors

Matthew Gauci
Managing Director
Perth, 12 October 2022

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF PATRIOT LITHIUM LIMITED

As lead auditor of Patriot Lithium Limited for the year ended 30 June 2022, 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 Patriot Lithium Limited and the entity it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

12 October 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Patriot Lithium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Patriot Lithium Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Patriot Lithium Limited, 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 2022 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be 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 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.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

Ashleigh Woodley

Director

Perth

12 October 2022

2022
FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Year ended 30 June 2022 $	Period ended 30 June 2021 $
Revenue from continuing operations			
Interest received & other income		54	1
Administration expenses		(64,438)	(880)
Public company expenses		(80,449)	-
Depreciation and amortisation costs		(27,449)	-
Exploration expenses	2	(97,609)	-
Share based payment expense		(100,000)	-
Employee benefit expenses		(82,500)	-
Consulting expenses	2	(302,059)	(17,581)
Finance costs		(720)	-
Loss before income tax		**(755,170)**	**(18,460)**
Income tax expense	3	-	-
Loss after income tax		**(755,170)**	**(18,460)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(33,609)	-
Other comprehensive loss for the year, net of tax		**(788,777)**	**(18,460)**
Total comprehensive loss for the year		**(788,777)**	**(18,460)**
Total comprehensive loss is attributable to:			
Owners of Patriot Lithium Limited		-	-
		(788,777)	**(18,460)**
Loss per share from continuing operations attributable to the ordinary equity holders of Patriot Lithium Limited:			
Basic and diluted profit/(loss) per share (cents)	4	(3.53)	(0.20)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	6	347,160	64,276
Trade and other receivables	7	23,392	1,301
Total current assets		**370,552**	**65,577**
Non-current assets			
Exploration and evaluation expenditure	8	251,590	-
Right of use assets	9	45,746	-
Total non-current assets		**297,336**	**-**
TOTAL ASSETS		**667,888**	**65,577**
LIABILITIES			
Current liabilities			
Trade and other payables	10	265,010	14,037
Lease liabilities		36,741	-
Total current liabilities		**301,751**	**14,037**
Non-current liabilities			
Lease liability		12,375	-
Total non-current liabilities		**12,375**	**-**
TOTAL LIABILITIES		**314,126**	**14,037**
NET ASSETS		**353,762**	**51,540**
EQUITY			
Issued capital	11	1,161,000	70,000
Reserves		(33,609)	-
Accumulated losses		(773,629)	(18,460)
TOTAL EQUITY		**353,762**	**51,540**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Issued Capital	Foreign Currency Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2021	70,000	-	(18,460)	51,540
Total comprehensive income for the year				
Loss for the year	-	-	(755,170)	(755,169)
Other comprehensive loss for the year, net of tax	-	(33,608)	-	(33,608)
Total comprehensive income/(loss) for the year		**(33,608)**	**(755,170)**	**(788,778)**
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs (note 11)	991,000			991,000
Share based payments (note 14)	100,000			100,000
Balance at 30 June 2022	**1,161,000**	**(33,608)**	**(773,630)**	**353,762**

	Issued Capital	Foreign Currency Reserves	Accumulated Losses	Total
	$	$	$	$
Opening Balance	-	-	-	-
Total comprehensive income for the period				
Loss for the period	-	-	(18,460)	(18,460)
Other comprehensive loss for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(18,460)	(18,460)
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs (note 11)	70,000	-	-	70,000
Share based payments (note 14)	-	-	-	-
Balance at 30 June 2021	**70,000**	**-**	**(18,460)**	**51,540**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(342,227)	(5,725)
Interest received		54	1
Payment for exploration and evaluation expenditure		(56,664)	-
Net cash outflow from operating activities	6	**(398,837)**	**(5,724)**
Cash flows from investing activities			
Payment for acquisition of projects		(285,198)	-
Net cash outflow from investing activities		**(285,198)**	**-**
Cash flows from financing activities			
Proceeds from share issue (net of costs)		991,000	70,000
Lease payment		(24,080)	-
Net cash inflow from financing activities		**966,920**	**70,000**
Net increase in cash and cash equivalents		282,884	64,276
Cash and cash equivalents at beginning of the financial year		64,276	-
Cash and cash equivalents at end of the year	7	**347,160**	**64,276**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporation Act 2001.

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

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in relevant notes below.

Going concern

The Company is currently undertaking a listing process with the Australian Stock Exchange. Post 30 June 2022, the Company had an allotment and raised $330,000 via issue of 3,300,000 share capital at $0.10 pe share in August 2022. Furthermore, the Company also raised a further $170,000 via issue of 1,700,000 share capital at $0.10 per share in September 2022.

The ability of the Patriot to continue as a going concern is dependent on the ability to secure additional funding through an initial public offering ('IPO') on the Australian Securities Exchange ('ASX').

These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge liabilities in the normal course of business The Directors believe there are sufficient funds to meet the Company's working capital requirements as at the end of the financial period. The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal course of business activity, realisation of assets and settlement of liabilities in the normal course of business. The basis of this reasoning is the Directors confidence in the Company's ability to raise additional funding from capital raisings.

Should the Company not continue as a going concern, it may be required to realise its assets and discharge it 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 Company not continue as a going concern.

(b) New and amended standards adopted by the entity

The consolidated entity 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Patriot Lithium at the end of the reporting period. A controlled entity is any entity over which Patriot Lithium has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

Where controlled entities have entered or left the Group during the year, the financial performance of those entities in included only for the period of the year that they were controlled. A list of controlled entities is contained in note 18 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the Consolidated Statement of Financial Position and the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(d) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(e) Good and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(g) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. The fair value of performance rights granted is measured using the trinomial barrier model where required. The model uses assumptions and estimates as inputs. Some performance rights value is determined with reference to the share price on the grant date.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year 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 year 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.

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.

(h) Right of use assets

A right of use assets is recognized at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expect to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

1. Summary of significant accounting policies (continued)

The Group has elected not to recognize a right of use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(i) Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to profit or loss if the carrying amount of the right of use asset is fully written down.

(j) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (Note 4).

(l) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

(m) Parent entity information

The financial information for the parent entity, Patriot Lithium Limited, disclosed in Note 19 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries and associates are accounted for at cost in the financial statements of Patriot Lithium Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iii) Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(n) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates & judgements will, by definitions, seldom equal the related actual results.

(i) Share based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted.

(ii) Carrying value of Exploration and evaluation expenditure

Acquired exploration and evaluation assets are carried at acquisition value less any subsequent impairment for each identifiable area of interest. All ongoing exploration and evaluation expenditure, subsequent to initial acquisition, is expensed and recognised in the Statement of Profit or Loss. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. Material profit and loss items for the year

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

	2022 $	2021 $
Consultants and corporate advisory fees:		
Legal Fees	203,796	12,759
Consulting Fees	98,263	4,822
Total consultants and corporate advisory fees expense	**302,059**	**17,581**
Exploration expenditure not capitalised	97,609	-
Total exploration expenditure	**97,609**	**-**

3. Income tax

		2022 $	2021 $
Income tax expense			
	Current tax expense		-
	Deferred tax expense		-
			-
(b)	**Reconciliation of income tax expense to prima facie tax payable:**		
	Loss before income tax	(755,169)	(18,460)
	Prima facie income tax at 26%	(196,344)	(4,800)
	Unrecognised carry forward losses	196,344	4,800
	Tax effect of amounts not deductible in calculating taxable income	-	-
	Tax effect of amounts incurred/derived prior to demerger	-	-
	Income tax expense/(benefit)	-	-
(c)	**Unrecognised deferred tax assets arising on timing difference and losses**		
	Losses – Revenue	(196,344)	(4,800)
	Other	-	-
	Exploration asset	-	-
		(196,344)	**(4,800)**
(d)	**Movement in deferred tax balances**		
	Employee benefits	-	-
	Exploration expenditure	-	-
	Others	-	-
	Revenue losses	-	-
	Amounts recognised through equity	-	-
(e)	**Deferred tax balances at year end**		
	Employee benefits	-	-
	Exploration expenditure	-	-
	Others	-	-
	Revenue losses	-	-

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
(iii) there are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2022, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

Significant accounting policy

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

3. Income tax (continued)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

4. Earnings per share

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

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	**2022**	**2021**
Loss used to calculate basic and diluted profit/(loss) per share	(755,169)	(18,460)
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(3.53)	(0.20)

Weighted average number of ordinary shares	**2022 No.**	**2021 No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	21,405,359	9,305,884
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	21,405,359	9,305,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

5. Dividends paid or proposed

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

6. Cash and cash equivalents

	2022 $	2021 $
Current		
Cash at bank and in hand	347,160	64,276
Total cash and cash equivalent	**347,160**	**64,276**

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

Refer to Note 12 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

Significant accounting policy

For cashflow statement presentation proposed, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate.

Operating cash flow reconciliation

	2022 $	2021 $
Reconciliation of operating cash flows to net profit/(loss)		
Profit/(loss) for the year	(755,169)	(18,460)
Share-based payments	100,000	-
Depreciation and amortisation	27,449	-
Increase in Trade and Other Payables	250,973	14,037
Increase in Trade and Other Receivables	(22,090)	(1,301)
Cash flow from operations	**(398,837)**	**(5,724)**

Non-cash investing activities

Addition of right of use assets refer to Note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

7. Trade and other receivables

	2022 $	2021 $
Current		
GST receivable	23,391	1,301
	23,391	1,301

Significant accounting policy

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment, once they become over due by more than 60 days. A separate account records the impairment.

An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debts. The criteria used to determine that there is objective evidence that an impairment loss has occurred include whether the Financial Asset is past due and whether there is any other information regarding increased credit risk associated with the Financial Asset. Bad debts which are known to be uncollectible are written off when identified.

Past due but not impaired

The Group did not have any receivables that were past due as at 30 June 2022. The Group did not consider a credit risk on the aggregate balances as at 30 June 2022. For more information, please refer to Note 12 Financial Instruments, Risk Management Objectives and Policies.

8. Exploration and evaluation expenditure

	2022 $	2021 $
Opening balance	-	-
Acquisition costs of claims around Keystone	103,472	-
Acquisition costs of claims at Wickenburg Arizona	148,118	
Total exploration and evaluation expenditure	**251,590**	**-**

Significant accounting policy

Exploration and Evaluation Expenditure

Acquired exploration and evaluation assets are carried at acquisition value less any subsequent impairment for each identifiable area of interest. All ongoing exploration and evaluation expenditure, subsequent to initial acquisition, is expensed and recognised in the Statement of Profit or Loss. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

9. Right of Use Assets and Lease Liabilities

	2022 $	2021 $
Right of use assets		
Right of use assets - building	73,196	-
Accumulated amortisation of right of use assets	(27,448)	-
Total right of use assets	**45,748**	**-**
Lease Liabilities		
Current	36,741	-
Non-current	12,375	-
Total lease liabilities	**49,116**	**-**

The Company entered into a new lease agreement in the period for the head office space in West Perth.

Significant Accounting Policies

The Company has adopted AASB 16 Leases from incorporation. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

10. Trade and other payables

	2022 $	2021 $
Current		
Trade Creditors	257,482	14,037
PAYG payable	3,778	-
Superannuation payable	3,750	-
	265,010	**14,037**

Significant accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 2 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 2 months. All amounts are expected to be settled within 12 months. Please refer to Note 12 on Financial Instruments for further discussion on risk management.

11. Issued capital

(a) Issued and fully paid

	30 June 2022		30 June 2021	
	$	No.	$	No.
Ordinary shares	1,161,000	29,450,002	70,000	16,100,002
	1,161,000	**29,450,002**	**70,000**	**16,100,002**

(b) Movement reconciliation

Ordinary Shares	No. of Shares	$
Opening Balance at incorporation date	2	-
Jan & Feb 2021 – Issue of seed share capital	16,100,000	70,000
Share issue costs	-	-
Closing Balance at 30 June 2021	**16,100,002**	**70,000**

Ordinary Shares	No. of Shares	$
Opening Balance at 1 July 2021	16,100,002	70,000
Issue of seed capital - Oct 2021	2,000,000	100,000
Issue of share in consideration for New Energy Metals- Dec 2021	1,000,000	100,000
Issue of seed capital - Feb 2022	7,350,000	735,000
Issue of seed capital - May 2022	1,000,000	10,000
Issue of seed capital - May 2022	2,000,000	200,000
Share issue costs	-	(54,000)
Closing Balance at 30 June 2022	**29,450,002**	**1,161,000**

The share capital of the Group as at 30 June 2022 was 29,450,002 ordinary shares.

(c) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

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

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 30 June 2022 was $68,801 and the net increase in cash held during the year was $282,884. The Group had at 30 June 2022 $347,160 of cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

12. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market risk

(i) Interest Rate Risk

The Group hold cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

(ii) Foreign exchange risk

The Group operated predominantly in Australia in the year ended 30 June 2022 and had minimal exposure to foreign exchange risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2022 $	2021 $
Cash and cash equivalents AA-	347,160	64,276
Total	**347,160**	**64,276**

12. Financial instruments (continued)

(c) Maturity analysis of financial liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profits of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	257,482	-	-	-	-	257,482	257,482
Other payables	7,528	-	-	-	-	7,528	7,528
Lease liability	18,370	18,371	12,375	-	-	49,116	49,116
Total financial liabilities	**283,380**	**18,371**	**12,375**	**-**	**-**	**314,126**	**314,126**

2021 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	14,037	-	-	-	-	14,037	14,037
Other payables	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	-
Total financial liabilities	**14,037**	**-**	**-**	**-**	**-**	**14,037**	**14,037**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13. Operating segments

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

The Group operates within the mineral exploration industry within the United States of America ("US").

The Group determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Group has only one operating segment, being exploration, and the segment operations and results are the same as the Group results.

14. Share based payments

Share based payments during the year ended 30 June 2022 are summarised below.

(a) Recognised share-based payment expense

	30 June 2022 $	30 June 2021 $
Expense arriving from equity settled share-based payment transactions[1]	100,000	-

[1]Patriot issued 1,000,000 fully paid ordinary shares to NickelX Limited ("NKL") to acquire 100% interest in New Energy Metal (US) LLC ("New Energy') which was a wholly owned subsidiary of NKL. New Energy was a dormant entity with no assets or liabilities. Purpose for the acquisition was to acquire a US based company to hold the US exploration assets. $100,000 value of the shares issued in consideration paid was expensed as no identifiable assets were acquired.

15. Commitments and contingent liabilities

(a) Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	2022 $	2021 $
Exploration expenditure commitments		
Payable:		
Not later than 12 months	177,110	-
Between 12 months and 5 years	708,440	-
Total	**885,550**	**-**

(b) Other commitments and contingency

There are no other new commitments, other than the commitments that existed as at 30 June 2022 that the Company has entered into during the period under review. No other contingent liabilities or contingent assets of the group at reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

16. Related party disclosure

(a) Parent entity

Patriot Lithium Limited is the ultimate Australian parent entity.

(b) Subsidiary

On 1 December 2021, the Company completed the acquisition of 100% interest in New Energy Metal (US) INC., from NickelX Ltd (ASX: NKL). Mr Matthew Gauci and Mr Oliver Kreuzer hold a director position on NKL. The Company issued 1 million ordinary shares at $0.10 per share as part of consideration to NKL.

The consolidated financial statements include the financial statements of Patriot Lithium Limited and the subsidiary listed in the following table.

	Country of Incorporation	30 June 2022 % Equity Interest	30 June 2021 % Equity Interest	Principal Activity
New Energy Metal (US) INC.	United States of America	100	-	Holding Subsidiary

(c) Key management personnel compensation

	2022 $	2021 $
Short-term employee benefits	75,000	-
Post-employment long term benefits	7,500	-
Long term benefits (annual leave and long service leave)	-	-
Share based payments	-	-
Total	**82,500**	**-**

17. Events after the reporting date

Date	Details
23-Aug-2022	Patriot raised seed capital through issue of 3,300,000 ordinary shares at $0.10 per share to raise $330,000.
19-Sep-2022	Patriot raised seed capital through issue of 1,700,000 ordinary shares at $0.10 per share to raise $170,000.

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

18. Auditor's remuneration

	2022 $	2021 $
Audit Services		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd		
- An audit and review of the financial reports of the Group (including subsidiaries)	20,000	22,000
Non-Audit Services		
Corporate Finance - Advisory services	20,000	-
Total remuneration for audit & non-audit services	40,000	22,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

19. Parent entity information

The following details information related to the parent entity, Patriot Lithium Limited, as at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2022 $	2021 $
Current assets	370,552	65,577
Non-current assets	431,943	-
Total assets	**802,494**	**65,577**
Current liabilities	285,058	14,037
Non-current liabilities	27,449	-
Total liabilities	**312,507**	**14,037**
Contributed equity	1,161,000	70,000
Accumulated losses	(671,013)	(18,460)
Total equity	**589,987**	**51,540**
Loss after income tax	(652,553)	(18,460)
Other comprehensive income/ (loss) for the year	-	-
Total comprehensive loss for the year	**(652,553)**	**(18,460)**

Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

DIRECTOR'S DECLARATION

The directors of the Company declare that:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, and:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.

(iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and

(b) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A, of the C*orporations Act 2001*.

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

Mr Matthew Gauci
Managing Director

Perth, 12 October 2022