



ACN 650 435 895

and its controlled entities

# **Half-year report for the half-year ended**

**31 December 2023**

# Corporate directory

## Board of Directors

Mr John Campbell Smyth  
Mr David Hugh Greenwood  
Mr Christopher Michael

Chairman  
Managing Director  
Non-Executive Director

## Company Secretary

Mr Johnathon Busing

## Registered and Principal Office

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7 Havelock Street  
West Perth, Western Australia 6005  
Tel: +61 8 6102 2039

## Postal Address

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Nedlands, Western Australia 6909

## Website

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## Auditors

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, Western Australia 6000

## Share Registry

Automic Group  
Level 5 191 St Georges Terrace  
Perth, Western Australia 6000  
Tel: +61 2 9698 5414

## Stock Exchange

Australian Securities Exchange  
Level 40, Central Park  
152- 158 St Georges Terrace  
Perth, Western Australia 6000

## ASX Code

OMX

# Half year report for the half-year ended 31 December 2023

## Contents

|  |    |
|--|----|
| Directors' report.....   | 1  |
| Auditor's independence declaration.....                                      | 8  |
| Independent auditor's review report.....                                     | 9  |
| Directors' declaration.....  | 11 |
| Consolidated statement of profit or loss and other comprehensive income..... | 12 |
| Consolidated statement of financial position.....                            | 13 |
| Consolidated statement of changes in equity.....                             | 14 |
| Consolidated statement of cash flows.....                                    | 15 |
| Condensed notes to the consolidated financial statements.....                | 16 |

## ***Directors' report***

The directors of Orange Minerals NL (“Orange” or “the Company”) submit the financial report of Orange Minerals NL and its controlled entities (“the Group”) for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### ***Names of Directors***

The names of the directors of the Company during or since the end of the half-year are:

Mr John Campbell Smyth

Mr David Hugh Greenwood

Mr Christopher Michael (appointed 14 November 2023)

Mr Conrad George Manuel Karageorge (ceased 14 November 2023)

### ***Review of operations***

The consolidated loss of the Group for the half-year ended 31 December 2023 amounted to \$513,596 (31 December 2022: \$565,989).

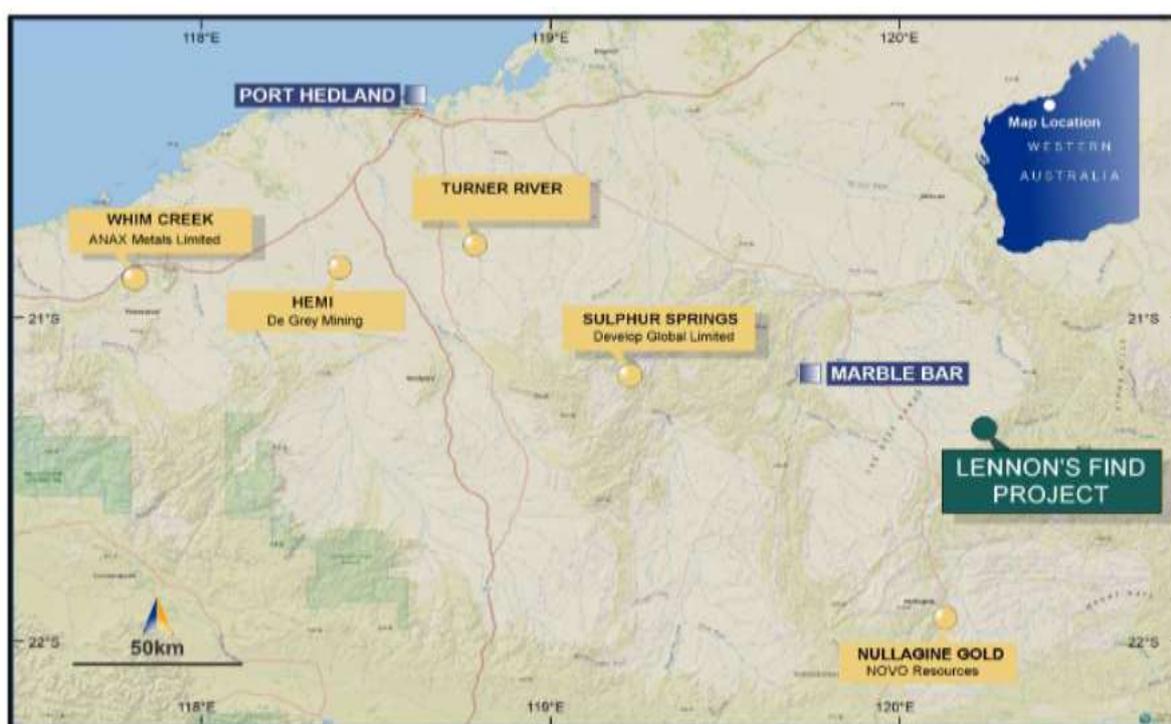
### ***Rounding of amounts***

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest dollar in accordance with the instrument.

### **Exploration**

#### **Lennon’s Find Project (Orange earning 75%)**

In August 2023, the Company entered into a binding term sheet, with Musketeer Mining Ltd., to acquire up to a 75% share in the Lennon’s Find Polymetallic Project in the Pilbara, WA. The Lennon’s Find Project is located 75km southeast of Marble Bar in the Pilbara Region of WA.



**Figure 1 - Location Map of Lennon’s Find Project**

Orange can earn 51% of the Lennon's Find Project (M45/368) by spending A\$500,000 by 31 March 2026 (includes an upfront payment of A\$200,000). Orange must spend a minimum of \$200,000 on exploration at Lennon's Find (including 500 metres of drilling) by 31 January 2025. Furthermore, Orange may earn up to 75% of the Lennon's Find Project by spending an additional A\$500,000 (A\$1.0 million in total) by 31 March 2028.

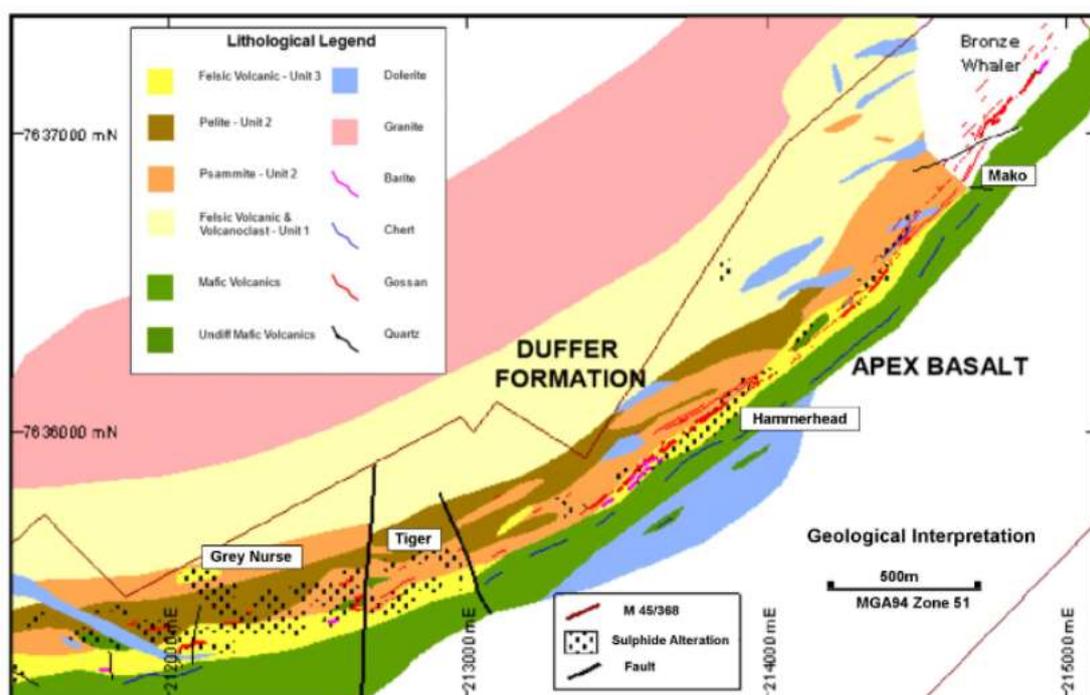
When the Company earns 75%, both Musketeer and Orange would contribute expenditure to the JV, with standard dilution clauses applying. If the diluted interest of either party falls below 10%, it will convert to a 1% Net Smelter Royalty (NSR).

The Lennon's Find deposits consist of stratiform, lenticular bodies hosted by the Duffer Formation. An upper horizon within quartz-muscovite schist, located 10m to 20m stratigraphically below the contact of the Apex Basalt, is intensely mineralised and contains the Bronze Whaler, Hammerhead and Tiger deposits.

At surface, mineralisation consists of thin, discontinuous gossan pods and lenses with secondary copper-lead-zinc carbonates. At depth, the upper mineralisation consists of banded massive sulphides, predominantly sphalerite, with chalcopyrite occurring towards the base of the massive-banded mineralisation.

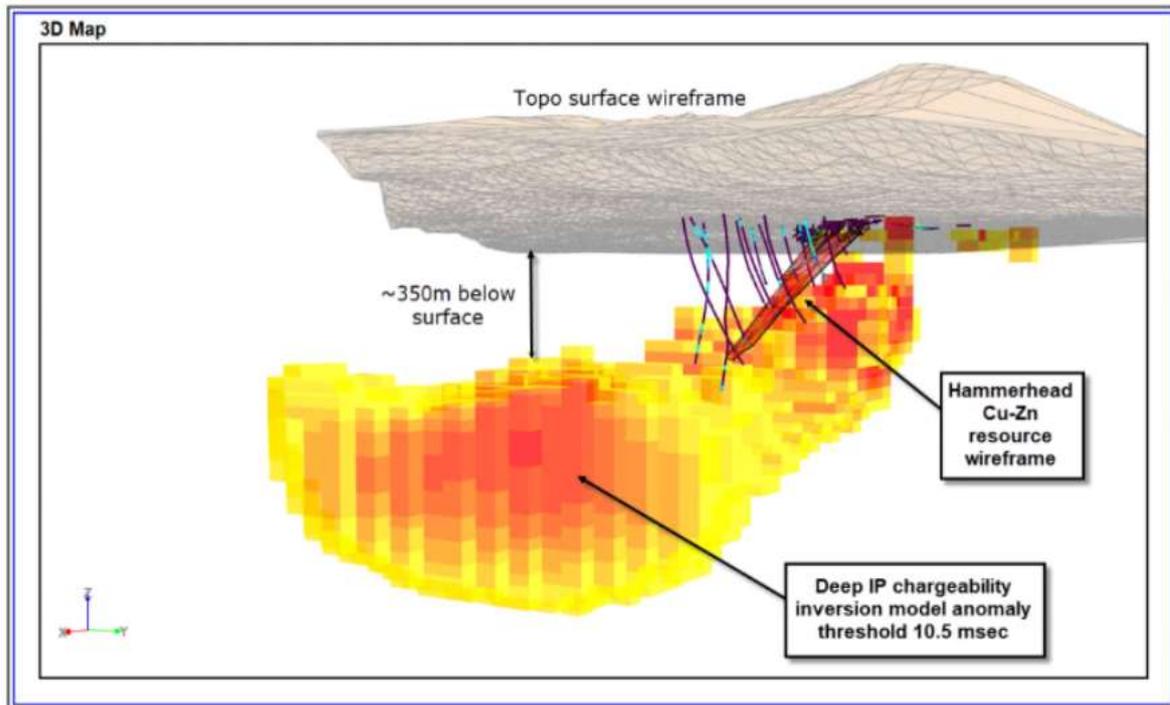
Several companies conducted historical drilling from 1969 to 1995. A total of 161 holes were drilled using various drill techniques such as Reverse Circulation (RC), open hole percussion (OP) and diamond drilling.

Optiro completed a Mineral Resource Estimate of the Lennon's Find project with the estimate reported in accordance with the JORC 2004 reporting guidelines. Volcanic Metals Ltd acquired the Lennon' Find project in 2019 and retained Optiro to update the 2011 estimate in accordance with the JORC 2012 guidelines. The total inferred Mineral Resource is reported as 1.55Mt @ 5.9% Zn, 0.2% Cu, 1.6% Pb, 0.3g/t Au and 80g/t Ag (for details see ASX announcement 8th August 2023).



**Figure 2 – Geology of Lennon's Find Project (Mincorp 2010)**

In April 2018, Resource Potentials Pty Ltd completed an offset pole-dipole induced polarisation survey that was oriented NW-SE across the Hammerhead resource. The survey successfully identified a deep IP chargeability anomaly response positioned down dip and to the SE of the resource.



**Figure 3 – IP Chargeability – Hammerhead Resource (Resource Potentials 2018)**

The Company did a field visit to the Lennon's Find Project, primarily to walk the known resource to understand Lennon's Find in a regional context, and to gain a detailed understanding of historical work undertaken in order to plan future work programmes and drilling.

Evidence of barite and copper carbonates (pseudo malachite and azurite) were observed in outcrop. It appears that the mineralisation is restricted to a narrow zone (~5m wide) which dips moderately (45o to 60o) to the southeast, away from the Mount Edgar Granite Complex.

An independent geophysical consultant conducted a review of the historical Lenlons Find geophysical data and reviewed the historical drilling against the IP anomalies. To fully confirm and better define historical anomalies, the consultants have recommended that a new IP survey be commissioned to extend the IP lines over the mineralised zone and to survey a second IP line to the south-west. The IP survey is planned for the first half of 2024, and this survey should clearly define drill targets underneath the existing Resource.

### ***Calarie Project (Orange 51%, earning 70%)***

The Calarie Project consists of a mining lease (ML739) and two exploration licences (EL8555, EL8580) and is a 70% earn-in joint venture with Godolphin Resources Limited. The project area is located immediately north of Forbes in Central NSW. A maiden Resource at Calarie was announced in February 2023 of 50,796 ounces of gold.

There were no field exploration activities at Calarie during the half-year to December 2023.

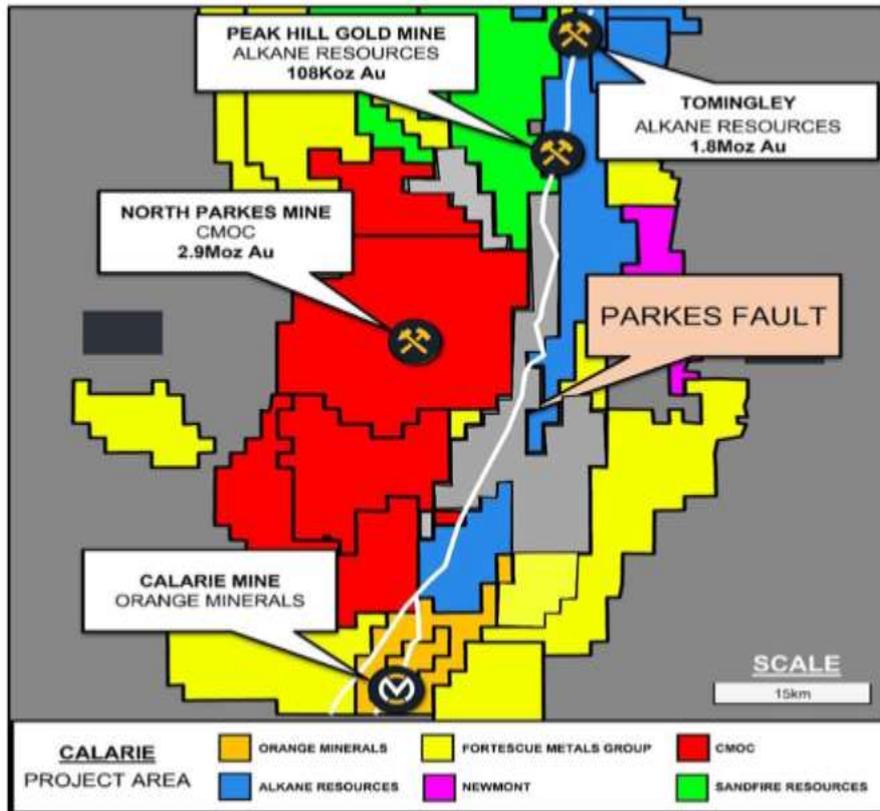


Figure 4 – Map of Calarie – Project Region

**Wisemans Creek Project (Orange 100%)**

The Wisemans Creek project is located in the southeast of the Company’s NSW Project area. The project is comprised of four granted exploration licences including (EL8554).

The project area on EL8554 contains a large zone of gold anomalism. Numerous historical exploration activities have taken place across six main gold bearing areas with associated base metal mineralisation, being Northwest Ridge, Trig Zone, Central West, Central North, Black Bullock and Mount Gossan.

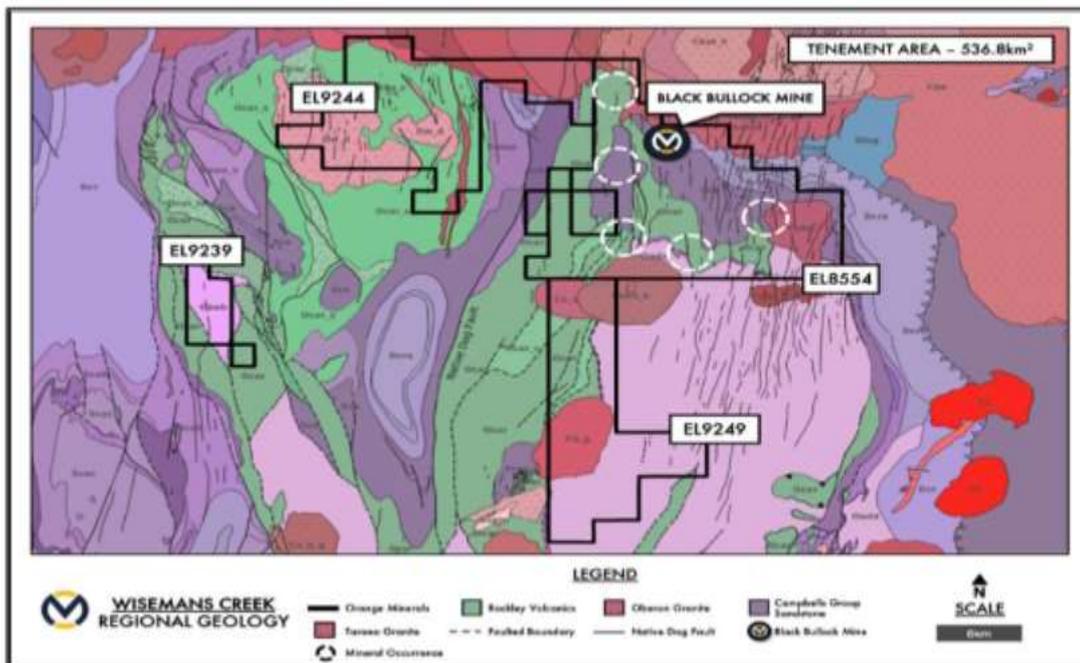


Figure 5 – Map of Wisemans Creek Project

In May 2022, Orange completed an initial diamond drilling programme in Wisemans Creek, consisting of four diamond holes for a total of 618 metres. One hole was sited at the Black Bullock Workings and three holes at the nearby Central West Prospect. The drilling tested significant historical holes to validate previous intercepts and test for further extensions of mineralisation. Assay results from this drill programme were received in August 2022 and included a significant gold intersection in OWCD004 (24.6m @ 1.30 g/t Au) associated with an extensive quartz breccia zone containing quartz veining and strong sericite/ carbonate alteration (see ASX announcement 28 August 2022).

A phase 2 diamond drill programme was undertaken and completed in early May 2023 at the Wisemans Creek Project. Four holes were drilled totalling 607.5 metres. The phase 2 drilling tested two target areas namely The Northwest Ridge and Central West.

In August 2023, the Company received assay results from the four diamond drill holes of Phase 2 drilling programme. Significant gold assay results included:

- 1m @ 0.76 g/t Au & 17.9g/t Ag from 106m in OWCD006
- 11m @ 0.53 g/t Au & 18.8 g/t Ag from 95m in OWCD007
- 2m @ 0.94g/t Au & 1.6 g/t Ag from 106 m in OWCD007

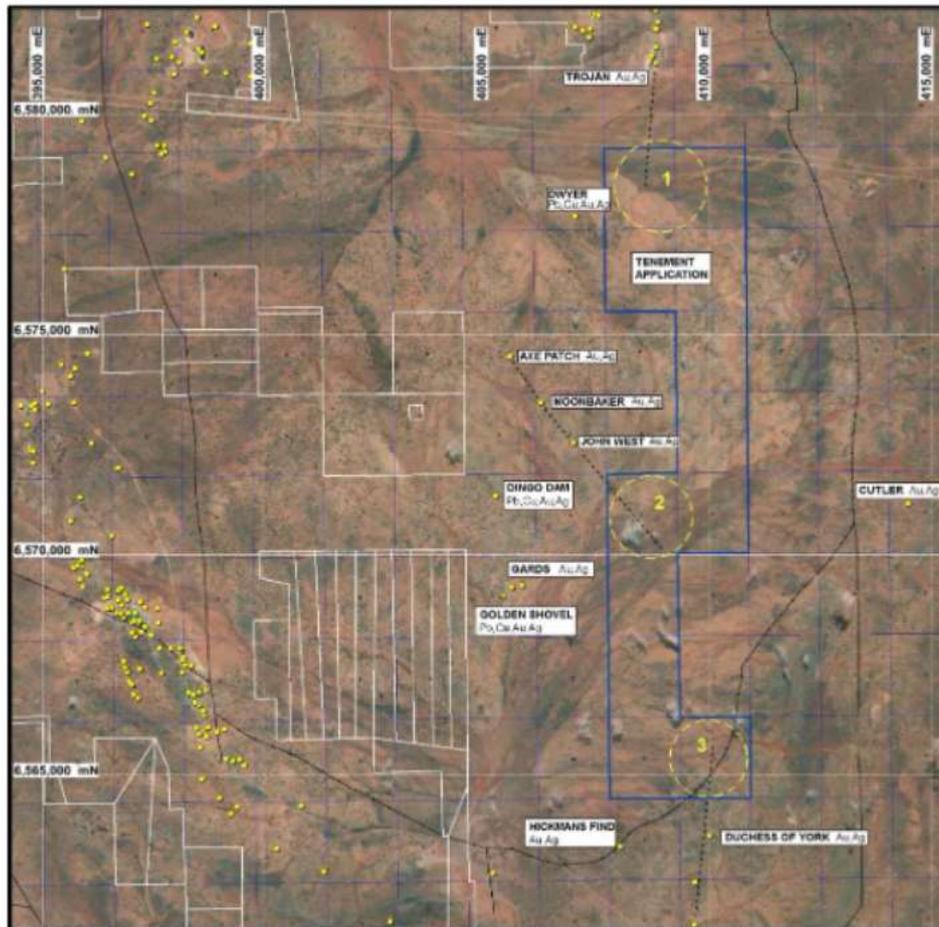
### ***Eastern Goldfields Projects, WA***

The Eastern Goldfields Project is located approximately 50km east of Kalgoorlie in the area around the Majestic, Kurnalpi and Mt Monger gold mining centres. The project comprises five granted exploration licences, one granted mining lease and fifty-one granted prospecting licences (collectively the 'WA Project Area'). The tenements have been broken down into two distinct projects, a northern Kurnalpi Project and the southern Majestic Project.

In 2022 and 2023, the Company undertook field visits and identified a number of drill targets in the Majestic/Kurnalpi tenements.

In December 2023, Orange made a further field visit to the Majestic/Kurnalpi tenements to prepare for a maiden drill programme to test key targets on these tenements. The site visit included aboriginal clearance for Phase 1 drill targets. All approvals were received by the end of the December 2023 quarter.

The Company also applied for 12 blocks in the east of the Burton Dam East area. The tenement is prospective for Archean gold deposits over the eastern margin of the Juglah Dome.



**Figure 6 – Tenement application – Burton Dam East**

### **Corporate**

At 31 December 2023, Orange had a cash balance of \$1.99 million and an investment in ASX listed Godolphin Resources Limited (ASX: GRL) (Godolphin) valued at \$0.28 million. Orange paid an upfront fee of \$200,000 for the earn in joint venture agreement on the Lennon's Find Project in August 2023.

During the first half of the financial year, Orange had corporate costs to support active exploration work over the tenements including the Phase 2 drilling costs at the Wisemans Creek Project, field work at Lennon's Find and planned drilling for the Majestic/Kurnalpi Projects, WA. Other exploration costs included related costs to maintain all tenements in NSW and WA in good standing.

Orange will actively support and maintain an exploration program that targets high value tenements with the potential discovery of significant orebodies in the Lachlan Fold Belt of NSW and Goldfields of WA.

### **Board Change**

On 14 November 2023, Orange announced the appointment of Mr Christopher Michael as a Non-Executive Director of the Company and Mr Conrad Karageorge was not re-elected as a director at the Company's Annual General Meeting.

### **Subsequent events**

An RC drill program of 1,024m was undertaken in late January/early February on tenements E28/2294, P25/2268, P26/4415 and E25/591 (ASX Announcement 24 January 2024 and 7 February 2024). The drill

holes targeted significant gold intercepts in historical drilling, known mineralised structures and prominent outcropping quartz veining with anomalous rock chips.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

***Significant changes in state of affairs***

There have been no significant changes in state of affairs since 31 December 2023.

***Likely developments and expected results of operations***

The Company will continue with its exploration activities, whilst at the same time, will continue to review other corporate opportunities to drive shareholder wealth.

***Auditor's independence declaration***

Section 307C of the Corporations Act 2011 requires our auditors, BDO, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. The auditor's independence declaration is included on page 8 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Mr John Campbell Smyth  
**Chairman**  
13 March 2024  
Perth, Western Australia

## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ORANGE MINERALS NL

As lead auditor for the review of Orange Minerals NL for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Orange Minerals NL and the entities it controlled during the period.



**Jarrad Prue**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

13 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Orange Minerals NL

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Orange Minerals NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

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

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

#### Responsibility of the directors for the financial report

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



### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**BDO Audit (WA) Pty Ltd**

BDO  


**Jarrad Prue**

**Director**

Perth, 13 March 2024

## Directors' declaration

The directors declare that:

- (a) 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
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position and performance of the Group for the period ended 31 December 2023.

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

On behalf of the directors



Mr John Campbell Smyth

**Chairman**

13 March 2024

Perth, Western Australia

## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023

|  | Note | Consolidated      |                   |
|--|------|-------------------|-------------------|
|  |      | Half-year ended   |                   |
|  |      | 31 Dec 2023       | 31 Dec 2022       |
|  |      | \$                | \$                |
| <b>Continuing operations</b>                         |      |                   |                   |
| Other income   | 2    | 42,581            | 15,043            |
| Administration costs                                 |      | (68,561)          | (105,112)         |
| Consultants costs                                    |      | (224,440)         | (252,169)         |
| Compliance costs                                     |      | (53,448)          | (45,957)          |
| Professional fees                                    |      | (10,975)          | (8,317)           |
| Share based payments                                 | 6    | (70,276)          | (126,877)         |
| Rental and outgoings                                 |      | 5,773             | 4,960             |
| Capital raising expenses                             |      | (7,495)           | (9,318)           |
| Depreciation   |      | (20,873)          | (23,287)          |
| Capital raising expenses                             |      | -                 | (837)             |
| Fair value loss on financial assets                  |      | (105,882)         | (14,118)          |
| <b>Loss before income tax</b>                        |      | <b>(513,596)</b>  | <b>(565,989)</b>  |
| Income tax expense                                   |      | -                 | -                 |
| <b>Loss for the period</b>                           |      | <b>(513,596)</b>  | <b>(565,989)</b>  |
| <b>Other comprehensive income, net of income tax</b> |      |                   |                   |
| <b>Total comprehensive loss for the period</b>       |      | <b>(513,596)</b>  | <b>(565,989)</b>  |
| <b>Loss attributable to:</b>                         |      |                   |                   |
| Owners of Orange Minerals NL                         |      | <b>(513,596)</b>  | <b>(565,989)</b>  |
| <b>Total comprehensive loss attributable to:</b>     |      |                   |                   |
| Owners of Orange Minerals NL                         |      | <b>(513,596)</b>  | <b>(565,989)</b>  |
| <b>Loss per share:</b>                               |      |                   |                   |
| <b>Basic and diluted (cents per share)</b>           |      | (0.602)           | (0.671)           |
| <b>Weighted average number of shares</b>             |      | <b>85,349,353</b> | <b>84,287,812</b> |

Condensed notes to the consolidated financial statements are included on pages 17 to 23.

## Consolidated statement of financial position as at 31 December 2023

|  | Note | Consolidated      |                   |
|--|------|-------------------|-------------------|
|  |      | 31 Dec 2023<br>\$ | 30 Jun 2023<br>\$ |
| <b>Current assets</b>                  |      |                   |                   |
| Cash and cash equivalents              |      | 1,987,464         | 2,860,819         |
| Trade and other receivables            |      | 71,818            | 46,886            |
| Other assets                           |      | 116,999           | 87,529            |
| <b>Total current assets</b>            |      | <b>2,176,281</b>  | <b>2,995,234</b>  |
| <b>Non-current assets</b>              |      |                   |                   |
| Exploration and evaluation expenditure | 3    | 4,631,366         | 4,042,923         |
| Property, plant and equipment          |      | 48,506            | 52,183            |
| ROU Assets                             |      | 80,250            | 97,446            |
| Other financial assets                 | 4    | 275,294           | 381,176           |
| <b>Total non-current assets</b>        |      | <b>5,035,416</b>  | <b>4,573,728</b>  |
| <b>Total assets</b>                    |      | <b>7,211,697</b>  | <b>7,568,962</b>  |
| <b>Current liabilities</b>             |      |                   |                   |
| Trade and other payables               |      | 234,259           | 130,925           |
| Short Term lease Liability             |      | 36,604            | 35,131            |
| <b>Total current liabilities</b>       |      | <b>270,863</b>    | <b>166,056</b>    |
| <b>Non-current Liabilities</b>         |      |                   |                   |
| Long Term lease Liability              |      | 51,401            | 70,153            |
| <b>Total Non-current Liabilities</b>   |      | <b>51,401</b>     | <b>70,153</b>     |
| <b>Total liabilities</b>               |      | <b>322,264</b>    | <b>236,209</b>    |
| <b>Net assets</b>                      |      | <b>6,889,433</b>  | <b>7,332,753</b>  |
| <b>Equity</b>                          |      |                   |                   |
| Issued capital                         | 7    | 9,111,765         | 8,982,462         |
| Reserves                               | 8    | 1,547,919         | 1,606,946         |
| Accumulated losses                     |      | (3,770,251)       | (3,256,655)       |
| <b>Total equity</b>                    |      | <b>6,889,433</b>  | <b>7,332,753</b>  |

Condensed notes to the consolidated financial statements are included on pages 17 to 23.

## Consolidated statement of changes in equity for the half-year ended 31 December 2023

### Consolidated

|  | Issued Capital   | Reserves         | Accumulated losses | Total            |
|--|------------------|------------------|--------------------|------------------|
|  | \$               | \$               | \$                 | \$               |
| <b>Balance at 1 July 2022</b>                  | <b>8,932,526</b> | <b>1,360,751</b> | <b>(2,027,008)</b> | <b>8,266,269</b> |
| Loss for the period                            | -                | -                | (565,989)          | (565,989)        |
| <b>Total comprehensive loss for the period</b> | -                | -                | <b>(565,989)</b>   | <b>(565,989)</b> |
| Issue of fully paid ordinary shares            | 49,936           | -                | -                  | 49,936           |
| Share based payments                           | -                | 126,877          | -                  | 126,877          |
| <b>Balance at 31 December 2022</b>             | <b>8,982,462</b> | <b>1,487,628</b> | <b>(2,592,997)</b> | <b>7,877,093</b> |
| <b>Balance at 1 July 2023</b>                  | <b>8,982,462</b> | <b>1,606,946</b> | <b>(3,256,655)</b> | <b>7,332,753</b> |
| Loss for the period                            | -                | -                | (513,596)          | (513,596)        |
| <b>Total comprehensive loss for the period</b> | -                | -                | <b>(513,596)</b>   | <b>(513,596)</b> |
| Share based payments                           | -                | 70,276           | -                  | 70,276           |
| Issue of fully paid ordinary shares            | 129,303          | (129,303)        | -                  | -                |
| <b>Balance at 31 December 2023</b>             | <b>9,111,765</b> | <b>1,547,919</b> | <b>(3,770,251)</b> | <b>6,889,433</b> |

Condensed notes to the consolidated financial statements are included on pages 17 to 23.

## Consolidated statement of cash flows for the half-year ended 31 December 2023

|   | Consolidated     |                    |
|---|------------------|--------------------|
|   | Half-year ended  |                    |
|   | 31 Dec 2023      | 31 Dec 2022        |
|   | \$               | \$                 |
| <b>Cash flows from operating activities</b>               |                  |                    |
| Payments to suppliers and employees                       | (345,780)        | (426,513)          |
| Interest received   | 42,581           | 15,043             |
| Net cash (used in) operating activities                   | (303,199)        | (411,470)          |
| <b>Cash flows from investing activities</b>               |                  |                    |
| Acquisition of tenement                                   | -                | (25,000)           |
| Payments for exploration and evaluation                   | (551,406)        | (575,746)          |
| Purchase of property, plant & equipment                   | -                | (2,461)            |
| Payment for investments                                   | -                | (600,000)          |
| Net cash (used in) investing activities                   | (551,406)        | (1,203,207)        |
| <b>Cash flows from financing activities</b>               |                  |                    |
| Repayment of Lease Liability                              | (18,750)         | (15,000)           |
| Security Deposits   | -                | (20,000)           |
| Net cash (used in) financing activities                   | (18,750)         | (35,000)           |
| <b>Net (decrease) in cash and cash equivalents</b>        | <b>(873,355)</b> | <b>(1,649,677)</b> |
| Cash and cash equivalents at the beginning of the period  | 2,860,819        | 5,188,579          |
| <b>Cash and cash equivalents at the end of the period</b> | <b>1,987,464</b> | <b>3,538,902</b>   |

Condensed notes to the consolidated financial statements are included on pages 17 to 23.

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# Condensed notes to the consolidated financial statements for the half-year ended 31 December 2023

## 1. Significant accounting policies

### Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2023 (available from the company on request) together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 13 March 2024.

### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2023 annual financial report for the financial year ended 30 June 2023, except for the impact of the Standards and Interpretations described below and the accounting policy for property, plant and equipment described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### Going concern basis

The consolidated financial statements have been prepared on the 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.

### Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities, and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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## 1. Significant accounting policies (cont'd)

### **Segment**

The nature of operations and principal activities of the group are exploration in Australia. Given, the nature of the group, its size and current operations, management does not treat any part of the group as a separate operating segment.

Internal financial information used by the Group's chief operating decision maker is presented as a group without dissemination to any separate identifiable segment.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

### **Investment and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short- term with the intention of making a profit, or a derivative; or (ii) designated as such as upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportive information that is available, without undue cost or effort to obtain.

## 1. Significant accounting policies (cont'd)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Significant accounting judgements and key estimates**

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

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

### **Adoption of new and revised standards**

In the half-year ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2023. As a result of this the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

### **Standards and Interpretations in issue not yet adopted**

The Directors have also reviewed all new Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2023. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

**2. Other income**

|                 | <b>31 Dec 2023</b> | <b>31 Dec 2022</b> |
|-----------------|--------------------|--------------------|
|                 | <b>\$</b>          | <b>\$</b>          |
| Interest Income | 42,581             | 15,043             |
|                 | <b>42,581</b>      | <b>15,043</b>      |

**3. Exploration and evaluation expenditure**

|  | <b>31 Dec 2023</b> | <b>30 Jun 2023</b> |
|--|--------------------|--------------------|
|  | <b>\$</b>          | <b>\$</b>          |
| Carried forward exploration and evaluation expenditure | 4,042,923          | 2,940,002          |
| Acquisitions   | -                  | 74,936             |
| Impairment of exploration and evaluation expenditure   | -                  | (957)              |
| Other Exploration Expenditure                          | 588,443            | 1,028,942          |
| Carrying value at end of the period                    | <b>4,631,366</b>   | <b>4,042,923</b>   |

In accordance with the Group's Accounting Policy the acquired exploration and evaluation expenditure has been capitalised in the Consolidated Statement of Financial Position.

**4. Other financial assets**

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis. There have been no transfers between the levels of the fair value hierarchy during the half-year ended 31 December 2023.

|  | <b>Fair value hierarchy</b> | <b>Valuation technique</b> | <b>31 Dec 2023</b> | <b>30 Jun 2023</b> |
|--|-----------------------------|----------------------------|--------------------|--------------------|
|  |                             |                            | <b>\$</b>          | <b>\$</b>          |
| Investment in Godolphin Resources <sup>(i)</sup> | Level 1                     | Market price               | \$ 275,294         | 381,176            |

(i) On 2 August 2022, the Company acquired an approximate 6.9% shareholding in Godolphin Resources Limited (ASX: GRL) (Godolphin) following Godolphin's \$1.6m placement under which the Company acquired 7,058,824 shares at \$0.0390 per share. Total consideration for the placement was \$600,000.

#### 4. Other financial assets (cont'd)

##### Reconciliation of Level 1 fair value measurement

|                                 | 31 Dec 2023    | 30 Jun 2023    |
|---------------------------------|----------------|----------------|
|                                 | \$             | \$             |
| Opening balance                 | 381,176        | -              |
| Acquisition of shares           | -              | 600,000        |
| Fair value loss at balance date | (105,882)      | (218,824)      |
| Closing balance                 | <u>275,294</u> | <u>381,176</u> |

#### 5. Commitments

There have been no significant changes in the commitments since 30 June 2023.

#### 6. Share-based payments

|  | 31 Dec 2023   |
|--|---------------|
|  | \$            |
| Vesting of performance rights to directors (i)               | 64,059        |
| Vesting of performance rights to directors and employee (ii) | 6,217         |
| Sub-total  | <u>70,276</u> |
| Share based payments expense in the profit and loss          | <u>70,276</u> |

(i) 2,904,942 performance rights issued in October 2021 to directors in six different classes each with its own specific vesting milestone. The performance rights vest on the date when the performance milestone relating to the performance right has been satisfied. 857,512 performance rights were cancelled during 2023 financial year following the Ophir and Wiseman tenements acquisition.

(ii) 1,157,801 performance rights issued in May 2022 to directors and employee in five different classes each with its own specific vesting milestone. The performance rights vest on the date when the performance milestone relating to the performance rights has been satisfied. In September 2023, 957,801 performance rights class G, H and I were converted to shares following achievement of performance milestones. (Ref. Note 7 and 8)

#### Options

The following options arrangements were in existence at the reporting date:

| Option series | Number    | Grant date  | Exercise price<br>\$ | Expiry date | Vesting date |
|---------------|-----------|-------------|----------------------|-------------|--------------|
| OMXE24 OPT    | 5,350,000 | 14 Oct 2021 | 0.3000               | 14 Oct 2024 | 6 Dec 2021   |
| OMXE24 OPTA   | 2,000,000 | 30 Nov 2021 | 0.3000               | 30 Nov 2024 | 6 Dec 2021   |
| OMXE OPT1     | 3,700,000 | 14 Oct 2021 | 0.3000               | 14 Oct 2024 | 6 Dec 2021   |
| OMXU OPT02    | 300,000   | 10 Feb 2022 | 0.2150               | 01 Apr 2025 | 1 Apr 2022   |

There has been no alteration of the terms and conditions of the above options arrangements since the grant date.

## 7. Issued capital

|  | 31 Dec 2023<br>\$ | 30 Jun 2023<br>\$ |
|--|-------------------|-------------------|
| 85,750,172 fully paid ordinary shares<br>(30 June 2023: 8,982,462) | 9,111,765         | 8,982,462         |
| <b>Fully paid ordinary shares</b>                                  |                   |                   |
|  | No.               | 31 Dec 2023<br>\$ |
| Balance at beginning of period                                     | 84,792,371        | 8,982,462         |
| Issue of shares <sup>(i)</sup>                                     | 957,801           | 129,303           |
|  | <b>85,750,172</b> | <b>9,111,765</b>  |

(i) Issue of fully paid ordinary shares at \$0.135 each on 15 September 2023, following the conversion of performance rights class G, H and I, on achievement of performance milestones. (Ref. Note 8)

## 8. Reserves

|   | 6 months<br>ended<br>31 Dec 2023<br>\$ | 12 months<br>ended<br>30 Jun 2023<br>\$ |
|---|--|---|
| Balance at beginning of the period                        | 1,606,946                              | 1,360,751                               |
| Share-based payments vesting expense <sup>(i)</sup>       | 70,276                                 | 246,195                                 |
| Conversion of performance rights to shares <sup>(i)</sup> | (129,303)                              | -                                       |
| Carrying value at end of the period                       | <b>1,547,919</b>                       | <b>1,606,946</b>                        |

(i) Refer Note 6

(ii) Issue of fully paid ordinary shares at \$0.135 each on 15 September 2023, following the conversion of 957,801 performance rights class G, H and I, on achievement of performance milestones. (Also Refer Note 7)

The share option reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options.

## 9. Contingent liabilities and contingent assets

No changes on the contingencies reported on prior year.

## 10. Related Party Transactions

Mr Christopher Michael was appointed as a Non-Executive Director of the Company in November 2023. The key terms of his appointment, formalised in a letter of appointment dated 30 January 2024, are as follows:

- Term of agreement - commencing 14 November 2023, subject to retirement by rotation under the Company's constitution.
- A fee of \$42,000 p.a. (excluding GST, inclusive of statutory superannuation)
- For extra services or special exertions constituting services outside the scope of ordinary duties of a director, at the request of the board, the Company may pay a fee set at \$180 per hour plus GST, capped at \$1,250 per day plus GST.
- Reimbursement of reasonable out-of-pocket expenses incurred in providing the agreed services.

There have been no other significant changes in the related party transactions since 30 June 2023.

## 11. Subsequent events

An RC program of approximately 1,000m planned for tenements E28/2294, P25/2268, P26/4415, P25/2410 & E25/591 commenced on 22 January 2024 (ASX Announcement 23 January 2024). The drill holes will be targeting significant gold intercepts in historical drilling, known mineralised structures and prominent outcropping quartz veining with anomalous rock chips (Burton Dam).

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.