



ACN 659 090 338

Interim Financial Statements - 31 December 2023

Corporate Directory

Directors	Patric Glovac David Grant Sanders Brent Van Staden
Company secretary	Quinton Meyers (Appointed 4 October 2023)
Registered office	349 Hay Street Subiaco WA 6009 Phone: (08) 9388 0051
Share register	Link Market Services Level 21 10 Eagle Street Brisbane QLD 4000
Auditor	Stantons International Audit and Consulting Pty Ltd 40 Kings Park Rd West Perth WA 6005
Stock exchange listing	SQX Resources Limited shares are listed on the Australian Stock Exchange (ASX) (ASX Code: SQX)
Website	https://sqxresources.com/

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SQX Resources Limited

Directors' Report

For the half year ended 31 December 2023

The Directors present their report, together with the financial statements, of SQX Resources Limited ('**Company**') for the half year ended 31 December 2023.

Directors

The following persons were Directors of SQX Resources Limited from 1 July 2023 until the end of the half year and up to the date of this report, unless otherwise stated:

Patric Glovac	Executive Chairman (Appointed 29 August 2023)
David Sanders	Non-executive Director (Appointed 29 August 2023)
Brent Van Staden	Non-executive Director (Appointed 22 November 2022)
Bryan Granzien	Non-executive Chairman (Resigned 29 August 2023)
Tim Cooper	Non-executive Director (Resigned 29 August 2023)

Principal Activities

During the year ended 31 December 2023, the primary focus of the Company was the advancement of exploration activities at EPM 27257 in Queensland (of which SQX has a 100% interest through its wholly owned subsidiary Ollenburgs Pty Ltd) and the analysis of potential investment opportunities.

Operating Results

The net loss after income tax for the period was \$577,965 (2022: \$271,712).

Dividends

No dividends were paid during the period and no dividend has been declared for the half year ended 31 December 2023.

Securities on issue

As at the date of this report, the securities on issue by the Company were:

Security	Number
Fully Paid Ordinary Shares	31,250,000
Options	20,310,478
Performance Rights	4,395,189

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Half Year

On 5 February 2024, the Company provided an update on the exploration activities at its Scrub Paddock Prospect, which is situated within EPM 27257.

SQX Resources Limited

Director's Report

For the half year ended 31 December 2023

Auditor's Independence Declaration

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

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

On behalf of the Directors



Patric Glovac
Executive Chairman
12 March 2024



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12 March 2024

Board of Directors
SQX Resources Limited
349 Hay Street
WA 6008

Dear Sirs

RE: SQX Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of SQX Resources Limited.

As Audit Director for the review of the financial statements of SQX Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

A handwritten signature in blue ink, appearing to read "Martin Michalik".

Martin Michalik
Director

SQX Resources Limited
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income
For the half year ended 31 December 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Revenue from continuing operations			
Expenses			
Other income	7	29,034	-
Audit Fees		(16,495)	-
Administration expense	7	(160,267)	(95,987)
Employee benefits expense		(179,425)	(64,606)
Legal fees		(16,414)	(111,119)
Share-based payments expense		(234,398)	-
Loss before income tax expense from continuing operations		(577,965)	(271,712)
Income tax expense		-	-
Loss from continuing operations for the period		(577,965)	(271,712)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(577,965)	(271,712)
Earnings/(loss) per share		Cents per Share	Cents per Share
Basic loss per share	8	(1.85)	(4.35)

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

SQX Resources Limited
Condensed Consolidated Statement of Financial Position
As at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
Current Assets			
Cash and cash equivalents	2	2,459,734	2,966,716
Trade and other receivable	3	117,159	90,659
Total current assets		2,576,893	3,057,375
Non-current assets			
Deferred exploration and evaluation expenditure	4	1,026,055	905,338
Total non-current assets		1,026,055	905,338
Total assets		3,602,948	3,962,713
Liabilities			
Current Liabilities			
Trade and other payables	5	29,313	52,113
Employee entitlements		3,077	18,889
Lease payable		-	-
Accruals		47,414	25,000
Total current liabilities		79,804	96,002
Total liabilities		79,804	96,002
Net Assets		3,523,144	3,866,711
Equity			
Issued capital	6	4,244,559	4,244,559
Reserves	6a	1,295,790	1,061,392
Accumulated Losses		(2,017,205)	(1,439,240)
Total Equity		3,523,144	3,866,711

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

SQX Resources Limited
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2023

	Notes	Contributed Equity \$	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2023		4,244,559	1,061,392	(1,439,240)	3,866,711
Loss for the Period		-	-	(577,965)	(577,965)
Other Comprehensive Loss		-	-	-	-
Total Comprehensive Loss		-	-	(577,965)	(577,965)
Share Based Payments	6a	-	234,398	-	234,398
Balance as at 31 December 2023		4,244,559	1,295,790	(2,017,205)	3,523,144

	Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022		1,000	-	-	1,000
Loss for the Period		-	-	(271,712)	(271,712)
Other Comprehensive Loss		-	-	-	-
Total Comprehensive Loss		-	-	(271,712)	(271,712)
Equity Issues	6	-	-	-	-
Balance as at 31 December 2022		1,000	-	(271,712)	(270,712)

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

SQX Resources Limited
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Payment to suppliers and employees		(376,033)	(299,167)
Interest received		27,482	-
Net cashflows used in operating activities		(348,551)	(299,167)
Cash flows from investing activities			
Payments for exploration and evaluation		(158,431)	-
Loan proceeds received		-	75,000
Net cashflows from investing activities		(158,431)	75,000
Net decrease in cash and cash equivalents			
		(506,982)	(224,167)
Cash and cash equivalents at beginning of financial period		2,966,716	226,000
Exchange differences on cash and cash equivalents		-	-
Cash and cash equivalents at end of financial period	2	2,459,734	1,833

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

SQX Resources Limited

Notes to the Financial Statements

For the half year ended 31 December 2023

Note 1. Significant Accounting Policies

Statement of compliance

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The financial statements comprise the condensed interim financial statements for the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023, the Company's prospectus issued 8 November 2022 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of the new Standards and Interpretations effective 1 July 2023 as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised standards

New Standards and Interpretations applicable for the half year ended 31 December 2023

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 Company and effective for the current reporting period.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company.

Standards and interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

SQX Resources Limited

Notes to the Financial Statements (cont'd)

For the half year ended 31 December 2023

Significant accounting judgments and key estimates

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

In preparing this interim report, the significant judgments 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 financial report for the year ended 30 June 2023.

Statement of compliance

The interim financial statements were authorised for issue on 12 March 2024.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (**IFRS**).

Going concern

The interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

Note 2. Cash and cash equivalents

	31 December 2023 \$	30 June 2023 \$
Cash at bank	2,459,734	2,966,716
Total cash and cash equivalents	2,459,734	2,966,716

Note 3. Trade and other receivables

	31 December 2023 \$	30 June 2023 \$
GST	102,881	90,659
Insurance - prepayments	14,278	-
Total trade and other receivables	117,159	90,659

SQX Resources Limited
Notes to the Financial Statements (cont'd)
For the half year ended 31 December 2023

Note 4. Exploration and evaluation expenditure

	31 December 2023	30 June 2023
	\$	\$
Cost brought forward in respect of areas of interest in the exploration evaluation stage	905,338	-
Acquisition	-	1
Capitalised exploration and expenditure	120,717	905,337
Total Exploration and evaluation phase – at cost:	1,026,055	905,338

The Company leases its registered head office premises/ The remaining lease is 1 year and 11 months.

Note 5. Trade and other payables

	31 December 2023	30 June 2023
	\$	\$
Accounts Payable	11,259	52,113
PAYG Withholding Payable	10,532	-
Superannuation Payable	7,522	-
	29,313	52,113

Note 6. Issued Capital

	No. of Shares	31 December 2023	No. of Shares	30 June 2023
		\$		\$
Ordinary Shares fully paid	31,250,000	4,244,559	31,250,000	4,244,559

Movement in Shares on Issue

	No. of Shares	31 December 2023	No. of Shares	30 June 2023
		\$		\$
Opening balance	31,250,000	4,244,559	1,000,000	1,000
Ordinary shares at Incorporation	-	-	25,000,000	5,000,000
Share split (6.25 for every 1)	-	-	5,250,000	-
Share issue costs	-	-	-	(756,441)
Closing balance	31,250,000	4,244,559	31,250,000	4,244,559

Note 6a. Reserves

	31 December 2023	30 June 2023
	\$	\$
Share-based payments reserve (a)	1,295,790	1,061,392

SQX Resources Limited

Notes to the Financial Statements (cont'd)

For the half year ended 31 December 2023

(a) Share-based payments reserve

The share-based payments reserve represents the value of options and performances rights issued to parties for services rendered.

	31 December 2023	30 June 2023
Share-based payments reserve	\$	\$
Opening balance	1,061,392	-
Fair value of performance rights issued to directors and consultants	234,398	1,061,392
Balance at end of year	1,295,790	1,061,392

In the period ending 31 December 2023, performance rights were issued to directors. Each performance right is convertible to acquire one share of the company. The terms and conditions of the employee performance right grants made under the employee incentive program and in existence at 30 December 2023 were as follows.

Grant date	Entitlement	Number of Instruments	Vesting conditions	Contractual life
5/12/2023	Director	1,700,000	a VWAP of at least \$0.25 over a period of 20 consecutive trading days. Expiring 5 December 2026.	36 months
5/12/2023	Director	1,570,192	a VWAP of at least \$0.35 over a period of 20 consecutive trading days. Expiring 5 December 2026.	36 months
		3,270,192		

All employee performance rights are exercisable at any time after the vesting conditions have been met. Where the employment or office of the holder is terminated, any performance rights which have not reached their vesting condition will lapse.

The fair value of employee performance rights is measured at grant date and recognised as an expense over the period during which the key management personnel and senior employees become unconditionally entitled to the rights. The fair value of the rights granted is measured using Monte Carlo Simulation, taking into account the terms and conditions upon which the rights were granted. The amount recognised as an expense is adjusted to reflect the actual number of rights that vest.

The fair value of employee share performance rights has been calculated with the following inputs:

Spot price	\$0.125
Exercise price	Nil
Share price targets	First Tranche - \$0.25 / Second Tranche - \$0.35
Number of consecutive days	20
Days to vesting/expiry	1,096
Volatility	65%
Interest rate	3.97%
Dividend yield	Nil

SQX Resources Limited
Notes to the Financial Statements (cont'd)
For the half year ended 31 December 2023

Note 7. Loss before income tax expense

The following revenue and expense items are relevant in explaining the financial performance for the half year.

	31 December 2023 \$	31 December 2022 \$
Interest income	29,034	-
Expenses		
Included in administration expenses are the following material items:		
- Accounting and Consulting	43,568	49,852
- ASX fees	32,651	-
- Company secretary fees	36,000	-
- Share registry	23,018	-
- General office expense	13,142	37,111
- Subscription	2,573	5,250
- Marketing	8,534	1,579
- Travel	781	2,195
	160,267	95,987

Note 8. Loss Per Share

	31 December 2023 Cents Per Share	31 December 2022 Cents Per Share
Basic loss per share	(1.85)	(4.35)
Diluted loss per share	(1.85)	(4.35)
Loss used in calculation of basic and diluted loss per share	577,965	271,712
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	31,250,000	6,246,253

Note 9. Events After Balance Date

On 5 February 2024, the Company provided an update on the exploration activities at its Scrub Paddock Prospect, which is situated within EPM 27257.

Note 10. Financial Instruments

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1. The Directors consider that the carrying amounts of current receivables and current payables are considered to be a reasonable approximation of their fair values.

SQX Resources Limited
Notes to the Financial Statements (cont'd)
For the half year ended 31 December 2023

Note 11. Segment Reporting

This operating segment is monitored by the Group's Executive Chairman and based on internal reports that are reviewed and used by the Board of Directors in making strategic decisions on the basis of available cash reserves and exploration results.

The items which are not capitalised to exploration and evaluation expenditure and included in the Statement of profit or loss and other comprehensive income, relate to the Corporate Segment.

	Corporate Australia	Mineral Exploration Australia	Eliminations	Total
	\$	\$	\$	\$
31 December 2023				
Business segments				
Revenue				
Other external revenue	29,034	-	-	29,034
Total segment revenue	<u>29,034</u>	<u>-</u>	<u>-</u>	<u>29,034</u>
Results				
Operating loss before income tax	<u>(577,897)</u>	<u>(68)</u>	<u>-</u>	<u>(577,965)</u>
Net Loss	-	-	-	-
Assets				
Segment assets	2,576,893	1,026,055	-	3,602,948
Liabilities				
Segment liabilities	79,804	-	-	79,804
	Corporate Australia	Mineral Exploration Australia	Eliminations	Total
	\$	\$	\$	\$
31 December 2022				
Business segments				
Revenue				
Other external revenue	-	-	-	-
Total segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Results				
Operating loss before income tax	<u>(272,712)</u>	<u>-</u>	<u>-</u>	<u>(272,712)</u>
Net Loss	<u>(272,712)</u>	<u>-</u>	<u>-</u>	<u>(272,712)</u>
Assets				
Segment assets	242,547	-	-	242,547
Liabilities				
Segment liabilities	513,259	-	-	513,259

Note 12. Commitments and contingent liabilities

a) Exploration Expenditure Commitments

The Group has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements. These obligations will vary from time to time, subject to statutory approval and capital management. The terms of the granted licenses and those subject to relinquishment will alter the expenditure commitments of the Group as will any change to areas subject to licence.

SQX Resources Limited

Directors' Declaration

For the half year ended 31 December 2023

Director's Declaration

In the opinion of the directors of SQX Resources Limited:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Patric Glovac
Executive Chairman
12 March 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SQX RESOURCES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of SQX Resources Limited (the "Company") and its controlled entity (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, consolidated statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising 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 SQX Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the SQX Resources Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our 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* has been given to the directors of the Company on 12 March 2024.

Responsibility of the Directors for the Financial Report

The directors of SQX Resources Limited 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 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

A handwritten signature in blue ink that reads "Martin Michalik".

Martin Michalik
Director

West Perth, Western Australia
12 March 2024