

1. Company details

Name of entity:	Medlab Clinical Limited
ABN:	51 169 149 071
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	97.7% to	13,747
Loss from ordinary activities after tax attributable to the owners of Medlab Clinical Limited	down	58.9% to	(1,980,269)
Loss for the half-year attributable to the owners of Medlab Clinical Limited	down	58.9% to	(1,980,269)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,980,269 (31 December 2022: \$4,816,024).

Reference is made to the *Review of Operations* in the Directors' Report contained in the attached Interim Financial Report for Medlab Clinical Limited for the half-year ended 31 December 2023.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(30.68)</u>	<u>56.06</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Refer to note 10 for details of subsidiaries that had been deregistered.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Australian Accounting Standards are utilised when compiling the financial report.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Medlab Clinical Limited for the half-year ended 31 December 2023 is attached.

12. Signed

Signed  _____

M Hudson
Director
Sydney

Date: 15 MAY
2024

Medlab Clinical Limited

ABN 51 169 149 071

Interim Report - 31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Medlab Clinical Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Medlab Clinical Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Matthew Hudson (Non-Executive Director and Non-Executive Chairman from 25 March 2024)
Edmond Tan (Non-Executive Director - appointed 25 March 2024)
Tim Walker (Non-Executive Director - appointed 25 March 2024)
Sean Hall (Chairman and Chief Executive Officer - resigned 25 March 2024)
Michael Carter (Non-Executive Director - resigned 25 March 2024)

Principal activities

The Company is an Australian biotechnology company that specialises in the application of NanoCelle® drug delivery technology to existing and new pharmaceuticals - with the aim of empowering patients with chronic diseases and mental health conditions and enhancing their lives.

On 27 February 2023, the ASX suspended trading of the Company's shares. Subsequently, Hall Chadwick was engaged as external consultants to assist the directors of the Company with an informal workout and restructure of the Company's financial affairs.

The Company is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan. The Company has retrenched most of its workforce and is currently operating with skeleton staff for the purpose of the restructure.

The restructuring process will involve dealing with current and new investors, as well as any interested parties to achieve the ongoing success and future of the Company which will ensure the best outcome for all stakeholders.

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,980,269 (31 December 2022: \$4,816,024).

Hall Chadwick was engaged as external consultants in March 2023 to assist the directors of the Company with an informal workout and restructure of the Company's financial affairs. The Company is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan. The Company has retrenched most of its workforce and is currently operating with skeleton staff for the purpose of the restructure.

Going concern

As referred to in note 1 (Going Concern), the ability of the consolidated entity to continue as a going concern is principally dependent upon the identification of a new business opportunity, execution of a binding agreement in respect of this new opportunity, and a capital raising sufficient to progress the new opportunity.

Significant changes in the state of affairs

As announced to the market on 21 March 2023, 7 June 2023, 3 August 2023, 12 September 2023, and 9 November 2023, the Company conducted a significant campaign to identify a corporate transaction to recapitalise the business, restructure the operations, or sell the assets.

As outlined in the announcements dated 9 November 2023 and 22 November 2023, the Company announced a proposed restructure transaction that would result in a licence agreement for its NanoCelle intellectual property to an unrelated party, sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical Inc. to Dr Sean Hall (see *Matters subsequent to the end of financial year* section), and a subsequent capital raising to explore new business opportunities.

As at the date of this report, the Company is continuing to consider new business opportunities and anticipates it will provide the market with a further update upon the execution of a binding agreement.

With exception to those above, there were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Material business risks

The main risk for the Company is the going concern matter, as the capacity for the Company to raise adequate capital to continue to fund operations, was not successful and did not eventuate.

To this end, the Company decided to suspend trading on the ASX, and the operations were discontinued. The Company entered into an agreement with Hall Chadwick, to act as consultants, to support the Company through a corporate restructuring process.

The Company (as announced to the market), has issued a notice of extraordinary meeting, for shareholders to vote on future position of the Company. Further details provided in the subsequent events paragraph.

Matters subsequent to the end of the financial half-year

On 12 January 2024, the Company completed the sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical US Inc., from its wholly owned subsidiary Medlab Pty Ltd to Dr. Sean Hall. In consideration for the disposal, Dr. Sean Hall (or his associated entity) agrees to pay the Entitled Shareholders, a 20% royalty for a period of 4 years commencing on the date of settlement of the sale agreement. The Entitled Shareholders are those shareholders of Medlab Limited as determined at the date of settlement.

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

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 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



M Hudson
Director

15 MAY _____ 2024



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MEDLAB CLINICAL LIMITED AND CONTROLLED ENTITIES
ABN 51 169 149 071**

As the auditor for the review of the financial report of Medlab Clinical 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 as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro

Director

Sydney

Dated this 15th of May 2024

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General information

The financial statements cover Medlab Clinical Limited as a consolidated entity consisting of Medlab Clinical Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Medlab Clinical Limited's functional and presentation currency.

Medlab Clinical Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Nova Legal Corporate Lawyers
Level 2
50 Kings Park Road
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on
15 MAY 2024.

Medlab Clinical Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue	3	11,028	561,015
Other income	4	52,602	1,832,884
Interest revenue		2,719	29,764
Total revenue		<u>66,349</u>	<u>2,423,663</u>
Expenses			
Raw materials and consumables used		-	(34,271)
Employee benefits expense		(498,047)	(2,740,605)
Depreciation and amortisation expense		-	(440,991)
Net loss on deconsolidation of subsidiaries		(728)	-
Write off of assets		(525)	-
Operating leases		(27,464)	(124,966)
Professional and consulting fees		(1,201,018)	(1,496,203)
R&D/trial expenses		-	(1,136,154)
Selling and marketing		-	(62,979)
Other expenses	5	(318,645)	(1,221,354)
Finance costs		(482)	(20,883)
Total expenses		<u>(2,046,909)</u>	<u>(7,278,406)</u>
Loss before income tax expense		(1,980,560)	(4,854,743)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,980,560)	(4,854,743)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	(16,296)
Other comprehensive income for the half-year, net of tax		-	(16,296)
Total comprehensive income for the half-year		<u>(1,980,560)</u>	<u>(4,871,039)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(291)	(38,719)
Owners of Medlab Clinical Limited		<u>(1,980,269)</u>	<u>(4,816,024)</u>
		<u>(1,980,560)</u>	<u>(4,854,743)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		-	(44,371)
Owners of Medlab Clinical Limited		<u>(1,980,560)</u>	<u>(4,826,668)</u>
		<u>(1,980,560)</u>	<u>(4,871,039)</u>
		Cents	Cents
Earnings per share for loss attributable to the owners of Medlab Clinical Limited			
Basic earnings per share	12	(87)	(211)
Diluted earnings per share	12	(87)	(211)

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

Medlab Clinical Limited
Consolidated statement of financial position
As at 31 December 2023



	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	305,992	225,991
Trade and other receivables	7	71,148	2,868,187
Total current assets		<u>377,140</u>	<u>3,094,178</u>
Non-current assets			
Other - security bonds and guarantees		-	50,000
Total non-current assets		<u>-</u>	<u>50,000</u>
Total assets		<u>377,140</u>	<u>3,144,178</u>
Liabilities			
Current liabilities			
Trade and other payables	8	1,077,652	1,614,469
Employee benefits		-	236,113
Total current liabilities		<u>1,077,652</u>	<u>1,850,582</u>
Non-current liabilities			
Employee benefits		-	13,548
Total non-current liabilities		<u>-</u>	<u>13,548</u>
Total liabilities		<u>1,077,652</u>	<u>1,864,130</u>
Net (liabilities)/assets		<u>(700,512)</u>	<u>1,280,048</u>
Equity			
Issued capital		66,811,113	66,811,113
Reserves		116,303	116,303
Accumulated losses		(67,627,928)	(65,647,659)
(Deficiency)/equity attributable to the owners of Medlab Clinical Limited		(700,512)	1,279,757
Non-controlling interest		-	291
Total (deficiency)/equity		<u>(700,512)</u>	<u>1,280,048</u>

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

Medlab Clinical Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023



	Issued capital \$	Reserves \$	Accumulate d losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2022	66,811,113	799,043	(59,529,093)	(331,926)	7,749,137
Loss after income tax expense for the half-year	-	-	(4,816,024)	(38,719)	(4,854,743)
Other comprehensive income for the half-year, net of tax	-	(10,644)	-	(5,652)	(16,296)
Total comprehensive income for the half-year	-	(10,644)	(4,816,024)	(44,371)	(4,871,039)
Balance at 31 December 2022	<u>66,811,113</u>	<u>788,399</u>	<u>(64,345,117)</u>	<u>(376,297)</u>	<u>2,878,098</u>
	Issued capital \$	Reserves \$	Accumulate d losses \$	Non- controlling interest \$	Total deficiency in equity \$
Balance at 1 July 2023	66,811,113	116,303	(65,647,659)	291	1,280,048
Loss after income tax expense for the half-year	-	-	(1,980,269)	(291)	(1,980,560)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,980,269)	(291)	(1,980,560)
Balance at 31 December 2023	<u>66,811,113</u>	<u>116,303</u>	<u>(67,627,928)</u>	<u>-</u>	<u>(700,512)</u>

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

Medlab Clinical Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023



	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		89,984	600,825
Payments to suppliers and employees (inclusive of GST)		<u>(2,834,001)</u>	<u>(6,646,193)</u>
		(2,744,017)	(6,045,368)
Interest received		2,719	29,764
Receipts from R&D Tax incentive and government grants		2,771,781	3,624,112
Interest and other finance costs paid		<u>(482)</u>	<u>(35,433)</u>
Net cash from/(used in) operating activities		<u>30,001</u>	<u>(2,426,925)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(28,299)
Proceeds from licencing of Australian nutraceuticals business		-	250,000
Proceeds from release of security deposits		<u>50,000</u>	<u>70,316</u>
Net cash from investing activities		<u>50,000</u>	<u>292,017</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>-</u>	<u>(300,702)</u>
Net cash used in financing activities		<u>-</u>	<u>(300,702)</u>
Net increase/(decrease) in cash and cash equivalents		80,001	(2,435,610)
Cash and cash equivalents at the beginning of the financial half-year		225,991	5,191,031
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>1,223</u>
Cash and cash equivalents at the end of the financial half-year	6	<u><u>305,992</u></u>	<u><u>2,756,644</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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.

Going concern

For the half year ended 31 December 2023, the consolidated entity incurred a loss of \$1,980,560 (31 Dec 2022: \$4,854,743) after income tax and net cash outflows from operating activities of \$30,001 (31 Dec 2022: \$2,426,925). At 31 December 2023, the consolidated entity had net current liabilities of \$700,512 (30 June 2023: net current assets of \$1,243,596) and total net liabilities of \$700,512 (30 June 2023: total net assets of \$1,280,048).

On 27 February 2023, the ASX suspended trading of the Company's shares. Subsequently, Hall Chadwick was engaged as external consultants to assist the directors of the Company with an informal workout and restructure of the Company's financial affairs. The Company is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan. The Company has retrenched most of its workforce and is currently operating with skeleton staff for the purpose of the restructure. The restructuring process will involve dealing with current and new investors, as well as any interested parties to achieve the ongoing success and future of the Company which will ensure the best outcome for all stakeholders.

The ability of the consolidated entity to continue as a going concern is principally dependent upon the identification of a new business opportunity, execution of a binding agreement in respect of this new opportunity, and a capital raising sufficient to progress the new opportunity.

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

The Company is in discussions to obtain a strategic minerals business, with a focus on exposure to commodities, that are essential to the global net-zero agenda. The transaction is at an advanced stage in the negotiation process and the Company expects that the re-compliance process can begin subsequent to this. The expected raise of \$5M will be used to acquire the asset on a debt free/cash free basis and provide for working capital requirements across a 24-month period.- The Company has received indicative interest from investors and believes the capital raising process will be completed in a timely manner. Once the deal with this prospective company is agreed upon, the expected timeframe for quotation is 3-4 months, customary for these types of transactions (RTO).

Note 1. Material accounting policy information (continued)

The Directors have concluded that the going concern basis of preparation of the financial statements is appropriate and any uncertainty regarding going concern is mitigated by the following:

- The proposed new business opportunity.
- Subsequent proposed capital raising post completion of the transaction.
- Medlab Clinical Ltd is carrying a debt to Hall Chadwick in the financials in lieu of services rendered. This liability would be convertible to shares in a future capital raising, at a future time the Company is re-listed into a new entity. As per the non-binding term sheet, Hall Chadwick has assured it will not enforce any debt owed in the circumstance the Company not successfully re-purposing into a new entity prior to re-listing on the ASX.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the consolidated entity not be able to continue as a going concern.

Note 2. Operating segments

Following the discontinuation of the Nutraceuticals business in the 30 June 2022 financial year, the consolidated entity only has one segment.

The consolidated entity does not have any products/services it derives revenue from.

Note 3. Revenue

	31 Dec 2023	31 Dec 2022
	\$	\$
Sale of goods (net discounts)	9,342	561,015
Sales returns	1,686	-
Revenue	<u>11,028</u>	<u>561,015</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Major product lines</i>		
Pharmaceutical	<u>11,028</u>	<u>561,015</u>

Timing of revenue recognition

Goods transferred at a point in time	<u>11,028</u>	<u>561,015</u>
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Note 4. Other income

	31 Dec 2023	31 Dec 2022
	\$	\$
Government grants	36,600	36,600
R&D tax incentive	-	1,794,056
Other	16,002	2,228
	<u>52,602</u>	<u>1,832,884</u>

Note 5. Other expenses

Other expenses includes the following specific expenses:

	31 Dec 2023	31 Dec 2022
	\$	\$
Educational and compliance	-	69,588
Insurance	133,813	109,087
Software licences	24,225	64,548
Telephone and Internet	2,760	28,766
Travel	1,484	183,770
	<u>162,282</u>	<u>455,759</u>

Note 6. Cash and cash equivalents

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>305,992</u>	<u>225,991</u>

Note 7. Trade and other receivables

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Trade receivables	2,849	103,399
Less: Allowance for expected credit losses	(2,833)	-
	<u>16</u>	<u>103,399</u>
Other receivables	71,132	29,607
Research and development tax incentive	-	2,735,181
	<u>71,148</u>	<u>2,868,187</u>

Note 8. Trade and other payables

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	157,209	1,217,390
Accrued expenses	920,443	86,731
Sundry payables	-	310,348
	<u>1,077,652</u>	<u>1,614,469</u>

Note 9. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 10. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2023 %	30 Jun 2023 %
Medlab Pty Ltd	Australia	100%	100%
Medlab Clinical US Inc*	United States of America	100%	100%
Medlab IP Pty Ltd*	Australia	100%	100%
Medlab Research Pty Ltd***	Australia	-	100%
Medlab Nutraceuticals Inc***	United States of America	-	60%
Medlab Research Ltd**	United Kingdom	100%	100%
MDC Europe Ltd***	Malta	-	100%

* Medlab Clinical US Inc and Medlab IP Pty Ltd were sold to Dr. Sean Hall (Chairman) on 12 January 2024 (refer to note 11).

** Medlab Research Ltd was deregistered in January 2024.

*** Medlab Research Pty Ltd, Medlab Nutraceuticals Inc and MDC Europe Ltd were deregistered during the half year.

Note 11. Events after the reporting period

On 12 January 2024, the Company completed the sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical US Inc., from its wholly owned subsidiary Medlab Pty Ltd to Dr. Sean Hall. In consideration for the disposal, Dr. Sean Hall (or his associated entity) agrees to pay the Entitled Shareholders, a 20% royalty for a period of 4 years commencing on the date of settlement of the sale agreement. The Entitled Shareholders are those shareholders of Medlab Limited as determined at the date of settlement.

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

Note 12. Earnings per share

	31 Dec 2023	31 Dec 2022
	\$	\$
Loss after income tax	(1,980,560)	(4,854,743)
Non-controlling interest	<u>291</u>	<u>38,719</u>
Loss after income tax attributable to the owners of Medlab Clinical Limited	<u>(1,980,269)</u>	<u>(4,816,024)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>2,283,502</u>	<u>2,283,502</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>2,283,502</u>	<u>2,283,502</u>

Note 12. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(87)	(211)
Diluted earnings per share	(87)	(211)

Medlab Clinical Limited
Directors' declaration
31 December 2023



In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read "M Hudson", written over a horizontal line.

M Hudson
Director

15 MAY _____ 2024



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MEDLAB CLINICAL LIMITED AND CONTROLLED ENTITIES
ABN 51 169 149 071**

Conclusion

We have reviewed the half-year financial report of Medlab Clinical Limited, 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 consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies 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 Medlab Clinical Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Medlab Clinical Limited 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 Medlab Clinical Limited 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* which has been given to the directors of Medlab Clinical Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter on Going Concern

We draw your attention to Note 1 on going concern in the financial report, which indicates that the consolidated entity incurred a loss of \$1,980,560 after income tax (2022: \$4,854,743), and net cash outflows from operating activities of \$30,001 (2022: \$2,426,925). At 31 December 2023, the consolidated entity had net current liabilities of \$700,512 (30 June 2023: net current assets of \$1,243,596) and total net liabilities of \$700,512 (30 June 2023: total net assets of \$1,280,048). The ability of the consolidated entity to continue as a going concern is principally dependent upon the execution of a binding agreement in respect of a new opportunity. The Company is in discussions to obtain a strategic minerals business and anticipates this would include a capital raise of \$5M to acquire the asset and fund working capital. Along with other matters set forth in Note 1 that indicate that a material uncertainty exists that may cast doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Responsibility of the Directors for the Financial Report

The directors of Medlab Clinical 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

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.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro

Director

Sydney

Dated this 15th of May 2024

Medlab Clinical Limited
Corporate directory
31 December 2023



Directors	M Hudson - Chairman E Tan - Non-Executive Director T Walker - Non-Executive Director
Company secretary	Kerem Kaya
Registered office and principal place of business	Nova Legal Corporate Lawyers Level 2 50 Kings Park Road West Perth WA 6005
Share register	Automic Group Level 5 191 St Georges Terrace Perth WA 6000
Auditor	MNSA Pty Limited Level 1 283 George Street Sydney NSW 2000
Patent Attorneys	Davies Collison Cave 255 Elizabeth Street Sydney NSW 2000
Bankers	Commonwealth Bank Australia Limited 48 Martin Place Sydney NSW 2000
Stock exchange listing	Medlab Clinical Limited shares are listed on the Australian Securities Exchange (ASX code: MDC)
Website	www.medlab.co