## MEDIA RELEASE

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# Austral Gold Files Appendix 4E Preliminary Final 2024 Report

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**Established gold producer Austral Gold Limited's** (Austral or the Company) (ASX: AGD; TSX-V: AGLD; OTCQB: AGLDF) is pleased to announce that it has filed its Appendix 4E: Preliminary Final Report for the year ended 31 December 2024 ("FY24"). The complete Report is available under the Company's profile at www.asx.com.au, www.sedarplus.ca and on the Company's website at australgold.com.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**Release approved by the Chief Executive Officer of Austral Gold, Stabro Kasaneva.**

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# PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The report is based on accounts which are in the process of being audited

Appendix 4E, previous corresponding period, year ended 31 December 2023

| Revenue and net profit | | | | US$'000 |
|---|---|---|---|---|
| Revenue from ordinary activities | Down | 23% | to | 36,790 |
| Loss from ordinary activities after tax | Up | 274% | to | (27,074) |
| Net Loss attributable to members | Up | 274% | to | (27,068) |
| Dividend information | | | | |

No dividend for the financial year 2024 has been declared.

| Net tangible assets per security | December 2024 per share | December 2023 per share |
|---|---|---|
| Net tangible assets per security | US$0.02 | US$0.07 |
| Common shares on issue at balance sheet date | 612,311,353 | 612,311,353 |

This report is based on accounts which are in the process of being audited.

**Forward Looking Statements**

Statements in this Appendix 4E that are not historical facts are forward-looking statements. Forward-looking statements are statements that are not historical, and consist primarily of projections - statements regarding future plans, expectations and developments. Words such as "expects", "intends", "plans", "may", "could", “potential”, "should", "anticipates", "likely", "believes" and words of similar import tend to identify forward-looking statements. Forward-looking statements in this Appendix 4E include forecasted 2025 production, C1 and AISC costs, the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business in accordance with the business plan for the 2025-2026 period approved by the Board (the Business Plan), that the Group will have sufficient cash to pay its debts as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

All of these forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, Austral’s ability to attract and retain qualified personnel and management, potential labor unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond the Company’s control, the availability of capital to fund all of the Company’s projects and other risks and uncertainties identified under the heading “Risk Factors” in the Company’s continuous disclosure documents filed on the ASX and on SEDAR+. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Austral cannot assure you that actual events, performance, or results will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. Austral’s forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and Austral does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

# REVIEW OF RESULTS

For the Year Ended 31 December 2024

The following report on the review of results for the year ended 31 December 2024 (“FY24”) and 2023 (“FY23”) together with the consolidated financial report of Austral Gold Limited (the Company) and its subsidiaries (referred to hereafter as the Group)

## PRINCIPAL ACTIVITIES

- Produced 15,573 gold equivalent ounces at the Group’s Guanaco/Amancaya mine complex, integrating agitation and heap leaching processes, with gradual contributions from the new Heap Reprocessing Project that was launched in 2023, partially offsetting the depletion in production at the Amancaya underground mine
- HRC equipment, used in the Heap Reprocessing Project launched in 2023, was returned to Guanaco in Q4 2024 after prolonged repair delays from the supplier since Q1 2024
- Issued an updated Mineral Resource Estimate for the Company’s 100% owned Casposo-Manantiales mine complex, prepared by an independent Qualified Person in accordance with NI 43-101 and JORC (2012)
- Executed a Toll Treatment Agreement with ASX-listed Challenger Gold Limited (“Challenger”) to process mineralised material from Challenger’s Hualilan project at Casposo’s Plant, in San Juan, Argentina
- Renewed all existing loan facilities and secured additional financing from banks and related parties, enhancing the Company’s financial debt maturity profile. This included a 2-year loan of up to US$7,000 thousand loan to refurbish the Casposo’s Plant
- Significant improvement of liquidity indicators, decreasing net current liabilities from US$23,685 thousand on 31 December 2023 to US$5,823 thousand on 31 December 31, 2024
- Realised gains from the sale of equity investments in ASX and TSXV publicly listed mining companies, while maintaining a 5.2% interest in ASX-listed company Unico Silver Limited (“Unico”)

There were no other significant changes in our principal activities during the year. All resolutions were passed at the Company’s 28 May 2024 Annual General Meeting.

# REVIEW OF RESULTS OF OPERATIONS

A summary of key operating results for FY24 and FY23 are set out in the following tables for comparative purposes.

## KEY OPERATIONAL INDICATORS

| Guanaco/Amancaya Operations | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **Safety Indicators** | | |
| Lost-Time Accidents (LTA) | 2 | 7 |
| Non-Lost-Time Accidents (NLTA) | 11 | 11 |
| **Mining** | | |
| Mined Ore (t) | 28,567 | 239,356 |
| **Agitation Leaching Process** | | |
| Processed (t) | 325,251 | 343,835 |
| Plant Grade Mine (g/t Au) | 2.45 | 2.79 |
| Plant Grade Heap (g/t Au) | 1.03 | 1.47 |
| Plant Grade Mine (g/t Ag) | 7.01 | 8.83 |
| Plant Grade Heap (g/t Ag) | 3.40 | 3.74 |
| Gold recovery rate (%) | 84.67 | 92.76 |
| Silver recovery rate (%) | 59.86 | 76.32 |
| Gold produced (Oz) | 10,594 | 22,676 |
| Silver produced (Oz) | 24,373 | 69,388 |
| Gold-Equivalent produced (Oz) (1) | **10,879** | **23,504** |
| **Heap Leaching Process** | | |
| Gold produced (Oz) | 4,544 | 1,336 |
| Silver produced (Oz) | 12,781 | 3,232 |
| **Gold-Equivalent produced (Oz)** | **4,694** | **1,375** |
| **Total Production** | | |
| Gold produced (Oz) | 15,138 | 24,012 |
| Silver produced (Oz) | 37,154 | 72,620 |
| **Gold-Equivalent produced (Oz)** | **15,573** | **24,879** |
| C1 Cash Cost of Production (US$/AuEq Oz)(2) | 1,943 | 1,645 |
| All-in Sustaining Cost (US$/Au Oz)(3) | 2,164 | 2,004 |
| Realised gold price (US$/Au Oz) | 2,358 | 1,942 |
| Realised silver price (US$/Ag Oz) | 28 | 23 |
| Gold Equivalent sales volume | 15,605 | 24,578 |

(1) (AuEq) ratio is calculated at: 85.4:1 for FY24 and 83.8:1 Ag:Au for FY23
(2) The cash cost (C1) includes: Mine, Plant, On-Site G&A, Smelting, Refining, and Royalties (excludes Corporate G&A). It is the cost of production per gold equivalent ounce.
(3) The All-in Sustaining Cost (AISC) includes: C1, Sustaining Capex, Brownfield Exploration, and Mine Closure Amortisation
(4) Composition of the cash cost (C1) and All-in Sustaining Cost (AISC) are provided on page 5

**Cash Costs of Production (C1)** refer to the direct expenses incurred during the production of gold and silver. These costs are typically reported on a per-ounce basis while **All in Sustaining costs (AISC)** provides a comprehensive view of the total costs included with gold and silver production and includes C1 plus sustaining costs to maintain ongoing mining operations.

## KEY OPERATIONAL INDICATORS

| Cash Cost of Production (C1) and All-in Sustaining Cost (AISC) Breakdown Expressed in USD per GEO[1] | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Mining | 235 | 700 |
| Plant | 1,265 | 557 |
| Geology, engineering, and laboratory | 93 | 123 |
| Onsite general and administration | 230 | 240 |
| Smelting and refining | 52 | 27 |
| Royalties and taxes | 62 | 48 |
| Inventory movement | 3 | (52) |
| Other | 3 | 2 |
| **Cash Cost (C1)** | **1,943** | **1,645** |
| Reclamation & Remediation amortisation | 16 | 1 |
| Sustaining capital expenditure | 30 | 218 |
| Other administration costs | 85 | 56 |
| Financial leases | 90 | 84 |
| **All in Sustaining costs (AISC)** | **2,164** | **2,004** |

[1] Gold Equivalent Ounce

## KEY FINANCIAL RESULTS

| Thousands of US$ | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Revenue | 36,790 | 47,729 |
| Gross profit | 3,557 | 546 |
| Gross profit % | 9.7% | 1.1% |
| Adjusted gross profit (excluding depreciation and amortisation) | 6,797 | 6,557 |
| Adjusted gross profit % (excluding depreciation and amortisation) | 18.5% | 13.7% |
| Adjusted earnings | 3,862 | 4,174 |
| Adjusted earnings per share (basic and fully diluted) | 0.63c | 0.68c |
| Loss before income tax | (32,209) | (7,951) |
| Loss attributed to owners of the Company | (27,068) | (7,229) |
| Loss attributed to non-controlling interests | (6) | (14) |
| Loss per share (basic and fully diluted) | (4.42) c | (1.18) c |
| Comprehensive loss | (27,022) | (7,242) |

Note: Adjusted earnings and basic adjusted earnings per share are non-IFRS measures that the Company considers to better reflect normalised earnings as it eliminates items that in management's judgment are subject to volatility as a result of factors which are unrelated to operations in the period, and readers are cautioned that Adjusted earnings may not be comparable to similar measures presented by other companies. Further, readers are cautioned that Adjusted Earnings should not replace profit or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of the Company's performance.

## ADJUSTED EARNINGS

| Thousands of US$ | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Loss before income tax | (32,209) | (7,951) |
| Depreciation and amortisation(1) | 3,272 | 6,048 |
| Impairment loss on mine properties | 2,550 | - |
| Impairment loss on property plant and equipment | 16,705 | - |
| Impairment loss on exploration and evaluation expenditure | 8,836 | 3,981 |
| Other (income)(2) | | |
| Gain on sale of subsidiary | (91) | (1,964) |
| Gain on sale and revaluation of financial assets | (1,724) | (1,033) |
| Gain on sale of equipment | (654) | (46) |
| Equipment rental | (8) | (222) |
| Other(3) | (381) | (466) |
| Other expenses(4) | | |
| Care and maintenance (7) | 2,096 | 2,125 |
| Loss on fair value of financial assets | - | 992 |
| Rawhide option and due diligence expenses | - | 617 |
| Other | 1,880 | 669 |
| Finance income(5) | | |
| Interest income | (101) | (140) |
| Present value adjustment to mine closure provision | - | (174) |
| Finance costs(6) | | |
| Interest expense | 3,392 | 1,395 |
| Present value adjustment to mine closure provision | 299 | 138 |
| Present value adjustment to GST/VAT receivable | - | 145 |
| Share of loss of associates | - | 60 |
| **Adjusted Earnings** | **3,862** | **4,174** |

(1) Includes US$18 thousand and US$14 thousand (2023: US$18 thousand and US$19 thousand) of depreciation and amortisation included in Care and maintenance in Other Expenses (note 8) and Administration (note 9) respectively
(2) Note 7 to the financial statements
(3) Reconciles with note 7 to the financial statements
(4) Note 8 to the financial statements
(5) Note 10 to the financial statements
(6) Note 11 to the financial statements
(7) Excluding depreciation and amortisation

| Thousands of US$ | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Cash and cash equivalents | 3,590 | 1,261 |
| Current assets | 20,177 | 17,357[2] |
| Non-current assets | 53,913 | 87,149 |
| Bank overdraft | 199 | 222 |
| Current liabilities | 26,000 | 41,042 |
| Non-current liabilities | 33,725 | 21,891 |
| Net assets | 14,365 | 41,573 |
| Net current liabilities | (5,823) | (23,685) |
| Current loans and borrowings | 5,433 | 13,540 |
| Non-current loans and borrowings | 19,901 | 2,568 |
| Current lease liabilities | 677 | 1,169 |
| Non-current lease liabilities | 385 | 1,143 |
| Combined debt (bank overdraft, loans, borrowings and lease liabilities) | 26,595 | 18,642[2] |
| Combined net debt (net of cash and cash equivalents) | 23,005 | 17,381[2] |
| Current ratio [1] | 0.8 | 0.4 |
| Total liabilities to net assets | 4.2 | 1.5 |

[1] Current Assets divided by Current Liabilities

[2] Changes from disclosure in the FY23 annual report. For details of changes, see note 40 of the financial statements

## OPERATING AND FINANCIAL RESULTS OF THE GROUP[1]

During FY24, the Group realised a loss before and after income tax of US$32,209 thousand (FY23: $7,951 thousand) and US$27,074 thousand (FY23:US$7,243 thousand), respectively.

Sales revenues from operations totaled US$36,790 thousand compared to US$47,729 thousand in FY23. The gross profit (including depreciation and amortisation) increased to US$3,557 thousand (9.7% margin) in FY24 compared to US$546 thousand (1.1% margin) in FY23, while the gross profit margin (excluding depreciation and amortisation) increased to 18.5% in FY24 compared to 13.7% in FY23.

The increase in gross profit and margin was mainly due to higher sales prices, partially offset by higher costs of production.

The Group's results during FY24 were also impacted by the following:

i. A non-cash impairment of US$16,705 thousand on property plant and equipment (FY23: US$nil), as the Company impaired the remaining book value attributed to the Amancaya underground mine due to the decision to temporarily cease operations in that area.

ii. A non-cash impairment of US$8,836 thousand on exploration and evaluation expenditure (FY23: US$3,981 thousand), primarily due to the impairment on the Jaguelito project and three properties that were part of the acquisition of Revelo Resources Corp. in 2021. The FY 23 expense was mainly due to the impairment of the Morros Blancos project as a result of the expiry of the option agreement with CSE-listed Pampa Metals Corporation and the implementation of a rationalisation plan to reduce non-core exploration areas in Chile.

iii. A non-cash impairment of mine properties of US$2,550 thousand (FY 2023-US$nil) due to the temporary stoppage of production at the Amancaya underground mine. The amount related to exploration and evaluation expenditure that were transferred to mine properties when the mine started production.

iv. Increase in FY24 administration costs by US$184 thousand to US$6,329 thousand (FY23:US$6,145 thousand) mainly due to higher staff costs due to severance, partially offset by a decrease in office and utility costs.

v. Decrease in other income by US$873 thousand to US$2,858 thousand (FY23: US$3,731 thousand). FY24 other income was primarily due to a realised and unrealised gain of US$1,724 thousand (FY23: US$1,033 thousand) from the sale and increase in the value of equity securities of publicly listed mining companies and US$654 thousand (FY23: US$46 thousand) realised from a gain on sale of equipment. FY23 other income was primarily due to a US$1,964 thousand gain resulting from the sale of SCRN Properties Ltd. to Unico and a US$1,012 revaluation of equity securities (note 20 to the financial statements).

vi. Decrease in other expenses by US$520 thousand to US$4,266 thousand (FY23: US$4,786 thousand) mainly due to the following:

   a. FY23 Rawhide option agreement and due diligence expenses of US$617 thousand. The takeover option was not exercised.

   b. Increase in other costs by US$1,163 thousand to US$1,560 thousand in FY24 (FY23: US$397 thousand) primarily due to the Group's decision to terminate the agreement with the Amancaya underground contractor and to terminate an agreement with another contractor responsible for the maintenance of mining equipment.

vii. Decrease in finance income by US$669 thousand to US$3,753 thousand (FY23: US$4,422 thousand) primarily due to a US$456 thousand decrease in foreign exchange gains to US$3,652 thousand (FY23: US$4,108 thousand). Foreign exchange gains in both fiscal years resulted from the appreciation of the US dollar versus the Argentine and Chilean currencies.

viii. Increase in finance costs by US$2,013 thousand to US$3,691 thousand (FY23: US$1,678 thousand) was primarily due to interest expense of US$3,206 thousand (FY23:US$1,216 thousand). The interest expense was higher mainly due to an increase in the amount of loans and borrowings of the Group during FY24.

The cost of production ("C1") per GEO increased to US$1,943 for FY24, compared to US$1,645 for FY23, while the all-in sustaining cost ("AISC") per GEO increased to US$2,164 for FY24 from US$2,004 for FY23. Production in FY24 was lower than FY23, with higher production costs per GEO in FY24, mainly due to delays by the Company's supplier in repairing the HRC 800 equipment used in the heap leaching production line.

## FINANCIAL POSITION (1)

The Group held cash and cash equivalents of US$3,590 thousand at 31 December 2024 (2023: US$1,261 thousand) or US$4,886 thousand (2023: US$2,803 thousand) when combined with the fair value of 490 unsold and unrefined gold equivalent ounces in inventory of US$1,296 thousand (2023: 742 unrefined gold equivalent ounces with a fair value of US$1,542 thousand).

Trade and other receivables (current and non-current) increased by US$2,291 thousand to US$5,774 thousand at 31 December 2024 (31 December 2023:US$3,483 thousand). The increase was mainly due to the US$3,000 thousand initial fee due under the Toll Processing Agreement with ASX-listed Challenger Gold Limited, of which US$2,000 thousand was received in January 2025 as described in further detail in note 34. Additionally, during FY24, the Group received the third cash instalment of US$750 thousand from Unico following the sale of SCRN Properties Ltd. in 2022, a former subsidiary of the Group whose major asset was the Pingüino exploration project.

Other financial assets (current and non-current) decreased by US$2,702 thousand to US$3,383 thousand at 31 at December 2024 (31 December 2023:US$6,085 thousand) mainly due to the sale of Unico and Revival Gold Inc. (formerly Ensign Minerals Inc.) shares. At 31 December 2024, the Group's financial assets primarily consisted of shares and options of Unico.

Inventories decreased by US$995 thousand to US$8,704 thousand at 31 December 2024 (31 December 2023: US$9,699 thousand) mainly due to a decrease in ore stockpiles, mainly at the Guanaco mine. In addition, gold and bullion in process decreased as explained in the disclosure above on cash and cash equivalents.

Mine properties decreased by US$4,864 thousand to US$1,395 thousand at 31 December 2024 (31 December 2023: US$6,259 thousand) primarily due to the impairment of US$2,550 as disclosed above, and a decrease in the provision for reclamation and rehabilitation at the Guanaco mine.

Property, plant and equipment decreased by US$19,561 thousand to US$30,055 thousand at 31 December 2024 (31 December 2023: US$49,616 thousand) primarily due to the impairment at the Amancaya Underground as discussed in Operating and Financial results of the Group.

Exploration and evaluation expenditure decreased by US$8,435 thousand to US$19,459 thousand at 31 December 2024 (31 December 2023: US$27,894 thousand) mainly due to the impairment of exploration projects described above.

Current trade and other payables decreased by US$7,503 thousand to US$14,783 thousand at 31 December 2024 (31 December 2023: US$22,286 thousand. The reduction in payables was mainly due to an increase in related party borrowings to repay outstanding payables, a decrease in the value of the Chilean peso versus the US dollar, minimal operations at the Amancaya underground mine and fewer exploration activities in 2024. Payables were also impacted by lower than expected cash flow generated due to lower than forecasted production, primarily due to a delay in ramping up production at the Heap Reprocessing Project. This delay was caused by the Company's supplier taking longer to repair the HRC 800 equipment used in the heap leaching production line.

Deferred revenue was US$3,000 thousand at 31 December 2024 (US$nil at 31 December 2023). As disclosed in note 34 to the financial statements, US$2,000 thousand of this amount (received in January 2025) shall be returned to Challenger if the Casposo plant is not ready for commercial operations on or before July 31, 2025, other than for delays or any other matters beyond CASPOSO's control; and/or the Technical Committee determines, after conducting all relevant studies and testing, that less than 70% of the Material from the Hualilan Project processed at the Plant will be recovered;

Net current liabilities decreased by US$17,862 thousand to US$5,823 (31 December 2023: US$23,685 thousand). The decrease from 31 December 2023 was mainly due to an increase in non-current borrowings which enabled the Group to reduce its trade and other payables. In addition, the Group expects its current net liability position to continue to improve in FY25 mainly due to an increase in production at higher margins.

Combined net financial debt (loans, borrowings, lease liabilities and bank overdraft net of cash and cash equivalents) increased by US$5,624 thousand to US$23,005 thousand at 31 December 2024 (31 December 2023: US$17,381 thousand). Financial debt totaled US$26,595 thousand at 31 December 2024, of which US$6,309 thousand (representing 25% of total financial debt) was categorised as short-term. The short-term financial debt includes US$1,606 thousand of US$12,396 thousand of related party loans, lease liabilities, bank overdraft and the short-term portion of a 2-year and 4-year bank loan.

Net assets decreased by US$27,208 thousand from 31 December 2023 to US$14,365 thousand at 31 December 2024 (31 December 2023: US$41,573 thousand) following the net loss of the year.

## CASH FLOW[1]

Operating activities before and after changes in working capital generated a net cash inflow of US$494 thousand (FY23: US$3,707) and a net cash outflow of US$6,668 thousand (FY23: inflows of US$7,927), respectively, during FY24. The variation was primarily due to lower cash generated from operations following a reduction in production and the repayment of overdue accounts payable using longer-term debt financing secured during the year.

Net cash provided by investing activities totaled US$4,280 thousand during FY24 (FY23:US$12,425 thousand used in) mainly due to the following:

- Proceeds of US$4,742 thousand (FY23:US$22 thousand) primarily from the sale of equity securities described above, including the sale of 5,458,833 Unico shares to Mr Elsztain, a director of Austral Gold, the sale of 963,323 Unico shares to Mr Zang, also a director of Austral Gold, and the sale of 8,139,023 Unico shares to its largest shareholder, Inversiones Financieras del Sur SA (IFISA), of which Mr. Elsztain and Mr Zang are also directors and shareholders, for US$2,950 thousand, and the sale of 6,941,865 Revival Gold Inc. shares for proceeds of US$1,396 thousand.
- Investments of US$434 thousand in FY24 were primarily used for additions to plant, property and equipment (FY23:US$11,283 thousand including US$5,633 thousand on the Heap Reprocessing Project);
- Exploration and evaluation activities of US$928 thousand of which US$641 were incurred on the Casposo and Manantiales district and US$246 thousand on projects in the Guanaco district (FY23:US$4,614 thousand of which US$2,943 thousand was incurred on the Jaguelito project and US$917 thousand was incurred at the Casposo-Manantiales district).

Net cash generated from financing activities totaled US$4,740 thousand during FY24, similar to the US$4,611 thousand generated in FY23. During FY24, the Group received net proceeds from loans and borrowings of US$7,554 thousand, compared to US$7,178 thousand in FY23.

(1) Certain 2023 amounts in the consolidated profit or loss and other comprehensive income, the consolidated statement of financial position and consolidated statement of cash flows have been restated as disclosed in note 40 to the financial statements.

## LIQUIDITY AND CAPITAL RESOURCES

**Access to capital**

The Group maintains strong banking relationships, as demonstrated by continued financial support. During the year, the company successfully renewed and extended the maturity profile of its financial debt, including securing a two-year, US$7,000 thousand loan from a local Argentine bank to refurbish the Casposo Plant.

Additionally, the Group has benefited from a supportive shareholder base, which provided debt funding of US$8,516 thousand as disclosed in more detail in note 28 to the financial statements, during FY24 as well as purchased a portion of the Group's equity investments for US$1,670thousand. The Group expects both its banking partners and shareholders to continue their financial support.

**Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business in accordance with the business plan for the 2025-2026 period approved by the Board (the Business Plan). The Directors have assumed that the Group will have sufficient cash to pay its debts as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

Notwithstanding this view, there remains a material uncertainty as to whether the Group can continue to operate as a going concern due to the combined effect of the following main uncertainties:

- the Group's ability to generate cash inflows from operations as forecast based on the aforementioned gold prices, production volumes, and cash costs over the forecast period; and
- the Group's ability to repay the contractually overdue amounts to its suppliers whilst also remaining compliant with new contractual commitments arising from new trade payables associated with ongoing operations.

Further disclosure is provided in Note 3 of the financial statements.

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| All figures are reported in thousands of US$ | For the year ended 31 December | | |
|---|---|---|---|
| | Note | 2024 | 2023 |
| Sales revenue | 17 | 36,790 | 47,729 |
| Cost of sales (including depreciation and amortisation) | 6 | (33,233) | (47,183) |
| **Gross profit** | | **3,557** | **546** |
| Other income | 7 | 2,858 | 3,731 |
| Other expenses | 8 | (4,266) | (4,786) |
| Impairment loss on mine properties | 22 | (2,550) | - |
| Impairment loss on property plant and equipment | 23 | (16,705) | - |
| Impairment loss on exploration and evaluation expenditure | 24 | (8,836) | (3,981) |
| Administration expenses | 9 | (6,329) | (6,145) |
| Finance income | 10 | 3,753 | 4,422 |
| Finance costs | 11 | (3,691) | (1,678) |
| Share of loss of associates | | - | (60) |
| **(Loss) before income tax** | | **(32,209)** | **(7,951)** |
| Income tax benefit | 15 | 5,135 | 708 |
| **(Loss) for the year after income tax expense** | | **(27,074)** | **(7,243)** |
| **(Loss) attributable to:** | | | |
| Owners of the Company | | (27,068) | (7,229) |
| Non-controlling interests | | (6) | (14) |
| | | **(27,074)** | **(7,243)** |
| **Other comprehensive income** | | | |
| Items that may not be classified subsequently to profit or loss | | | |
| Foreign currency translation | | 52 | 1 |
| **Total comprehensive (loss) for the year** | | **(27,022)** | **(7,242)** |
| **Comprehensive (loss) attributable to:** | | | |
| Owners of the Company | | (27,016) | (7,228) |
| Non-controlling interests | | (6) | (14) |
| | | **(27,022)** | **(7,242)** |
| (Loss) per share (cents per share): | | | |
| Basic (loss) – cents per share | 16 | (4.42) | (1.18) |
| Diluted (loss) – cents per share | 16 | (4.42) | (1.18) |

(1) note 40
The notes on pages (15) to (53) are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| All figures are reported in thousands of US$ | As at 31 December | | |
|---|---|---|---|
| | Note | 2024 | 2023 |
| Assets | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 18 | 3,590 | 1,261 |
| Trade and other receivables | 19 | 4,427 | 2,356 |
| Prepaid income tax | | 73 | 83 |
| Other financial assets | 20 | 3,383 | 3,958 |
| Inventories | 21 | 8,704 | 9,699 |
| **Total current assets** | | **20,177** | **17,357** |
| **Non-current assets** | | | |
| Other receivables | 19 | 1,347 | 1,127 |
| Prepaid income tax | | 140 | 126 |
| Other financial assets | 20 | - | 2,127 |
| Mine properties | 22 | 1,395 | 6,259 |
| Property, plant and equipment | 23 | 30,055 | 49,616 |
| Exploration and evaluation expenditure | 24 | 19,459 | 27,894 |
| Deferred tax asset | 15 | 1,517 | - |
| **Total non-current assets** | | **53,913** | **87,149** |
| **Total assets** | | **74,090** | **104,506** |
| Liabilities | | | |
| **Current liabilities** | | | |
| Bank overdraft | 18 | 199 | 222 |
| Trade and other payables | 25 | 14,783 | 22,286 |
| Supply chain financing arrangement | 25 | - | 835 |
| Employee entitlements | 26 | 2,908 | 2,990 |
| Loans and borrowings | 28 | 5,433 | 13,540 |
| Deferred revenue | 34 | 2,000 | - |
| Lease liabilities | 23 | 677 | 1,169 |
| **Total current liabilities** | | **26,000** | **41,042** |
| Non-current liabilities | | | |
| Trade and other payables | 25 | - | 3 |
| Provisions for reclamation and rehabilitation | 27 | 11,566 | 13,695 |
| Loans and borrowings | 28 | 19,901 | 2,568 |
| Lease liabilities | 23 | 385 | 1,143 |
| Deferred revenue | 34 | 1,000 | - |
| Employee entitlements | 26 | 27 | 18 |
| Deferred tax liability | 15 | 846 | 4,464 |
| **Total non-current liabilities** | | **33,725** | **21,891** |
| **Total liabilities** | | **59,725** | **62,933** |
| **Net assets** | | **14,365** | **41,573** |
| Equity | | | |
| Issued capital | 29 | 109,114 | 109,114 |
| Accumulated losses | 30 | (93,658) | (66,549) |
| Reserves | 31 | (1,091) | (1,157) |
| Non-controlling interest | 32 | - | 165 |
| **Total equity** | | **14,365** | **41,573** |

(1) note 40
The notes on pages (15) to (53) are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**For the years ended 31 December 2024 and 2023**

| All figures are reported in thousands of US$ | Note | Issued capital | Accumulated losses | Reserves | Non-controlling interest | Total |
|---|---|---|---|---|---|---|
| **Balance at 31 December 2022** | | **109,114** | **(59,320)** | **(1,158)** | **179** | **48,815** |
| Loss for the year | | - | (7,229) | - | (14) | (7,243) |
| Foreign exchange movements from translation of financial statements to US$ | | - | - | 1 | - | 1 |
| **Total comprehensive income/ (loss)** | | **-** | **(7,229)** | **1** | **(14)** | **(7,242)** |
| **Balance at 31 December 2023** | | **109,114** | **(66,549)** | **(1,157)** | **165** | **41,573** |
| Loss for the year | | - | (27,068) | - | (6) | (27,074) |
| Foreign exchange movements from translation of financial statements to US$ | | - | (14) | 66 | - | 52 |
| **Total comprehensive income/ (loss)** | | | (27,082) | 66 | (6) | (27,022) |
| Increase in Sierra Blanca investment | | - | (27) | - | 27 | - |
| Sale of Sierra Blanca investment | 32 | - | - | - | (186) | (186) |
| **Balance at 31 December 2024** | | **109,114** | **(93,658)** | **(1,091)** | **-** | **14,365** |

The notes on pages (15) to (53) are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

| All figures are reported in thousands of US$ | For the year ended 31 December | | |
|---|---|---|---|
| | Note | 2024 | 2023 |
| **Changes in cash and cash equivalents** | | | |
| Cash and cash equivalents at the beginning of the year (2) | | 1,039 | 926 |
| Cash and cash equivalents at the end of the year (1) | | 3,391 | 1,039 |
| **Net increase in cash and cash equivalents** | | 2,352 | **113** |
| **Cash Flows from operating activities** | | | |
| Loss after income tax | | (27,074) | (7,243) |
| **Adjustments for** | | | |
| Income tax benefit recognized in loss | | (5,135) | (708) |
| Impairment of mine properties | 22 | 2,550 | |
| Impairment of mine properties and exploration and evaluation expenditure | 24 | 8,836 | 3,981 |
| Impairment of property, plant and equipment | 23 | 16,705 | - |
| Depreciation and amortisation | 6/8/9 | 3,272 | 6,048 |
| Gain on sale of equipment | 7 | (654) | (46) |
| Gain on sale of subsidiary | 7 | (91) | (1,964) |
| Gain on sale of financial assets | 7 | (939) | (21) |
| Exclusivity fee on option agreement | 7 | - | (100) |
| Non-cash net finance charges | | 2,284 | 1,511 |
| Provision for reclamation and rehabilitation | | (48) | 126 |
| Allowance for doubtful accounts | | 37 | (107) |
| Inventory write-down | | 307 | 302 |
| Non-cash employee entitlements | | 1,271 | 960 |
| Share of loss of associates | | - | 60 |
| Loss in fair value of other financial assets | 8 | - | 992 |
| Gain in fair value of other financial assets | 7 | (785) | (1,012) |
| Net cash generated from operating activities before change in assets and liabilities | | **536** | **2,779** |
| Income tax refunds | | (42) | 928 |
| **Net cash generated from operating activities before changes in assets and liabilities** | | **494** | **3,707** |
| **Changes in working capital** | | | |
| Decrease / (increase) in inventory | | 688 | (1,055) |
| Decrease in trade and other receivables | | 674 | 1,519 |
| (Decrease) /increase in trade and other payables | | (6,345) | 4,961 |
| (Decrease) / increase in supply chain financing arrangement | | (835) | 835 |
| (Decrease) in employee entitlements | | (1,344) | (2,040) |
| **Net cash used in / generated from operating activities** | | **(6,668)** | **7,927** |
| **Cash flows from investing activities** | | | |
| Additions to property, plant and equipment | 23 | (434) | (11,283) |
| Proceeds from sale of subsidiary | 13 | - | 3,250 |
| Proceeds from sale of equipment | | 958 | 113 |
| Proceeds from exclusivity fee on option agreement | | - | 100 |
| Payment for investment in exploration and evaluation | | (928) | (4,614) |
| Payment for investment in mine properties | 22 | (58) | (9) |
| Payment for other financial assets | | - | (4) |
| Proceeds from sale of other financial assets | | 4,742 | 22 |
| **Net cash generated from /used in investing activities** | | **4,280** | **(12,425)** |
| **Cash flows from financing activities** | | | |
| Restricted proceeds from convertible note offering | | - | 591 |
| Proceeds from loans and borrowings | | 19,999 | 17,955 |
| Repayment of loans and borrowings | | (12,445) | (10,777) |
| Interest paid on loans and borrowings | | (1,495) | (720) |
| Repayment of lease liabilities | | (1,135) | (2,252) |
| Interest paid on leases | | (184) | (186) |
| **Net cash generated from financing activities** | | **4,740** | **4,611** |
| **Net increase in cash and cash equivalents (1)** | | **2,352** | **113** |

(1) Cash and cash equivalents includes bank overdrafts (note 18) that are repayable on demand and form an integral part of the Group's cash management.
(2) Note 40

The notes on pages (15) to (53) are an integral part of these consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Austral Gold Limited (the "Company") is a company limited by shares that is incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange with the symbol AGD, on the TSX Venture Exchange with the symbol AGLD and on the OTCQB Venture Market with the symbol AGLDF.

These consolidated financial statements ("financial statements") as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a for-profit entity and the nature of the operations and principal activities of the Group are described in the Directors' Report.

The consolidated annual financial statements of the Group as at and for the year ended 31 December 2023 are available upon request from the Company's registered office at Level 5, 137-139 Bathurst Street, Sydney NSW 2000, Australia at www.australgold.com.

## 2. BASIS OF PREPARATION

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

Details of the Group's accounting policies, including changes thereto, are included in Note 40.

### 2.1 Functional and Presentation currency

These consolidated financial statements are presented in United States dollars (US$), which is the Company's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

**Change in classification**

During the year ended 31 December 2024, the Group updated the classification of certain income, expenses and cash flow items to better reflect the nature of the items. The effects of such reclassifications on the comparative period are disclosed in Note 40 to the financial statements.

### 2.2 Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 36.

### 2.3 Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

- Australian tax residency

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency

  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. GOING CONCERN

For the year ended 31 December 2024, the Group reported a gross profit of US$3,557 thousand (year ended 31 December 2023:US$546 thousand) and a net loss after tax of US$27,074 thousand (year ended 31 December 2023 US$7,243 thousand). Operating and working capital activities generated a net cash outflow of US$6,668 thousand (year ended 31 December 2023 inflows of US$7,927 thousand). Net cash inflows from investing activities were US$4,280 thousand (year ended 31 December 2023: outflow of US$12,425 thousand), while financing activities resulted in net cash inflows of US$4,740 thousand (year ended 31 December 2023: US$4,611 thousand). As at 31 December 2024, the Group had net assets of US$14,365 thousand and net current liabilities of US$5,823 thousand (31 December 2023: US$41,573 thousand and US$23,685 thousand, respectively).

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business in accordance with the business plan for the 2025-2026 period approved by the Board (the Business Plan).

The Directors have assumed that the Group will have sufficient cash to pay its debts as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue. In forming this view, the Directors have based their assessment on the following facts and circumstances and the Business Plan, having regard to the associated uncertainties:

- For the year ended 31 December 2024, the market fundamentals of gold and silver remained strong. The Group continued with its strategy focused on production, exploration and equity investments. Since the second half of 2023, the Group has been transitioning production from underground operations to the new Heap Reprocessing Project at its flagship Guanaco- Amancaya mine complex in Chile. Additionally, it has been advancing exploration at the Casposo-Manantiales mine complex in Argentina and filed a Technical Report on the property prepared in accordance with National Instrument 43-101 and Joint Ore Reserves Committee Code (JORC 2012).
- Delays in repairing critical equipment has adversely impacted production during the year ended 31 December 2024 ("YE 2024"). Consequently, the Group produced 15,573 gold equivalent ounces with sales revenue totaling US$36,790 thousand from the sale of 15,605 gold equivalent ounces at an average selling price of US$2,358 per ounce during YE 2024. In comparison, for the year ended 31 December 2023 ("YE 2023"), the Group produced 24,879 gold equivalent ounces and achieved sales revenue of US$47,729 thousand from the sale of 24,578 gold equivalent ounces at an average selling price of US$1,942 per ounce. Prior to the commencement of the Heap Reprocessing project, most of this production came from the Amancaya underground mine. Production from the Amancaya underground mine ceased at the end of Q3 2024.
- The Business Plan estimates that total production for 2025 will range from 18,000 to 20,000 gold equivalent ounces (GEOs). This is expected to be achieved by integrating agitation leaching and heap leaching processes, using material from the Heaps and remaining ore from the Guanaco mine.
- The YE 2025 Business Plan estimates cash costs (C1) per GEO of US$1,434-US$2,181, with AISC ranging from US$1,535 to US$2,454 (average 2024 AISC: US$1,734).
- The Business Plan also assumes average prices realised per GEO of US$2,747 for YE 2025.
- During YE 2024, as disclosed in Note 28 Loans and Borrowings, the Group renewed all existing loan facilities and obtained new financing from banks and related parties at competitive rates while improving the debt maturity profile of the Group's financial debt. As a consequence of these changes, current loans and borrowings decreased by US$8,107 thousand to US$5,433 thousand. Subject to ongoing compliance with the terms of the debt agreements, total principal repayments and interest expected in the 2025 Business Plan are approximately US$6,774 thousand and US$8,098 thousand during the first half of 2026.
- At 31 December 2024 of the total US$14,783 thousand trade and other payables disclosed in note 25 of the 31 December 2024 financial statements, approximately US$2,724 thousand was contractually overdue, a reduction from US$7,500 thousand at 30 June 2024. As disclosed in the 31 December 2023 financial report, the Group entered into extended payment terms with suppliers of the Guanaco-Amancaya mine complex in Chile. During the year ended 31 December 2024, trade and accounts payable decreased by US$8,338 thousand, as a result of repayments made using funds sourced financing activities and the sale of equity investments. The Board's strategy assumes that the Group will continue to negotiate extended payment terms, or alternatively repay these contractually overdue amounts to its suppliers through a combination of cash collected from outstanding trade and other receivables, the sale of inventory, the sale of non-core assets and equity investments, and the draw down of cash proceeds from unsecured credit facilities.

- The cashflow assumptions underpinning the Business Plan have modelled a potential cash inflow of US$766 thousand from the sale of equity investments. The Directors also considered alternative sources of funding not currently modelled within the cashflow assumptions, including the potential sale of non-core assets.
- Based on the above, the Directors are of the view that the Group will be able to continue as a going concern and will therefore realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. Notwithstanding this view, there remains a material uncertainty as to whether the Group can continue to operate as a going concern due to the combined effect of the following uncertainties:
  - the Group's ability to generate cash inflows from operations as forecast based on the aforementioned gold prices, production volumes, and cash costs over the forecast period;
  - the Group's ability to repay contractually overdue amounts to its suppliers whilst also remaining compliant with new contractual commitments arising from new trade payables associated with ongoing operations; and
  - the timing and amount of proceeds that can be sourced from the sale of equity investments.

## 4. USE OF ESTIMATES AND JUDGEMENTS

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2024 are detailed below:

**Allowance for Obsolete and Slow-Moving Inventory**

The Group assesses the need for an allowance for obsolete and slow-moving inventory at each reporting date. This assessment requires judgement and involves considering factors such as:

- Historical Usage: Past consumption patterns of inventory items.
- Future Usage: Likely use based on demand, considering market trends and economic conditions.
- Physical Condition: The physical state of the inventory, including any damage or deterioration.

Based on these factors, an allowance is made for inventory items that are no longer expected to used.

**Ore Reserves and Mineral Resources.**

The Group reviewed its ore reserves and mineral resources, annually at each year end, based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting of Exploration Results, Mineral Resources and Ore Resources (JORC code 2012). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying amount of mine development (including mine properties, property, plant and equipment and exploration and evaluation assets), (further details on carrying value are included in note 22), the provisions for reclamation and rehabilitation (further details on the mine closure provisions are included in note 27), the recognition of deferred tax assets (further details on deferred tax assets are included in note 15), as well as the amount of amortisation charged to the statement of profit or loss.

**Impairment for property, plant and equipment  and mine properties**

Significant judgements, estimates and assumptions are required in determining value in use or fair value less costs of disposal. This is particularly so in the assessment of long life assets. It should be noted that the CGU recoverable amounts are subject to variability in key assumptions including, but not limited to, gold and silver prices, currency exchange rates, discount rates, mineral resources, production profiles and operating and capital costs. A change in one or more of the assumptions used to determine value in use or fair value less costs of disposal could result in a change in a CGU's recoverable amount (further details on the value of the CGU's are included in note 22 and 23).

**Exploration and evaluation assets**

The Group tests at each reporting date whether there are any indicators of impairment as identified by AASB 6 "Exploration for and Evaluation of Mineral Resources". Where indicators of impairment are identified, the recoverable amounts of the assets are determined, and an impairment is recorded when the carrying value exceeds recoverable value. In assessing indicators of impairment, assumptions relating to whether the exploration and evaluation activity will be recouped through successful development and exploitation of the area are made. Indicators of impairment were identified as disclosed in note 24.

**Mine closure provisions**

Obligations associated with exploration and mine properties are recognised when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the present value of the future expenditure and a corresponding rehabilitation asset is also recognised. On an ongoing basis, the rehabilitation will be remeasured in line with the changes in the time value of money (recognised as an expense and an increase in the provision), and additional disturbances (recognised as additions to a corresponding asset and rehabilitation liability if the subsidiary is operating, and expense, if the subsidiary is not operating. The calculation of this provision requires assumptions such as application of environmental legislation, mine closure dates, available technologies and engineering cost estimates. The related carrying amounts are disclosed in note 27.

**Measurement of fair values**

The Group has established a control framework with respect to the measurement of fair values.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

i. Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities

ii. Level 2 — inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices)

iii. Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Group holds listed equity securities on the Australian and Canadian stock exchanges at fair value, which are measured at the closing bid price at the end of the reporting period. These financial assets are held at fair value fall within Level 1 of the fair value hierarchy. The Group also holds options which rely on estimates and judgements to calculate a fair value for these financial instruments using the Black Scholes model. These financial assets held at fair value fall within Level 3 of the fair value hierarchy.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 19— Trade and other receivables
- Note 20— Other financial assets
- Note 33 — Financial instruments.

## 5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ADOPTION OF NEW/AMENDED AASB

Adoption of other narrow scope amendments to IFRSs and IFRS Interpretations

There are a number of new and revised Standards that are applicable for the first time for the year ended 31 December 2024. The Group applied *Supplier Finance Arrangements (Amendments to AASB 7 and 107) and* amendments to IAS 1 *Presentation of Financial Statements* the classification of certain liabilities as current or non-current may change (e.g. convertible debt and liabilities with covenants) for the first time in the current year. The amendments to AASB 7 and 107 introduce new disclosures to help users of the financial statements to assess the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk, while the amendments to IAS 1 help provide users with better insights into the entity's financial health and potential risks. In addition, a number of new standards and amendments to standards are effective for annual periods beginning after January 2025 and earlier application is permitted and earlier application is permitted;

The Group has not early adopted any other new or amended standards in preparing these consolidated financial statements and does not expect a material impact from the application of the standards to the Group's Consolidated Financial Statements.

## 6. COST OF SALES

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Production | 22,401 | 31,107 |
| Staff costs | 5,927 | 9,707 |
| Royalty | 970 | 1,198 |
| Mining canon fees | 339 | 523 |
| Inventory movements | 356 | (1,363) |
| **Total cost of sales before depreciation and amortisation expense** | **29,993** | **41,172** |
| Depreciation of plant and equipment | 2,846 | 5,562 |
| Amortisation of mine properties | 394 | 449 |
| **Total depreciation and amortisation expense** | **3,240** | **6,011** |
| **Total cost of sales** | **33,233** | **47,183** |
| **Severance included in staff costs** | **158** | **317** |

## 7. OTHER INCOME

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Gain on sale of subsidiary (note 13) | 91 | 1,964 |
| Gain on revaluation of equity securities (note 20) | - | 1,012 |
| Gain on sale of financial assets | 939 | 21 |
| Gain on fair value of financial assets | 785 | - |
| Gain on sale of equipment | 654 | 46 |
| Gain on sale of inventory parts | - | 74 |
| Equipment rental | 8 | 222 |
| Exclusivity fee on Colossus Agreement (note 24) | - | 100 |
| Other | 381 | 292 |
| **Total other income** | **2,858** | **3,731** |

## 8. OTHER EXPENSES

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Loss on sale of inventory parts | 21 | - |
| Loss on fair value of financial assets | - | 992 |
| Care and maintenance[(1)] | 2,114 | 2,143 |
| Rawhide option and due diligence expenses (note 14) | - | 617 |
| Exploration expenses | 272 | 365 |
| Inventory allowance at non-operating mine | 299 | 272 |
| Other | 1,560 | 397 |
| **Total other expenses** | **4,786** | **4,786** |

(1) Includes depreciation of US$18 thousand (2023-US$18 thousand)

# NOTES TO THE FINANCIAL STATEMENTS

## 9. ADMINISTRATION EXPENSES

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Office and utility costs | 922 | 1,039 |
| Staff costs (1) (2) | 2,974 | 2,767 |
| Consulting and professional services | 1,283 | 1,194 |
| Non-executive director fees (2) | 300 | 300 |
| Depreciation on equipment | 14 | 19 |
| Business, property and other taxes | 721 | 652 |
| Other | 115 | 174 |
| **Total administration expenses** | **6,329** | **6,145** |
| (1) **Severance included in staff costs** | **292** | **138** |
| (2) **Amounts for defined contribution plans included in staff costs and director fees** | **75** | **27** |

## 10. FINANCE INCOME

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Interest income | 101 | 140 |
| Gain from foreign exchange | 3,652 | 4,108 |
| Present value adjustment to mine closure provision | - | 174 |
| **Total finance income** | **3,753** | **4,422** |

## 11. FINANCE COSTS

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Interest expense | 3,206 | 1,216 |
| Interest expense on leases | 186 | 179 |
| Present value adjustment to mine closure provision | 299 | 138 |
| Present value adjustment to GST/VAT receivable | - | 145 |
| **Total finance costs** | **3,691** | **1,678** |

## 12. AUDITOR'S REMUNERATION

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Audit and review services | | |
| Auditors of the Group-KPMG | | |
| Audit and review of financial statements-Group | 226,920 | 110,839 |
| Audit and review of financial statements-controlled entities | 74,200 | 105,700 |
| | **301,120** | **216,539** |

## 13. GAIN ON SALE OF SUBSIDIARY

| All figures are reported in US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Gain on sale of subsidiary | 91 | 1,964 |

On 20 May 2024, the Group's subsidiary Austral Gold Argentina S.A. ("AGASA") and New Dimension Guernsey Limited, an affiliate of TSXV listed Capella Minerals Limited, entered into a share purchase agreement ("The Agreement") to sell 100% of their pro-rata share of Sierra Blanca S.A. ("SBSA") to ASX listed Unico Silver Limited ("Unico"). AGASA owned 54.69% of SBSA while New Dimension Guernsey owned 45.31% of SBSA, whose major assets are exploration assets. Closing of the transaction was subject to several conditions including Unico's shareholder approval of 5,000,000 shares to be issued by Unico. All conditions for closing were met and the sale was completed on 24 July 2024. On closing, the Group received 2,734,500 Unico shares valued at US$315,595 and US$7,974 for the reimbursement of expenses. A gain on sale of US$91 thousand was recognised (note 7) based on the difference between the carrying value of the assets and consideration received.

On 25 November 2022, the Group entered into a Share Sale Agreement ("Agreement") with E2 Metals Limited, whose name was subsequently changed to Unico Silver Limited ("Unico") to sell the common shares of its subsidiary, SCRN Properties Ltd. ("SCRN"), whose major assets are exploration assets and property and equipment. All conditions for closing the transaction were met and the sale was completed on 1 March 2023. A gain on the sale of US$1,964 thousand was recognised (note 7) based on the difference between the US$8,249 thousand carrying value of the assets held for sale and the total consideration of US$10,213 thousand related to:

a) Total cash consideration of US$5,000 thousand, (US$2,500 thousand received at closing, while US$2,500 thousand is due over three subsequent years on the anniversary of the Agreement date, of which US$750 thousand was received in each of November 2023 and November 2024). The fair value of the outstanding US$1,000 thousand was estimated at US$963 thousand (note 19).

b) 49,751,970 shares of Unico valued at US$4,709 thousand (A$6,965 thousand) at closing that were restricted as they were subject to a holding lock, with 50% released on the first anniversary of the closing date and 50% released on the second anniversary of the closing date. During the year ended 31 December 2024, the Group owned 22,925,291 shares of Unico as it sold 29,561,179 shares of Unico, of which 4,685,194 shares were sold after receiving approval from Unico to remove the holding lock (note 20). As of 31 December 2024, 20,190,791 shares of Unico were restricted until 1 March 2025.

c) 15 million options of Unico. The value of the options at 31 December 2024 was US$563 thousand using the key assumptions as disclosed in note 20.

## 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group's interests in equity-accounted investees comprise an interest in Rawhide Acquisition Holding LLC. ("Rawhide") that owns Rawhide Mining LLC, a gold and silver mine in Nevada, USA and which carry value is US$ nil (31 December 2023: US$ nil).

During the year ended 31 December 2023, the Group provided bridge funding of US$555 thousand to Rawhide Mining LLC in exchange for takeover options from the other unitholders to acquire an equity position of approximately 99.98% of the company subject to due diligence. Total expenses related to the takeover option, which include due diligence expenses and the bridge funding, were US$617 thousand. As the Group did not exercise the takeover options, the Group recognised these expenses in the consolidated statement of profit or loss and other comprehensive income as Other expenses (note 8). On 20 December 2023 (the " Petition Date ") Rawhide Mining LLC filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. The petition was dismissed in 2024 and the mine is not currently operating the mine.

## 15. INCOME TAX EXPENSE

| All figures are reported in US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| (A) Income tax expense comprises: | | |
| Current income tax (benefit) | - | (637) |
| Deferred income tax (benefit) expense | (5,135) | (71) |
| **Income tax** | **(5,135)** | **(708)** |
| (B) Reconciliation of effective income tax rate: | | |
| Loss before tax | (32,209) | (7,951) |
| Prima facie income tax (benefit)/expense calculated at 30% | (9,663) | (2,386) |
| Difference due to blended overseas tax rate* | 1,094 | 460 |
| Share of loss of associates | - | 16 |
| Non-deductible expenses | 2,605 | 740 |
| Prior year deferred income tax expense adjustments | - | 87 |
| Prior year current income tax true up | (31) | (637) |
| Recognition of carry-forward tax losses | 1,304 | - |
| Recognition of previously unrecognised deductible temporary differences and tax losses | (444) | 1,012 |
| **Income tax** | **(5,135)** | **(708)** |

* Chile tax rate: 27% (31 December 2023: 27%). Argentina tax rate: 30-25% (31 December 2023: 30-25%%).

| All figures are reported in thousands of US$ | 31 December 2024 | | | | 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Chile | Argentina | Other | Total | Chile | Argentina | Other | Total |
| (C) Deferred tax assets and liabilities | | | | | | | | |
| **Deferred tax assets** | | | | | | | | |
| Other receivable | 269 | - | - | 269 | 83 | - | - | 83 |
| Inventory | 80 | 63 | - | 143 | 77 | 11 | - | 88 |
| Mining concessions brought into account | - | 36 | - | 36 | - | 46 | - | 46 |
| Accrual for mine closure | 2,009 | 986 | - | 2,995 | 2,728 | 842 | - | 3,570 |
| Financial assets | 656 | - | - | 656 | 699 | - | | 699 |
| Tax losses carried forward | 6,982 | 1,185 | 7,135 | 15,302 | 6,857 | 375 | 7,337 | 14,569 |
| Payroll accrual | 173 | - | - | 173 | 295 | - | - | 295 |
| Other | - | 38 | - | 38 | 36 | 26 | - | 62 |
| Leasing liabilities | 411 | - | - | 411 | 793 | - | - | 793 |
| Allowance for tax carry forward | - | (2,278) | (6,790) | (9,068) | - | (1,300) | (7,337) | (8,637) |
| **Deferred tax assets** | **10,580** | **30** | **345** | **10,955** | **11,568** | **-** | **-** | **11,568** |
| **Deferred tax liabilities** | | | | | | | | |
| Exploration assets and property, plant and equipment | (7,812) | - | - | (7,812) | (13,627) | - | - | (13,627) |
| Deferred income | (675) | - | - | (675) | (597) | - | - | (597) |
| Property, plant and equipment inflation adjustment | - | (861) | - | (861) | - | (881) | - | (881) |
| Leasing assets | (576) | - | - | (576) | (927) | - | - | (927) |
| Financial assets | - | (12) | (345) | (357) | - | - | - | - |
| Trade and other receivables | - | (3) | - | (3) | - | - | - | - |
| **Deferred tax liabilities** | **(9,063)** | **(876)** | **(345)** | **(10,284)** | **(15,151)** | **(881)** | **-** | **(16,032)** |
| **Net deferred tax assets/ (liabilities)** | **1,517** | **(846)** | **-** | **671** | **(3,583)** | **(881)** | **-** | **(4,464)** |
| **Movement in deferred tax balances** | | | | | | | | |
| Opening balance | (3,583) | (881) | - | (4,464) | (4,106) | (368) | (61) | (4,535) |
| Exchange rate difference | - | - | - | - | - | - | - | - |
| Charged to profit or loss | 5,100 | 35 | - | 5,135 | 523 | (513) | 61 | 71 |
| **Closing balance** | **1,517** | **(846)** | **-** | **671** | **(3,583)** | **(881)** | **-** | **(4,464)** |

Deferred tax assets have not been recognised in respect to tax losses for certain entities of the Group. See below for details.

(D). The Group operates in Australia, Chile, Argentina, Canada, and the US.

Australia has enacted new legislation to implement the global minimum top-up tax in accordance with Pillar Two of the OECD/G20 Two-Pillar Solution.

-Canada is actively working on implementing the Pillar Two rules. The Canadian government has expressed its commitment to the OECD/G20 Inclusive Framework and is expected to introduce legislation to align with the global minimum tax rules.

The US has incorporated aspects of the Pillar Two framework through its Corporate Alternative Minimum Tax (CAMT) under the Inflation Reduction Act. This includes a 15% minimum tax on the adjusted financial statement income of large corporations.

Chile is part of the OECD Inclusive Framework and is in the process of aligning its tax policies with the Pillar Two requirements. The country is expected to implement the global minimum tax rules to ensure compliance with the international standards.

In certain entities of the Group, deferred tax assets have not been recognised because it is not probable that future taxable profit will be available to utilise the deferred tax assets.

The ability of the Group to utilise Australian, Argentina, US or Canadian tax losses will depend on the applicability and compliance with the respective country's tax laws regarding continuity of ownership or same or similar business tests.

(E).DEFERRED TAX ASSETS

| All figures are reported in thousands of US$ | As at 31 December | | | |
|---|---|---|---|---|
| | Gross amount | | Gross amount | |
| | 2024 | Expiry | 2023 | Expiry |
| Australia | | | | |
| Tax losses | 12,464 | no-expiry | 13,658 | no-expiry |
| Capital losses | 1,999 | no-expiry | 2,208 | no-expiry |

| All figures are reported in thousands of US$ | As at 31 December | | | |
|---|---|---|---|---|
| | Gross amount | | Gross amount | |
| | 2024 | Expiry | 2023 | Expiry |
| Canada | | | | |
| Tax losses | 5,654 | 2037-2045 | 4,861 | 2037-2044 |
| Capital losses | 269 | no-expiry | 311 | no-expiry |

| All figures are reported in thousands of US$ | As at 31 December | | | |
|---|---|---|---|---|
| | Gross amount | | Gross amount | |
| | 2024 | Expiry | 2024 | Expiry |
| USA | | | | |
| Tax losses | 5,700 | no-expiry | 5,624 | no-expiry |

| All figures are reported in thousands of US$ | As at 31 December | | | |
|---|---|---|---|---|
| | Gross amount | | Gross amount | |
| | 2024 | Expiry | 2023 | Expiry |
| Argentina | | | | |
| Tax losses | 4,740 | 2025-2029 | 1,495 | 2024-2028 |
| Deferred tax assets | 4,372 | no-expiry | 3,700 | no-expiry |

| All figures are reported in thousands of US$ | As at 31 December | | | |
|---|---|---|---|---|
| | Gross amount | | Gross amount | |
| | 2024 | | 2023 | |
| Total | | | | |
| Tax losses | 28,558 | | 25,638 | |
| Capital losses | 2,268 | | 2,519 | |
| Temporary differences | 4,372 | | 3,700 | |

# NOTES TO THE FINANCIAL STATEMENTS

## 16. EARNINGS PER SHARE

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Net loss attributable to owners | (27,068) | (7,229) |
| Weighted-average number of ordinary shares (basic) | 612,311,353 | 612,311,353 |
| Weighted-average number of ordinary shares (diluted) at 31 December (1) | 612,311,353 | 612,311,353 |
| Basic earnings (loss) per ordinary share (cents) | (4.42) | (1.18) |
| Diluted earnings (loss) per ordinary share (cents) | (4.42) | (1.18) |

(1) The potential conversion of convertible notes (note 28) of up to 15,578,942 ordinary shares could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented.

## 17. OPERATING SEGMENTS

Management have determined the operating segments based on reports reviewed by the Chief Operating Decision Maker ("CODM"). The CODM considers the business from both an operations and geographic perspective and has identified two reportable segments, Guanaco/Amancaya which is based in Chile and Casposo/Manantiales which is based in Argentina. The CODM monitors the performance in these two regions separately. During the year ended 31 December 2024 and 2023, the Group earned 100% of its consolidated revenue from sales made to one customer.

| All figures are reported in thousands of US$ | For the year ended 31 December 2024 | | | | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Guanaco/ Amancaya | Casposo | Other Group items | Consolidated | Guanaco/ Amancaya | Casposo | Other Group items | Consolidated |
| Sales Revenue | | | | | | | | |
| Gold | 35,871 | - | - | 35,871 | 45,872 | - | - | 45,872 |
| Silver | 919 | - | - | 919 | 1,857 | - | - | 1,857 |
| Cost of sales | (29,993) | - | - | (29,993) | (41,172) | - | - | (41,172) |
| Depreciation and amortisation expense | (3,240) | - | - | (3,240) | (6,011) | - | - | (6,011) |
| Impairment loss on mine properties | - | - | (2,550) | (2,550) | - | - | - | - |
| Impairment loss on property plant and equipment | (16,705) | - | - | (16,705) | - | - | - | - |
| Impairment loss exploration and evaluation assets | (3,313) | - | (5,523) | (8,836) | (2,328) | - | (1,653) | (3,981) |
| Other income[1] | 720 | 235 | 1,903 | 2,858 | 249 | 352 | 3,148 | 3,731 |
| Other expenses[2] | (1,363) | (2,849) | (54) | (4,266) | (578) | (2,415) | (1,793) | (4,786) |
| Administration expenses | (3,168) | (92) | (3,069) | (6,329) | (2,963) | (34) | (3,148) | (6,145) |
| Finance income | 2,460 | 369 | 924 | 3,753 | 1,986 | 396 | 2,040 | 4,422 |
| Finance expenses | (2,241) | (51) | (1,399) | (3,691) | (1,307) | (182) | (189) | (1,678) |
| Share of loss of associates | - | - | - | - | - | - | (60) | (60) |
| Income tax (expense)/benefit | 5,100 | 35 | - | 5,135 | 1,221 | (513) | - | 708 |
| **Segment (loss)** | **(14,953)** | **(2,353)** | **(9,768)** | **(27,074)** | **(3,174)** | **(2,396)** | **(1,673)** | **(7,243)** |
| **Segment assets** | **49,050** | **16,240** | **8,800** | **74,090** | **72,090** | **14,163** | **18,253** | **104,506** |
| **Segment liabilities** | **44,986** | **9,179** | **5,560** | **59,725** | **51,188** | **4,985** | **6,760** | **62,933** |
| **Property, plant and equipment** | **434** | **-** | **-** | **434** | **11,283** | **-** | **-** | **11,283** |
| **Exploration and Evaluation expenditure** | **287** | **641** | **-** | **928** | **752** | **919** | **2,943** | **4,614** |
| **Mine properties** | **58** | **-** | **-** | **58** | **9** | **-** | **-** | **9** |
| **Capital expenditure** | **779** | **641** | **-** | **1,420** | **12,044** | **919** | **2,943** | **15,906** |

[1] Includes gain on sale of subsidiary of US$1,964 and gain on revaluation of equity securities of US$1,012 related to other Group for the year ended 31 December 2023.
[2] Includes US$2,415 care and maintenance related to other unallocated items of the Group for the year ended 31 December 2023.

**Geographic information:**

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Revenue by geographic location | | |
| Chile | 36,790 | 47,729 |
| **Total revenue** | **36,790** | **47,729** |

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Non-current assets by geographic location | | |
| Chile | 40,811 | 66,724 |
| Argentina | 12,102 | 19,400 |
| Canada | 1,000 | 915 |
| British Virgin Islands | - | 110 |
| **Total non-current assets** | **53,913** | **87,149** |

## 18. CASH AND CASH EQUIVALENTS

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Cash at call and in hand | 3,372 | 1,261 |
| Short-term investments | 218 | - |
| **Total cash and cash equivalents** | **3,590** | **1,261** |

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows, is reconciled to items in the Statement of Financial Position as follows:

| | | |
|---|---|---|
| Cash and cash equivalents | 3,590 | 670 |
| Restricted cash received from private placement of convertible note offering (note 25) | - | 591 |
| **Cash and cash equivalents** | **3,590** | **1,261** |
| Bank overdraft | (199) | (222) |
| **Cash and cash equivalents, net of bank overdraft** | **3,391** | **1,039** |

## 19. TRADE AND OTHER RECEIVABLES

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current | | |
| Trade Receivables | 106 | 668 |
| Other receivables | 3,577 | 911 |
| GST/VAT receivable | 744 | 777 |
| **Total current receivables** | **4,427** | **2,356** |
| Non-current | | |
| GST/VAT receivable | 808 | 540 |
| Other receivables | 1,021 | 1,032 |
| **Total non-current receivables** | **1,829** | **1,572** |
| Allowance for expected credit losses | (482) | (445) |
| **Net non-current receivables** | **1,347** | **1,127** |
| Trade debtors ageing | | |
| The ageing of trade receivables is 0-30 days | 106 | 668 |
| >30 days | - | - |

As part of the Other receivables disclosed above, the main balances are the receivables from Unico disclosed in note 13 and the receivable from Challenger Gold as disclosed in note 34. The receivables greater than one year have been discounted using the following US treasury yield rates:

| All figures are reported in thousands of US$ | | | |
|---|---|---|---|
| Due date | Undiscounted receivable | Discounted receivable | Discount rate (%) |
| 2 January 2025 | 2,000 | N/A | N/A |
| 25 November 2025 | 1,000 | 963 | 4.17 |
| 2 January 2026 | 1,000 | N/A | N/A |

**1.1 Past due but not impaired**

There were no receivables past due at 31 December 2024 (31 December 2023: nil).

**1.2 Fair value and credit risk**

Due to the short-term nature of trade receivables, their carrying amount is assumed to approximate their fair value. Refer to note 33 for more information on the risk management policy of the Group and the credit quality of the receivables.

**1.3 Key customers**

During 2024 and 2023 the Group is reliant on one customer to which gold and silver produced from the Guanaco/Amancaya mines are sold.

## 20. OTHER FINANCIAL ASSETS

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current | | |
| Listed bonds — level 1 | - | 23 |
| Listed equity securities — level 1 | 2,820 | 2,427 |
| Unico Silver options— level 3 | 563 | 496 |
| Unlisted equity securities, Ensign—level 3 | - | 1,012 |
| **Total current other financial assets at fair value** | **3,383** | **3,958** |
| Non-Current | | |
| Listed equity securities— level 1 | - | 2,127 |
| **Total non-current other financial assets at fair value** | **3,383** | **6,085** |

The table above sets out the Group's assets and liabilities that are measured and recognised at fair value at the end of each reporting period with any movements recorded through the profit and loss statement.

Current Unico Silver equity securities classified as level 1 and non-current listed equity securities refers to listed equity securities that are subject to a holding lock (note 13b).

Listed equity securities and bonds are shares of Australian and Canadian listed mining companies nominated in A$ and C$ and sovereign bonds nominated in ARS as at 31 December 2024 and 31 December 2023, respectively.

**Level 3 recurring fair value**

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

| All figures are reported in thousands of US$ | Note | Equity securities | Options |
|---|---|---|---|
| **Balance at 31 December 2022** | | **-** | **28** |
| Addition from sale of SCRN Properties Ltd. | 13 | | 712 |
| Unrealised gain on revaluation of equity securities | | 1,012 | (244) |
| **Balance at 31 December 2023** | | **1,012** | **496** |
| Transfer of Revival Gold Inc. (formerly Ensign) shares to level 1 | | (1,012) | - |
| Change in fair value | | - | 67 |
| **Balance at 31 December 2024** | | **-** | **563** |

**Transfers**

During the year ended 31 December 2024, unlisted equity securities of Ensign were transferred from level 3 to listed equity securities-level 1 as the securities of Ensign were acquired by Revival Gold Inc., a Canadian listed company in exchange for Revival Gold securities. All of the Revival Gold shares received by the Company were sold at 31 December 2024.

**Unlisted equity securities**

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. Given the strategy of the Group to invest in privately held assets, the assets held by the Group are of such a nature where there is generally an absence of an active market in the asset and the valuation of these assets can be volatile owing to their high-risk nature, lack of profitability and level of negative cash flow. The Group selects several other valuation techniques which requires the Group to make certain assumptions and judgements in assessing the fair value of these assets. Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable. The “fair value” of financial assets is assumed to be the price that would be received for the financial asset in an orderly transaction between knowledgeable and willing but not anxious market participants acting at arm’s length given current market conditions at the relevant measurement date. Fair value for unquoted or illiquid investments is often estimated with reference to the potential realisation price for the investment or underlying business if it were to be realised or sold in an orderly transaction at the measurement date, regardless of whether an exit in the near future is anticipated and without reference to amounts received or paid in a distressed sale. An assessment will be made at each measurement date as to the most appropriate valuation methodology, Each portfolio company will be subject to individual assessment. As of 31 December 2023, the Group prepared several valuation models and determined using publicly available information, noting Ensign’s peer group consists of listed companies. The Group determined that the chosen valuation metric, Enterprise Value to Mineral Resources, is a widely accepted standard in the sector for assessing the relative valuation of capital and the most appropriate valuation methodology for its investment in Ensign Minerals Inc. (“Ensign”).

The following assumptions were used to determine the fair value of the Group’s investment in Revival Gold (formerly Ensign) under the Enterprise Value to Mineral Resources model:

- Group’s shareholding in Ensign-11.7%
- Discount factor of 40% of 1,640 thousand inferred resources advised by Ensign illiquidity discount 20%
- EV to Mineral Resource factor 16.08

**Fair value hierarchy**

Refer to note 4 of these financial statements for details of the fair value hierarchy.

| | As at 31 December | |
|---|---|---|
| Key assumptions for Unico Silver Options | 2024 | 2023 |
| Strike price | A$0.26 | A$0.26 |
| Annual volatility | 92.50% | 99.79% |
| Interest rate | 3.95% | 3.96% |
| Expiration date | 1 March 2026 | 1 March 2026 |

The value of the options was determined using the Black-Scholes model.

## 21. INVENTORIES

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Materials and supplies | 5,918 | 6,558 |
| Ore stocks | 1,647 | 1,736 |
| Gold bullion and gold in process | 1,139 | 1,405 |
| **Total inventories** | **8,704** | **9,699** |

*As part of the Group's regular inventory review process, certain materials and supplies that are considered obsolete were identified. Obsolescence is determined based on factors such as age, condition, and likelihood of use. The allowance for inventory obsolescence forming part of the above balance is US$2,181 (31 December 2023:US$1,874) resulting in an expense of US$299 included with other expenses (note 8) and US$8 charged to cost of sales (note 6)

## 22. MINE PROPERTIES

| All figures are reported in thousands of US$ | Guanaco/ Amancaya | Casposo | Total |
|---|---|---|---|
| Mine Properties – 31 December 2023 | | | |
| Cost | 68,516 | 9,795 | 78,311 |
| Accumulated amortisation | (62,257) | (9,795) | (72,052) |
| **Carrying value — Mine Properties** | **6,259** | **-** | **6,259** |
| Mine Properties – 31 December 2024 | | | |
| Cost | 66,596 | 9,795 | 76,391 |
| Accumulated amortisation | (65,201) | (9,795) | (74,996) |
| **Carrying value — Mine Properties** | **1,395** | **-** | **1,395** |

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Costs carried forward in respect of areas of interest | | |
| Carrying amount at the beginning of the year | 6,259 | 4,054 |
| Additions | 58 | 9 |
| Transfers from exploration and evaluation expenditure | 103 | - |
| Impairment for the year | (2,550) | - |
| (Decrease) increase in provision for reclamation and rehabilitation | (2,081) | 2,645 |
| Amortisation | (394) | (449) |
| **Carrying amount at end of the year** | **1,395** | **6,259** |

**Carrying value — Guanaco/Amancaya**

The Guanaco and Amancaya mines have been determined by Management to be a single Cash Generating Unit ("CGU").

In 31 December 2024, the Group decided to temporarily cease operations at the Amancaya underground mine, located 60 kilometers southwest of the Guanaco mine. Since mining operations began at the Amancaya mine, ore has been transported to the processing facility at Guanaco.

Following the completion of the construction of the Heap Reprocessing Project at the Guanaco mine site, the Heap Processing Project is the main source of mineral production.

The Group determined the recoverable value of the Amancaya underground mine assets to be $nil and an impairment charge of $2,550 thousand has been recorded as at 31 December 2024.

The fair value less cost of disposal, is used to assess the recoverable value of the CGU. The mine properties noted above and the property, plant and equipment that is an intrinsic part of the mine and its structure (included in note 23) are included in determining the carrying value of the CGU, which has been estimated at US$15,372 thousand after deducting working capital and non-current liabilities related to the CGU, for the purposes of assessing for impairment, while the carrying value of the Guanaco, plant and equipment is US$27,367 thousand.

An impairment test was also performed internally using the discounted cash flow model (DCF) as the primary valuation methodology. This fair value less cost of disposal (FVLCOD) discounted cashflow model is a level 3 fair value hierarchy.

Main assumptions of the DCF model for impairment test purposes are as follows:

- Forecast Gold price (2024-2034): US$2,700/oz-2,050/oz, with a weighted average of US$2,250 (31 December 2023 (2024-2033): US$2,048/oz-1,815/oz)
- Forecast Silver price (2024-2034):US$33/oz-27/oz (31 December 2023 (2024-2033) US$24/oz– US$25/oz)
- The gold and silver assumptions represent management's assessment of future prices are based on current commodity prices and market expectations of future changes.

- Life of mine operations based on the current model are forecast to end in 2033 (31 December 2023: 2033).
- Discount Rate (pre-tax): 10.8% (31 December 2023:9.6%)
- Discount Rate (after-tax):7.9% (31 December 2023: 8.5%)
- The discount rate was a measure estimated based on the Company's current weighted average cost of capital.
- Production costs 2025: US$1,603/oz (2024: US$1,364/oz)
- Production costs are management's estimate of costs based on estimated production, historical data and anticipated inflationary changes.

Production is based on Proven and Probable reserves and resource estimates to 31 December 2024 that are based on an independent technical report provided to the Group in 2022.

No reasonably possible change to the key assumptions would result in a recoverable value below the book value of any of the projects based on the sensitivity analysis to the key assumptions, which would have the following results;

The sensitivity to +/- 10% variation in the gold price (US$2,025-US$2,475 /oz) on the recoverable value of the Guanaco project results in an impact of +/- US$18,000 thousand.

The sensitivity to +/- 10% variation in the discount rate 9.7%-11.8%) recoverable value of the Guanaco project results in an impact of +/- US$2,000 thousand.

The sensitivity to +/- 10% variation in production costs on the recoverable value of the Guanaco project results in an impact of +/- US$11,000 thousand.

## 23. PROPERTY, PLANT AND EQUIPMENT

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Property, plant and equipment owned | 24,334 | 42,581 |
| Right of use assets | 5,721 | 7,035 |
| | **30,055** | **49,616** |
| Property, plant and equipment owned | | |
| Cost | 174,300 | 175,490 |
| Accumulated depreciation | (149,[illegible] | (132,909) |
| **Carrying amount at end of the year** | **24,334** | **42,581** |

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Movements in carrying value | | |
| Carrying amount at beginning of the year | 42,581 | 35,549 |
| Additions | 434 | 11,283 |
| Depreciation | (1,811) | (4,184) |
| Disposals | (1,624) | (760) |
| Depreciation on disposals | 1,459 | 693 |
| Impairment for the year | (16,705) | - |
| **Carrying amount at end of the year** | **24,334** | **42,581** |

The majority of the property, plant, and equipment is allocated to the Guanaco/Amancaya Cash Generating Unit ("CGU"), which totals US$25,971 thousand, including right of use. For the year ended 31 December 2024, the Group recorded an impairment of US$16,705 thousand on the Underground asset component related to the Amancaya underground mine, which is recognised in the statement of profit or loss and other comprehensive income. This impairment reflects the expected recoverable amount, primarily due to the transition to the Heap Reprocessing Project. The resulting carrying value of the Underground component at the end of the period is US$nil. Property, plant, and equipment that are not part of the Guanaco/Amancaya CGU are carried at the lower of their book value or recoverable amount. The Casposo property, plant, and equipment are recorded at salvage value, as they are not currently in use, with a carrying amount of US$4,069 thousand.

### 23.1 Reconciliation of carrying amount

| All figures are reported in thousands of US$ | Underground Mine Development | Plant | Mining Equipment | Buildings | Heap | Other | Total |
|---|---|---|---|---|---|---|---|
| Cost | | | | | | | |
| **Balance at 31 December 2022** | **86,733** | **36,052** | **19,907** | **14,318** | **612** | **7,345** | **164,967** |
| Additions | 5,009 | 122 | 40 | - | 5,633 | 479 | 11,283 |
| Disposals | - | - | (760) | - | - | - | (760) |
| **Balance at 31 December 2023** | **91,742** | **36,174** | **19,187** | **14,318** | **6,245** | **7,824** | **175,490** |
| Additions | - | 93 | - | - | 316 | 25 | 434 |
| Disposals | - | - | (828) | - | - | (796) | (1,624) |
| **Balance at 31 December 2024** | **91,742** | **36,267** | **18,359** | **14,318** | **6,561** | **7,053** | **174,300** |
| Accumulated depreciation | | | | | | | |
| **Balance at 31 December 2022** | **66,936** | **27,606** | **15,915** | **11,937** | **-** | **7,024** | **129,418** |
| Depreciation | 3,133 | 561 | 162 | 219 | 103 | 6 | 4,184 |
| Disposals | - | - | (693) | - | - | - | (693) |
| **Balance at 31 December 2023** | **70,069** | **28,167** | **15,384** | **12,156** | **103** | **7,030** | **132,909** |
| Depreciation | 824 | 383 | 107 | 129 | 334 | 34 | 1,811 |
| Disposals | - | - | (661) | - | - | (798) | (1,459) |
| Impairment | 16,705 | - | - | - | - | - | 16,705 |
| **Balance at 31 December 2024** | **87,598** | **28,550** | **14,830** | **12,285** | **437** | **6,266** | **149,966** |
| Carrying amounts | | | | | | | |
| **At 31 December 2023** | **21,673** | **8,007** | **3,803** | **2,162** | **6,142** | **794** | **42,581** |
| **At 31 December 2024** | **4,144** | **7,717** | **3,529** | **2,033** | **6,124** | **787** | **24,334** |

### 23.2 Right of use assets

| All figures are reported in thousands of US$ | Office | Vehicles | Machinery and equipment | Total |
|---|---|---|---|---|
| **Balance at 31 December 2022** | **9** | **2,544** | **4,155** | **6,708** |
| Additions | 232 | - | 1,670 | 1,902 |
| Disposals | - | (160) | - | (160) |
| Less depreciation | (83) | (1,033) | (299) | (1,415) |
| **Balance at 31 December 2023** | **158** | **1,351** | **5,526** | **7,035** |
| Additions | - | - | - | - |
| Disposals | (39) | (208) | - | (247) |
| Less depreciation | (78) | (815) | (174) | (1,067) |
| **Balance at 31 December 2024** | **41** | **328** | **5,352** | **5,721** |

### 23.3 Maturity of lease liability*

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Undiscounted | | |
| Less than a year | 806 | 1,352 |
| Greater than a year | 405 | 1,256 |
| | **1,211** | **2,608** |
| Discounted | | |
| Less than a year | 677 | 1,169 |
| Greater than a year | 385 | 1,143 |
| | **1,062** | **2,312** |

*Expiration dates are disclosed in note 33 (e)

## 24. EXPLORATION AND EVALUATION EXPENDITURE

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Costs carried forward in respect of areas of interest: | | |
| Carrying amount at the beginning of the year | 27,894 | 27,261 |
| Additions | 928 | 4,614 |
| Transfers to sale of assets | (424) | - |
| Transfers to mine properties | (103) | - |
| Impairment for the year | (8,836) | (3,981) |
| **Carrying amount at end of the year** | **19,459** | **27,894** |

The recovery of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. This balance mainly relates to expenditures at the Guanaco, and Casposo exploration areas of interest.

Additions for the year ended 31 December 2024 related mainly to the Casposo-Manantiales project, located in San Juan, Argentina and the Guanaco projects located in Chile and for the year ended 31 December 2023 relate mainly to exploration on the Jaguelito project, located in the Indio belt in Argentina, the Casposo-Manantiales project, located in San Juan, Argentina and the Guanaco projects located in Chile.

During the year ended 31 December 2024, the Group impaired the Jaguelito project for US$4,943 thousand. The decision was made after Mexplort Perforaciones Mineras S.A. (”Mexplort”), with whom the Company has an option agreement, informed the Group that they are not willing to fund their share of the project. In addition, the group impaired the three properties previously acquired from Revelo Resources in 2021 for US$3,131 thousand as no exploration and evaluation expenditures had been performed on these properties since their acquisition. Furthermore, the Group impaired two properties located near Guanaco in Chile: the San Guillermo property for US$516 thousand and the West Natalia property for US$246 thousand as the Group abandoned the properties.

During 2023, the Group impaired the Morro Blanco project for US$1,850 thousand as the Group did not expect to meet the commitments under the option agreement with Pampa Metals that expired on 27 July 2023. In addition, it impaired the following properties:

a. Reprado project acquired from Revelo Resources for US$258 thousand as it abandoned the property.

b. Between 20-54% of the Las Pampas, Victoria Sur and Loro properties acquired from Revelo Resources and the San Guillermo property for US$1,643 thousand as the Group relinquished a selected number of hectares based on historical geological information and the Group’s internal estimate of the potential for further discoveries,

c. Expenditures of US$230 thousand on phase II of the Sierra Blanca project as US$400 thousand was due to be incurred by 31, August 2023, but was not spent.

Impairment for the year ended 31 December 2024 and 2023 relate to impairment on the exploration projects with either no expected value or partial value. A partial impairment occurs where areas within the properties do not have their canon fees renewed, and the Group no longer has rights to the respective areas.

**Colossus Resource Agreement**

On 4 April 2023, the Group entered executed a letter of intent to grant Colossus Resources Corp. ("Colossus") an option to acquire the Group's Chilean Calvario and Mirador copper projects (the "Option"). Colossus paid US$100 thousand, recorded as other income (note 7), with US$75 thousand used to pay the 2023 mining canon fees. Subsequently, the parties executed an agreement on 15 November 2023. The key terms include: (i) a US$2,500 thousand work commitment over a two-year period, (ii) a 19.99% shareholding in Colossus (non- diluted basis), (iii) one million Colossus warrants at a C$0.50 exercise price and anti-dilution rights up to a US$3,800 thousand capital raise, and (iv) a contingent share payment if Colossus completes a prefeasibility study. Colossus was also required to complete an equity financing of at least US$1.5 million within a specified period, which remains outstanding.

## 25. TRADE AND OTHER PAYABLES

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current | | |
| Trade payables | 5,501 | 15,179 |
| Accrued expenses | 7,000 | 5,312 |
| Royalty payable | 1,306 | 578 |
| Director fees | 654 | 531 |
| Restricted cash received on private placement of convertible notes (note 28) | - | 591 |
| Other | 322 | 95 |
| **Total current trade and other payables** | **14,783** | **22,286** |
| Non-Current | | |
| Other payables | - | 3 |
| **Total non-current trade and other payables** | **-** | **3** |

### 25.1 Supply chain financing arrangements

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Carrying amount of financial liabilities | | |
| Supply chain financing arrangement | - | 835 |
| Of which suppliers have received payment from finance providers | - | 795 |
| Range of payment due dates | | |
| Liabilities that are part of the arrangements | 180 days after invoice date | 180 days after invoice date |

The Group participates in a supply chain financing arrangement (SCF) under which its supplier may elect to receive early payment of their invoice from a financial institution by factoring their receivable from the Group. Under the arrangement, a financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a bank before their due date.

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained, nor the original liability was substantially modified on entering into the arrangement. From the Group's perspective, the arrangement extends payment terms to six months. The Group incurs interest ranging from approximately 16%-20% per annum to the financial institutions on the amounts due to suppliers. The Group therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain similar to those of other trade payables but discloses disaggregated amounts in the notes. There were no payables under SCF as at 31 December 2024.

The payments to the financial institutions are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating- i.e. payments for services required to earn revenue. The payments to a supplier by the financial institution are considered non-cash transactions and as at 31 December 2024 amount to US$nil thousand (31 December 2023-US$795 thousand) plus accrued interest of US$nil thousand (31 December 2023-US$40 thousand).

## 26. EMPLOYEE ENTITLEMENTS

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current | | |
| Salaries, social security and bonuses | 2,151 | 1,967 |
| Employee entitlements | 757 | 1,023 |
| **Total current employee entitlements** | **2,908** | **2,990** |

The current provision for employee entitlements includes all unconditional entitlements in accordance with the applicable legislation. The entire amount is presented as current, since the Group does not have an unconditional right to defer payment. The entire balance of employee benefits is expected to be settled within the next 12 months.

Total employee salary, benefits and bonuses of the Group in the profit and loss statement was US$9,550 thousand (2023-US$13,286 thousand), including US$5,927 thousand (2023-US$9,707 thousand) in cost of sales and US$3,623 thousand (2023-US$3,579 thousand) in administration expenses and care and maintenance expenses. The non-cash adjustment of US$1,271 thousand in the 2024 Consolidated Statement of Cash Flows (2023: US$960 thousand) relates to accrued bonuses for the period and other non-cash employee entitlements.

| | | |
|---|---|---|
| Non-current | | |
| Employee entitlements | **27** | **18** |
| **Total non-current employee entitlements** | **27** | **18** |

**Retirement benefits**

Retirement benefits are to be paid upon the death of workers and for disability and retirement.

The methodology followed to determine the provision for all employees adhering to the agreements has considered turn-over rates and the RV-2014 mortality table established by the Superintendency of Securities and Insurance to calculate the reserves of life insurance in Chile according to the valuation method called Accumulated Benefit Valuation Method or Accrued Benefit Cost. This methodology is established in AASB 119 Employee benefits on Retirement Benefits Costs. The parameters of turnover rates, rates of increase of remunerations and discount rate have been determined by the Group.

## 27. PROVISIONS

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **Mine closure** | **11,566** | **13,695** |
| Movement in non-current provisions | | |
| Opening balance | 13,695 | 10,924 |
| Increase in provision for reclamation and rehabilitation expensed | 471 | - |
| (Decrease)/ increase of provision for reclamation and rehabilitation capitalised | (2,081) | 2,645 |
| Exchange difference | (818) | 161 |
| Present value adjustment | 299 | (35) |
| **Closing balance** | **11,566** | **13,695** |

**Mine closure provision**

Provision for rehabilitation work has been recognised in relation to estimated future expenditures including rehabilitating mine sites, dismantling operating facilities and restoring affected areas. These future cost estimates are discounted to their present value. The calculation of this provision requires assumptions such as application of environmental legislation, mine closure dates, available technologies and engineering cost estimates.

On 8 August 2024, the Chilean National Geology and Mining Service Agency ("Servicio Nacional de Geología y Minería" or "SERNAGEOMIN") approved the updated Reclamation and Rehabilitation/Mine-Closure Plan ("MCP") for the Guanaco-Amancaya mine complex, resulting in a decrease of the MCP provision by US$2,081 thousand.

During the year ended 31 December 2023, the Company revised the MCP provision for the Guanaco-Amancaya mine complex resulting in an increase in the estimated MCP provision by US$2,645 thousand. This adjustment was primarily driven by increases in inflation, labor costs, and the inclusion of the Heap Reprocessing Project, which extended the life of the mine complex to 2033 from 2026. The Group incurred no expenditure in 2024 and anticipates no expenditure in 2025.

The MCP provision encompasses the entire mine complex, and it foresees the initiation of closure activities in 2033, following the conclusion of production from the Heap Reprocessing Project.

The carrying amount of the mine closure asset of US$1,237 thousand is included in the carrying value of mine properties disclosed in note 22.

As at 31 December 2024, the total restoration provision amounts to US$7,440 thousand (31 December 2023–US$10,103 thousand) for Guanaco/ Amancaya mine. The present value of the restoration provision was determined based on the following assumptions:

Undiscounted rehabilitation costs:

- US$9,340 thousand (31 December 2023– US$ 12,860 thousand);
- Discount period: 9.0 years (Discount period based on expected timing of restoration work).
- Discount rate: 2.58% (2023- 2.44%)

At 31 December 2024, the total restoration provision amounts to US$4,125 thousand (31 December 2023: US$3,592) for the Casposo mine. The present value of the restoration provision was determined based on the following assumptions:

- Number of years, 7 (31 December 2023-5 years).
- Undiscounted reclamation and rehabilitation costs: US$4,760 thousand (31 December 2023-US$3,912 thousand);
- Discount rate: 2.08% (2023–1.7%)

## 28. LOANS AND BORROWINGS

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current | | |
| Loan facilities | 3,779 | 8,823 |
| Related party loans | 1,606 | 4,717 |
| Interest on convertible notes | 48 | |
| **Total current loans and borrowings** | **5,433** | **13,540** |
| Non-current | | |
| Loan facilities | 8,547 | 2,568 |
| Related party loans | 10,790 | |
| Convertible notes | 564 | - |
| **Total non-current loans and borrowings** | **19,901** | **2,568** |

**Loan Facilities**

During the year ended 31 December 2024, the Group entered into the following bank loans:

1) On 25 July 2024, the Group secured a new US$7,000 thousand loan with Santander Bank at an interest rate of 10.17%, with monthly principal and interest repayments of US$167 thousand from 21 February 2025 to 17 July 2028. This loan replaced US$6,800 thousand in debt maturing between 2024 and 2026. Under the loan agreement, equipment appraised at US$3,824 thousand was provided as collateral.

2) On 9 December 2024, the Group secured a new US$2,883 thousand loan with Banco de Crédito e Inversiones SA (BCI) at an interest rate of 9.9%, with repayments scheduled from February 2025 to July 2028. This loan replaced US$2,613 thousand in debt due between 2024 and 2026. Plant related equipment appraised at US$5,960 was provided as collateral for the loan.

The Group accounted for these two loans using the substantial modification method as the financial liabilities were settled and the terms were substantially modified, resulting in the derecognition of the original liability and the recognition of the new liability.

3) On 20 December 2024, the Group entered into an US$7,000 thousand secured loan facility with an interest rate of 8% per annum to refurbish the Casposo Plant from Banco San Juan. The first installment of the loan of US$1,500 thousand was received on that date and the remaining installments under the loan are due as follows:
   - 60-75 days after signing: US$2,500 thousand
   - 30-45 days after the prior disbursement: US$1,000 thousand
   - 30-45 days after the prior disbursement: US$500 thousand
   - 30-45 days after the prior disbursement: US$1,500 thousand

   Each disbursement, except for the initial US$1,500 thousand, is subject to using the funds for capital expenditures and expenditures required to refurbish the Casposo Plant. The second disbursement is also subject to the Group contributing US$500 thousand to Casposo between November 2024 to February 2025.

   The loan is repayable over 24 months from each installment received, with monthly repayments of principal and interest to commence on 20 June 2025.

   A pledge guarantee over Casposo's Plant and a mortgage over the farmland where the processing plant is located were provided to Banco San Juan as collateral.

At 31 December 2024, the current and non-current Loan facilities are to be repaid over 7 months and 42 months respectively at an annual average interest rate of 11.5% (2023–9.6%).

**Related party loans**

During the year ended 31 December 2024, the Group received unsecured related party loans totaling US$8,516,397 (31 December 2023-US$4,555,000). Including accrued interest, the total amount owed at 31 December 2024 is US$12,396,018. (31 December 2023-4,716,790). Details of the new loans received and repaid during the period are as follows:

- On 1 March 2024, the Group entered into an unsecured bridge loan from Consultores Assets Management SA (CAMSA) for up to US$2,200,000 with Consultores Assets Management (CAMSA), an entity controlled by Austral's major shareholder and Chair, Eduardo Elsztain. US$1,000,000 was received under the loan facility on 4 March 2024.
- On 12 March 2024, the loan maturity dates of the loans held by Inversiones Financieras del Sur S.A. ("IFISA"), Eduardo Elsztain and Saul Zang aggregating principal of US$4,555,000 were extended to 30 September 2024. The loans were further extended to 31 Jul 2026.
- On 27 March 2024, the Group entered into an unsecured bridge loan from CAMSA for approximately AR$1,200,000 thousand Argentine pesos ("ARS") equivalent to US$1,401,051. The loan carried an interest rate of 100% per annum, and was repaid with proceeds received from a loan from Banco Hipotecario (BH) (described below). Interest on the loan totaled approximately US$123,992. The loan was repaid in Argentine pesos (ARS). The Company's directors, Eduardo Elsztain and Saul Zang, are also directors and shareholders of CAMSA.
- On 27 April 2024, the Group entered into an unsecured related party loan from BH, a company related to Eduardo Elsztain for AR$1,400,000,000 (US$1,600,000). On 1 October 2024, BH loan was renewed, and the principal amount of the loan was increased to AR$1,600,000,000 (US$1,615,346). The interest on the loan is based on the five-day average of the local market reference rate ("MRR") Badlar ("Buenos Aires Deposits of Large Amount Rate") plus 2%. As of 30 June 2024, the five-day average MRR was approximately 36%. The Company used the proceeds to repay CAMSA.
- US$4,500,000 was received from IFISA, Eduardo Elsztain and Saúl Zang, as follows:
  - As announced on 30 August 2024, the Company entered into an unsecured credit facility agreement with IFISA for up to US$3,500,000 with an interest rate of 9% per annum, with funds advanced under the facility due 29 January 2026. US$2,500,000 was advanced under the facility and US$1,000,000 has not been funded as of the date of this financial report. On FF28 February 2025, IFISA and the Group executed an assignment, assumption and amendment agreement with Eduardo Elsztain to assign US$1,700,000 of the funds advanced under the credit facility, effective 30 August 2024. Additionally, IFISA and the Group entered into a similar agreement with Saul Zang to assign $300,000 of the funds advanced under the same credit facility agreement.
  - US$2,000,000, announced on 26 September under a loan agreement, was received on 1 October. The loan provides for collateral of up to 20,191,791 shares of Unico Silver Limited, subject to shareholder approval with an interest rate of 7% per annum.

**Convertible notes**

On 10 October 2023, the Group entered into an Agreement to issue approximately 1,548 thousand non-transferable unsecured convertible notes, each with a face value of AUD$1, to an accredited and sophisticated investor. The 919,158 notes was calculated by converting the gross proceeds into equivalent Australian dollars. The notes are to bear interest at a rate of 9% per annum and mature on the second anniversary of the date they are issued. Each note issued entitles the holder to convert the notes into ordinary shares of the Company at the holder's option at a conversion price of AUD$0.059 per share during the first year (15,578,942 ordinary shares), and AUD$0.118 (7,789,471 ordinary shares) during the second year. The private placement was expected to yield gross proceeds of US$1,000 thousand (approximately AUD$1,548 thousand). At 31 December 2023, the Group had received US$591 thousand from the investor, and as the aggregate of US$1,000 thousand stated in the agreement had not been received, the Group has not closed the financing, and classified the cash received as restricted cash.

On 14 February 2024, a Deed of Variation of the Convertible Note Agreement was entered into which allowed for the closing of the convertible notes in two tranches, with the first tranche totaling US$591 thousand and the second tranche due by 15 March 2024.

On 15 February 2024, the first tranche of the Agreement was completed and the US$591 thousand became unrestricted cash. The second tranche was not closed and expired.

| All figures are reported in thousands of US$ | For the year ended 31 December 2024 |
|---|---|
| Proceeds from issue of convertible notes (919,158 notes at AUD 1 par value) | 591 |
| Transaction costs | (7) |
| Net proceeds | 584 |
| Amount classified as a derivative financial instrument | (7) |
| Accreted interest | 48 |
| Foreign exchange | (13) |
| **Carrying amount of liability at 31 December 2024** | **612** |

These notes were issued on 15 February 2024.

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

| All figures are reported in thousands of US$ | Loans | Leasing |
|---|---|---|
| **Balance at 1 January 2023** | **8,646** | **2,836** |
| Change from financing cash flows | | |
| Proceeds from loans and borrowings | 17,955 | - |
| Repayments | (10,777) | (2,252) |
| Interest paid | (720) | (186) |
| Other changes | | |
| New leases | - | 1,742 |
| Foreign exchange | - | (14) |
| Interest expense | 1,004 | 186 |
| **Balance at 31 December 2023** | **16,108** | **2,312** |
| **Balance at 1 January 2024** | **16,108** | **2,312** |
| Change from financing cash flows | | |
| Proceeds from loans and borrowings (1) | 20,599 | - |
| Repayments | (12,445) | (1,135) |
| Interest paid | (1,495) | (184) |
| Other changes | | |
| Non-cash movements | - | (108) |
| Interest expense | 2,234 | 184 |
| Foreign exchange | (279) | (7) |
| **Balance at 31 December 2024** | **24,722** | **1,062** |

(1) Cash received by the Group from loans and borrowings totaled US$19,999 thousand, while US$600 thousand was paid directly from the Borrower to repay supply chain financing arrangements.

| All figures are reported in US$ | 31 December 2024 | | Interest rate (%) | Maturity date (1) |
|---|---|---|---|---|
| Lender | Face value | Carrying value | | |
| Banco Hipotecario (2) | 1,552,644 | 1,606,306 | 43.50 | 29 October 2025 |
| Inversiones Financieras del Sur S.A.(2) | 500,000 | 514,750 | 9.00 | 29 January 2026 |
| Eduardo Elsztain(2) (3) | 1,700,000 | 1,725,925 | 9.00 | 29 January 2026 |
| Saul Zang (2)(3) | 300,000 | 304,575 | 9.00 | 29 January 2026 |
| Convertible notes | 564,158 | 612,291 | 9.00 | 15 February 2026 |
| Banco de Crédito e Inversiones SA (BCI) | 2,883,060 | 2,900,503 | 9.90 | 27 March 2026 |
| Inversiones Financieras del Sur S.A.(2) | 555,000 | 612,859 | 9.00 | 31 July 2026 |
| Inversiones Financieras del Sur S.A.(2)(3) | 2,000,000 | 2,242,750 | 9.00 | 31 July 2026 |
| Eduardo Elsztain(2) | 850,000 | 988,243 | 9.00 | 31 July 2026 |
| Saul Zang(2) | 150,000 | 174,396 | 9.00 | 31 July 2026 |
| Eduardo Elsztain(2) | 850,000 | 947,963 | 9.00 | 31 July 2026 |
| Saul Zang(2) | 150,000 | 167,363 | 9.00 | 31 July 2026 |
| Consultores Assets Management S.A. | 1,000,000 | 1,075,500 | 9.00 | 31 July 2026 |
| Inversiones Financieras del Sur S.A.(2) | 2,000,000 | 2,035,389 | 7.00 | 25 September 2026 |
| Banco de Crédito e Inversiones SA (BCI) | 1,000,000 | 611,111 | 12.35 | 23 October 2026 |
| Banco San Juan | 1,500,000 | 1,500,000 | 8.00 | 20 December 2026 |
| Santander Bank | 7,000,000 | 7,314,423 | 10.17 | 17 July 2028 |
| **Total** | **24,554,862** | **25,334,347** | | |

(2) The Maturity date refers to the date when the loan is to be completely repaid. Loans and borrowings have been classified based on the actual repayment calendar as disclosed in note 25
(3) Related party loans
(4) Assigned from Inversiones Financieras del Sur S.A. during the year
(5) Interest rate denominated in Argentine pesos (AR$)

## 29. ISSUED CAPITAL

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Fully paid ordinary shares (in thousands of US$) | 109,114 | 109,114 |
| Number of ordinary shares | 612,311,353 | 612,311,353 |
| **Weighted average number of ordinary shares** | **612,311,353** | **612,311,353** |

| Movements in ordinary share capital | Number of ordinary shares | US$000's |
|---|---|---|
| **Balance at 31 December 2024 and 2023** | **612,311,353** | **109,114** |

Ordinary shares participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares do not have any par value.

## 30. ACCUMULATED LOSSES

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Accumulated losses at beginning of year | (66,549) | (59,320) |
| Net (loss) for the year | (27,068) | (7,229) |
| Foreign exchange movements | (14) | - |
| Disposition of subsidiary with a non-controlling interest | (27) | - |
| **Accumulated losses at end of year** | **(93,658)** | **(66,549)** |

## 31.RESERVES

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Foreign currency translation reserve | | |
| Balance at beginning of year | 235 | 234 |
| Foreign exchange movements from translation of financial instruments to US dollars | 66 | 1 |
| **Balance end of year** | **301** | **235** |
| Business combination reserve | | |
| Balance at beginning of year | (1,406) | (1,406) |
| **Balance end of year** | **(1,406)** | **(1,406)** |
| Profit appropriation reserve | | |
| Balance at beginning of year | 14 | 14 |
| Dividend paid | - | - |
| **Balance end of year** | **14** | **14** |
| **Total reserves** | **(1,091)** | **(1,157)** |

**Foreign Currency Translation Reserve**

Exchange differences arising on translation of the non-US$ denominated non-monetary balances of Group Companies are recognised in the foreign currency translation reserve. The reserve is recognised in profit or loss when the net investment is disposed.

**Business Combination Reserve**

Created on the acquisition of non-controlling interests. The reserve is reversed when the entity acquired is disposed.

**Profit appropriation Reserve**

Transfers up to the net income earned during the year may be transferred from accumulated losses and paid as a dividend.

## 32. NON-CONTROLLING INTEREST

| All figures are reported in thousands of US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Non-controlling interest in subsidiaries comprise | | |
| **Balance beginning of the year** | **165** | **179** |
| Increase (decrease) in non-controlling interest[(1)] | 27 | - |
| Share of comprehensive (loss) | (6) | (14) |
| Sale of Subsidiary (note 13) | (186) | - |
| **Balance end of the year** | **-** | **165** |

[(1)] During the year ended 31 December 2024, a loan provided by the Group of US$84 thousand to Sierra Blanca was capitalised, which increased the Group's interest to 54.69% from 51%. As Sierra Blanca was sold during the year (note 13), the value of the non-controlling interest is nil at 31 December 2024..

## 33. FINANCIAL INSTRUMENTS

**Financial risk management objectives**

The Group's principal financial instruments include items such as borrowings, receivables, listed equity securities, cash and short- term deposits. These activities expose the Group to a variety of financial risks: market risk (interest rate risk and foreign currency risk), credit risk, price risk and liquidity risk.

The Group recognises the importance of risk management and has adopted a Risk Management and Internal Compliance and Control policy which describes the role and accountabilities of management and of the Board. The Directors manage the different types of risks to which the Group is exposed by considering risk and monitoring levels of exposure to the main financial risks by being aware of market forecasts for interest rates, foreign exchange rates, commodity and market prices. The Group's exposure to credit risk and liquidity risk is monitored through general business budgets and forecasts.

The Group holds the following financial instruments:

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Financial Assets | | |
| Cash and cash equivalents | 3,590 | 1,261 |
| Trade and other receivables | 5,774 | 3,483 |
| Other financial assets | 3,383 | 6,085 |
| Financial liabilities | | |
| Trade and other payables | 14,783 | 22,289 |
| Supply chain financing arrangement | - | 835 |
| Borrowings | 25,334 | 16,108 |
| Financial leases | 1,062 | 2,312 |

**a. Market Risk**

**Foreign Currency Risk**

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

Foreign exchange rate risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the functional currency of the Group. The risk is measured using cash flow forecasting. Foreign currency risk is minimal as most of the transactions are settled in US$.

At 31 December 2024, the Group was exposed to foreign exchange risk through the following financial assets and liabilities denominated in currencies other than the Group's functional currency (thousands of US$). The following significant exchange rates have been applied.

| US$ | Average rate | | Year-end spot rate | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ARS | 918.73 | 295.19 | 1,030.50 | 806.95 |
| CLP | 936.79 | 839.69 | 996.46 | 877.12 |
| AUD | 1.51 | 1.51 | 1.61 | 1.47 |
| CDN | 1.37 | 1.35 | 1.44 | 1.32 |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Argentine peso, Chilean peso, Australian dollar, Canadian dollar and US dollar against all other currencies at 31 December 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Effect in thousands of US$ 31 December 2024 | Profit or loss | | Equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| ARS (12% movement) | (230) | 230 | (230) | 230 |
| CLP (10% movement) | (991) | 991 | (991) | 991 |
| A$ (5% movement) | 137 | (137) | 137 | (137) |
| C$ (2% movement) | - | - | - | - |
| **31 December 2023** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** |
| ARS (70% movement) | (198) | 198 | (198) | 198 |
| CLP (10% movement) | (1,952) | 1,952 | (1,952) | 1,952 |
| A$ (5% movement) | 289 | (289) | 289 | (289) |
| C$ (1% movement) | 5 | (5) | 5 | (5) |

| All figures are reported in thousands of US$ 31 December 2024 | Argentinian Peso (ARS) | Chilean Peso (CLP) | Australian Dollar (AUD) | Canadian Dollar (CDN) |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | 214 | 538 | 17 | 7 |
| Trade and other receivables | 78 | 962 | 24 | |
| Other financial assets | - | - | 3,353 | 30 |
| Financial liabilities | | | | |
| Trade and other payables | 604 | 11,050 | 131 | 26 |
| Borrowings | 1,606 | - | 564 | - |
| Financial leases | - | 29 | - | - |

| All figures are reported in thousands of US$ 31 December 2023 | Argentinian Peso (ARS) | Chilean Peso (CLP) | Australian Dollar (AUD) | Canadian Dollar (CDN) |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | 29 | 14 | 9 | 42 |
| Trade and other receivables | 28 | 733 | 20 | - |
| Other financial assets | 23 | - | 5,774 | 288 |
| Financial liabilities | | | | |
| Trade and other payables | 278 | 19,482 | 85 | 28 |
| Financial leases | - | 136 | - | - |

**ii. Price Risk**

The Group's revenues are exposed to fluctuations in the price of gold, silver and other prices. Gold and silver produced is sold at prevailing market prices in US$.

The financial performance of the Group is significantly influenced by the market price of gold. Gold prices have experienced considerable volatility over recent years, driven by various economic, geopolitical, and market factors. As of February 2025, gold prices have increased by more than 10% since the beginning of the year, reaching near-record levels.

The future price of gold is expected to remain volatile due to ongoing economic uncertainties, geopolitical tensions, and changes in monetary policies by major central banks. These factors could lead to fluctuations in gold prices, which may impact the Group's revenue and cash flows.

The Group has resolved that for the present time production should remain unhedged. The Group considers exposure to commodity price fluctuations within reasonable boundaries to be an integral part of the business.

Sensitivity to Changes in Commodity Prices (Gold and Silver)

The sensitivity analysis below demonstrates the after tax effect on the profit/(loss) and equity which could result if there were changes in the gold and silver commodity prices by +/- 10% of the actual commodity prices realised by the Group based on recent history.

| All figures are reported in thousandsof US$ | Effect on profit/loss) For the year ended 31 December | | Effect on equity For the year ended 31 December | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| 10 % increase in gold and silver prices | 3,679 | 4,773 | 3,679 | 4,773 |
| 10 % decrease in gold and silver prices | (3,679) | (4,773) | (3,679) | 4,773 |

**iii. Interest Rate Risk**

The Group's main interest rate risk arises from recent higher interest rates on new borrowings and finance leases. The Group's borrowings and finance leases are at fixed rates and therefore do not carry any variable interest rate risk. Changes in interest rates are not expected to have a significant impact on the Group.

**b. Financial Market Risk**

The financial market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices, which occurs due to the Group's investment in listed securities where share prices can fluctuate over time.

The group holds listed government bonds, and listed equity securities (note 4). These are classified as level 1 within the fair value hierarchy as per AASB 7 "Financial Instruments".

**i. Sensitivity analysis-Equity price risk**

All of the Group's listed equity investments are listed on either the Australian Stock Exchange ("ASX") or the Toronto Venture Exchange ("TSXV") or the Canadian Stock Exchange ("CSE"). For such investments, an increase in the value of the investments at the reporting date on profit or loss would have resulted in an increase of US$282 thousand before tax and US$243 thousand after tax (2023: US$243 thousand before tax and US$206 thousand after tax). An equal change in the opposite direction would have decreased profit or loss by US$243 thousand (2023: US$206 thousand after tax).

**c. Credit Risk**

The maximum exposure to credit risk at the reporting date to recognised financial assets, including receivables from government authorities, is the carrying amount, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Although there is a significant credit risk of concentration as the Group typically sells to one refinery, credit risk is minimised as generally funds are collected within two days of the date of shipment, the refiner used by the Group is an LBMA (London Bullion Market Association) Good Delivery refiner, which means it meets strict standards for quality and responsible sourcing, and has robust compliance programs in place to ensure adherence to regulations related to anti-money laundering, combating terrorist financing, and responsible sourcing.

**d. Liquidity Risk**

The liquidity of the Group is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost effective manner.

Management continuously reviews the Group's liquidity position through cash flow projections based upon the current life of mine plan to determine the forecasted liquidity position and maintain appropriate liquidity levels.

As described in Note 24.1, the Group also participates in supplier finance arrangements as a financing resource when the Company to manage its cash flow when required, with the principal purpose of facilitating efficient payment processing of supplier invoices and providing willing suppliers with early payment terms compared with the related invoice payment due date. The arrangement allows the Group to centralise payments of trade payables to the bank rather than paying each supplier individually.

From the Group's perspective, the arrangement significantly extends payment terms beyond the normal terms agreed with other suppliers that are not participating; on average, the payment terms for invoices relating to participating suppliers are extended by 150 days compared with the normal terms for invoice agreed with other suppliers that are not participating suppliers (see Note 24.1)

**e. Maturities of financial liabilities**

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows.

| All figures reported in US$ | Consolidated | | | | |
|---|---|---|---|---|---|
| | 6 months | 6-12 months | 1-5 years | > 5 years | Total |
| 31 December 2024 | | | | | |
| Financial liabilities | | | | | |
| Trade and other payables | 14,783 | - | - | - | 14,783 |
| Borrowings | 2,154 | 4,620 | 20,382 | - | 27,156 |
| Leasing | 462 | 344 | 405 | - | 1,211 |
| **Total 31 December 2024 liabilities** | **17,399** | **4,964** | **20,787** | **-** | **43,150** |
| 31 December 2023 | | | | | |
| Financial liabilities | | | | | |
| Trade and other payables | 22,286 | - | 3 | - | 22,289 |
| Supply chain financing arrangement | 835 | - | - | - | 835 |
| Borrowings | 10,617 | 3,576 | 2,748 | - | 16,941 |
| Leasing | 699 | 653 | 1,256 | - | 2,608 |
| **Total 31 December 2023 liabilities** | **34,437** | **4,229** | **4,007** | **-** | **42,673** |

## 34. COMMITMENTS and CONTINGENCIES

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **Operating leases not recognised as liabilities** | **-** | **-** |
| Exploration commitment at the reporting date and recognised as liabilities | - | - |
| **Capital expenditure not recognised as liabilities** | **641** | **383** |

To maintain legal rights to its properties, the Group pays fees for mining concessions and exploration. It anticipates that it will need to pay approximately US$ 641 thousand (2023: US$383 thousand) during the next year to maintain legal rights to all of its properties.

**Toll Processing Agreement**

On 30 December 2024, the Group's subsidiary, Casposo Argentina Mining Ltd. ("Casposo) and Challenger Gold ("Challenger") executed a Toll Processing Agreement ("the Agreement").

Under the Agreement, Casposo will process mineralised material from Challenger's Hualilan project at Casposo's Plant, in San Juan, Argentina.

**Material Terms of the Agreement**

- The parties agree to set up a technical and advisory committee made up of up to three professionals from each party.
- Casposo to use best commercial efforts to finance, directly or through third parties, the funds required for the refurbishment and commercial startup of the Casposo Plant on or before July 31, 2025. (note 28)
- Operator: The Casposo Plant will be operated by Casposo´s local branch in Argentina, named Casposo Argentina Ltd. Sucursal Argentina.
- Guaranteed throughput Tonnage: guaranteed toll treatment of 150,000 tons available to Challenger per year, with a guaranteed toll treatment capacity available to Challenger of 450,000 tons over a three (3) year period.

**Consideration:**

**1) Use Fee and Tolling Fee**

An Initial Fee will be payable by Challenger in accordance with clause (a). The Tolling Fee applicable for the Material processed during a Campaign will be determined in accordance with clause (b) and a fixed monthly fee will be payable pursuant to clause (c) below.

(a) Challenger shall pay to Casposo a user fee for the right to access the Plant as follows:

(i) US$3,000,000, of which US$2,000,000 shall be paid on or before January 2, 2025 (received), and the balance of US$1,000,000 shall be payable on the second anniversary of such date, with interest accruing at a rate of 6% per annum (collectively, the "Initial Fee").

(ii) The US$2,000,000 of the Initial Fee shall be returned to CEL if: (note 24). This fee was received on 3 January 2025 (note 39.1) and has been recorded as a refundable fee liability as there is uncertainty as to whether condition (A) below will be met.

(A) the Plant is not ready for Commercial Operations on or before July 31, 2025, other than for delays or any other matters beyond CASPOSO's control; and/or

(B) the Technical Committee determines, after conducting all relevant studies and testing, that less than 70% of the Material from the Hualilan Project processed at the Plant will be recovered;

(b) The Tolling Fee will be the fees corresponding to the Term Minimum Tonnage unit rate in the Tolling Fee Matrix in Annexure B, consisting of the:

(i) Processing Costs as outlined in Annexure B, for illustrative purposes only; and

(ii) Any Processing Cost uplifts related to ore BWI, NaCN consumption, Lime consumption, balls, zinc, mill costing, floculants, diatomeas and others, as outlined in Annexure B for illustrative purposes, and

(iii) Incentive Fee in accordance with the gold-equivalent ounces recovery rate as per the following Table;

| Gold Recovery (%) | 70%-80% | + 80%-85% | +85% |
|---|---|---|---|
| Margin over Processing Costs and Any Processing Cost uplifts | 20% | 25% | 330% |

(c) A Fixed monthly fee of US$110,000 payable from the start of Tolling Operations at the Plant and throughout the rest of the term of the Agreement.

## 35. SUBSIDIARIES

| | Country of Incorporation | % owned as at 31 December | |
|---|---|---|---|
| | | 2024 | 2023 |
| Subsidiaries | | | |
| Guanaco Mining Company Limited | British Virgin Islands | 100.000 | 100.000 |
| Guanaco Compañía Minera SpA | Chile | 99.998 | 99.998 |
| Minera Mena Chile Ltda | Chile | 99.990 | 99.990 |
| SCM Pampa Buenos Aires Ltda | Chile | 99.990 | 99.990 |
| Minera Celeste Chile Ltda | Chile | 99.990 | 99.990 |
| Minera Serena Chile Ltda | Chile | 99.990 | 99.990 |
| SMC Montezuma Ltda | Chile | 99.990 | 99.990 |
| Austral Gold Argentina S.A. | Argentina | 99.970 | 99.970 |
| Sierra Blanca S.A. | Argentina | - | 51.000 (1) |
| Austral Gold North America Corp. | United States | 100.000 | 100.000 |
| Austral Gold Canada Limited | Canada | 100.000 | 100.000 |
| Casposo Argentina Mining Limited | Canada | 100.000 | 100.000 |
| Austral Gold Casposo Limited | Argentina | 100.000 | - |
| Revelo Resources Corp. | Canada | 100.000 | 100.000 |
| Minera Cuyo S.A. | Argentina | 50.000 | - |

(1) Note 13

# NOTES TO THE FINANCIAL STATEMENTS

## 36. PARENT ENTITY DISCLOSURES

| All figures are reported in thousands of US$ | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **Result of parent entity** | | |
| (Loss) for the year | (28,617) | (18,608) |
| Foreign exchange movements from translation of financial statements to US$ | 66 | 1 |
| **Total comprehensive (loss) for the year** | (28,551) | **(18,607)** |
| | | |
| **Financial position of parent entity** | | |
| Current assets | 400 | 4,586 |
| **Total assets** | **37,963** | **59,970** |
| | | |
| Current liabilities | 1,126 | 18,832 |
| **Total liabilities** | **25,397** | **18,832** |
| **Net assets** | **12,566** | **41,138** |
| | | |
| **Total equity of the parent entity comprising of:** | | |
| Issued capital | 109,114 | 109,114 |
| Accumulated losses | (96,187) | (67,571) |
| Reserves | (361) | (405) |
| **Total equity** | **12,566** | **41,138** |
| | | |
| **Reserves** | | |
| **Foreign currency translation reserve** | | |
| Balance, beginning of year | **(418)** | **(406)** |
| Foreign exchange movements from translation of financial statements to US dollars | 44 | (12) |
| **Balance, end of year** | **(374)** | **(418)** |
| | | |
| **Profit appropriation reserve** | | |
| **Balance, beginning of the year and end of the year** | **(13)** | **(13)** |
| | | |
| **Total Reserves, Balance, end of year** | **(361)** | **(405)** |

## 37. RELATED PARTY TRANSACTIONS

### 37.1 KMP holdings of shares and share options at 31 December 2024

- Mr. Eduardo Elsztain holds 461,294,560 shares directly and indirectly in Austral Gold Limited. (31 December 2023—461,294,560 shares)
- Mr. Saul Zang holds 1,640,763 shares directly in Austral Gold Limited. (31 December 2023— 1,640,763 shares)
- Mr. Pablo Vergara del Carril holds 68,119 shares directly in Austral Gold Limited. (31 December 2023—68,119)
- Mr. E. Elsztain and Mr. S. Zang are Directors of IFISA which holds 380,234,614 shares (31 December 2023—380,234,614)
- Mr. P. Vergara del Carril, Mr. E. Elsztain and Mr. S Zang are Directors of Guanaco Capital Holding Corp which holds 38,859,957 shares. (31 December 2023—38,859,957)
- Mr. Stabro Kasaneva holds 7,881,230 shares indirectly in Austral Gold Limited. (31 December 2023—7,881,230)
- Mr. Ben Jarvis holds 600,000 shares directly in Austral Gold Limited (31 December 2023—600,000)
- Mr. Jose Bordogna holds 126,495 shares directly in Austral Gold Limited. (31 December 2023—126,495)

**38.1 Directors and Key Management Personnel Remuneration**

The aggregate compensation made to Directors and other members of Key Management Personnel of the Group is set out below.

| All figures are reported in US$ | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Short-term benefits | 1,296,763 | 1,516,867 |
| Other long term benefits | 29,077 | 27,382 |
| Termination benefits | 258,131 | 71,762 |
| **Total** | **1,583,971** | **1,616,011** |

**39.1 Other transactions with related parties**

On 25 June 2024, the Company sold 5,458,833 previously issued common shares of Unico ("Unico Shares") to Mr. Elsztain and 963,323 Unico Shares to Mr. Zang, at a price per Unico Share of A$0.16 per share. Total proceeds from the transaction was US$682,393.

On 25 July 2024, the Company entered into an agreement to sell an additional 8,139,023 Unico Silver shares to its largest shareholder, Inversiones Financieras del Sur SA (IFISA). Two board members, Eduardo Elsztain and Saul Zang are also shareholders and directors of IFISA. The sale was completed on 2 August 2024 for proceeds of US$987,869.

Related party transactions regarding loans are disclosed in note 28, Loans and Borrowings.

Zang, Bergel & Viñes Abogados ("ZBV") is a related party since one non-executive Director, Pablo Vergara del Carril has significant influence over this law firm based in Buenos Aires, Argentina. Fees charged and expenses reimbursed by the Group for the year ended 31 December 2024 amounted to US$75,224 (2023: US$80,922). As at 31 December 2024, the Group owed ZBV US$41,508 (31 December 2023-US$5,990).

IRSA Inversiones y Representaciones S.A. and Consultores Asset Management S.A. are related parties as they are controlled by Non-executive Director and Chair, Eduardo Elsztain. During the year ended 31 December 2024 a total of US$315,058 was charged to and reimbursed by the Company (2023: US$61,975) in regard to financing fees and loan interest, IT services support, HR services, software licenses building/office expenses and other fees at 31 December 2024, the Group owed these companies US$$44,131 (31 December 2023-US$7,285) During 2023 and 2024, the Group entered into loans with Inversiones Financieras del Sur S.A., Consultores Assets Management S.A., Banco Hipotecario, and it's directors, Eduardo Elsztain and Saul Zang. Terms of the loans are described in note 28 and the respective amounts owed and interest expense are disclosed in the following table:

| All figures are reported in US$ | For the year ended 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Balance due | Interest expense | Balance due | Interest expense |
| Lender | | | | |
| Inversiones Financieras del Sur S.A.(1) | 5,504,748 | 283,921 | 2,621,827 | 88,797* |
| Consultores Assets Management S.A.(2) | 1,075,500 | 199,492 | - | - |
| Banco Hipotecario (3) | 1,606,306 | 437,469 | - | - |
| Eduardo Elsztain | 3,662,131 | 181,475 | 1,780,656 | 80,656 |
| Saul Zang | 646,333 | 32,025 | 314,309 | 14,309 |
| **Total** | **12,396,018** | **1,134,382** | **4,716,792** | **183,762** |

(1) Includes US$22,525 of interest paid during 2023.

(2) Includes US$123,992 of interest paid during 2024.

(3) Includes US$383,808 of interest paid during 2024, and gained US$186,572 of foreign exchange on repayment of the original loan and recorded US$60,355 of foreign exchange on the current loan during 2024 as the loan is in Argentine pesos.

**40.1 Ultimate parent entity**

The Parent Entity is controlled by IFISA with a 62.1% non-diluted and diluted interest in Austral Gold Limited and is incorporated in Uruguay. As IFISA is a private company, they do not produce consolidated financial statements available for public use.

The ultimate beneficial owner of IFISA is Eduardo Elsztain.

**41.1 Board positions with Companies that we hold equity interests**

Mr. Bordogna, CFO of Austral Gold Limited is a director of Unico Silver Limited (note 13).

## 38. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group maintains strong relationships with its lenders, including banks which provide the Group with borrowings and lines of credit, and the gold refinery that the Group has an agreement with, and other customers of the Group that may fund the purchase of gold and silver in advance of delivery.

## 39. SUBSEQUENT EVENTS

38.1 On 3 January 2025, the Group received US$2,000 thousands in accordance with the Toll Treatment Agreement entered into between the Group's subsidiary Casposo Argentina Mining Ltd. and Challenger Gold Limited. (note 24 and note 33)

39.1 On 28 February 2025, IFISA and the Group executed an assignment, assumption and amendment agreement with Eduardo Elsztain to assign US$1,700,000 of the funds advanced under a US$3,500,000 unsecured credit facility agreement with IFISA, effective 30 August 2024, the date of the facility. Additionally, IFISA and the Group entered into a similar agreement with Saul Zang to assign $300,000 of the funds advanced under the same credit facility agreement.

## 40. MATERIAL ACCOUNTING POLICIES

The group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also Note 5).

**Correction of an error**

During the year ended 31 December 2023, the Group discovered that the provision for reclamation and rehabilitation had been erroneously subtracted as an adjustment from operating activities instead of added as an adjustment. As a consequence, net cash from operating activities before change in assets and liabilities have been understated. There was no impact to net cash provided through operating activities as the increase in trade and other payables was overstated. The errors have been corrected by restating the affected cash flow items in the prior period.

| Previous financial statement captions | 31 December 2023 $000's | Re-stated financial statement captions | 31 December 2023 $000's |
|---|---|---|---|
| Consolidated statement of cash flows | | | |
| Net cash from operating activities before change in assets and liabilities | (126) | | 126 |
| Increase (decrease) in trade and other payables | 6,048 | | 5,796 |
| | **5,922** | | **5,922** |

**Change in classification**

During the year ended 31 December 2023, the Group updated the classification of certain disclosures to better reflect the nature of the items.

Changes were made to the Consolidated statement of profit or loss and other comprehensive income to:

reclassify impairment loss on exploration and evaluation assets from Other expenses.

Changes were made to the Consolidated statement of financial position to reallocate a bank overdraft from cash and cash equivalents.

| Previous financial statement captions | 31 December 2023 $000's | Re-stated financial statement captions | 31 December 2023 $000's |
|---|---|---|---|
| **Consolidated profit or loss and other comprehensive income** | | | |
| Other income | 3,853 | Other income | 3,731 |
| Other expenses | (8,889) | Other expenses | (4,786) |
| | | Impairment loss on exploration and evaluation assets | (3,981) |
| | **(5,036)** | | **(5,036)** |
| **Consolidated statement of financial position** | | | |
| Cash and cash equivalents | 1,039 | | 1,261 |
| Bank overdraft | - | | (222) |
| Trade and other payables | (23,121) | | (22,286) |
| Supply chain financing arrangement | - | | (835) |
| | **(22,082)** | | **(22,082)** |
| **Consolidated statement of cash flows** | | | |
| Increase (decrease) in trade and other payables | 5,796[1] | | 4,961 |
| (Decrease) / increase in supply chain financing arrangement | - | | 835 |
| Non-cash employee entitlements | (20) | | 960 |
| (Decrease) in employee entitlements | (1,060) | | (2,040) |
| | **4,716** | | **4,716** |

(1) After correction of an error in table on previous page

38.1 Basis of consolidation
39.1 Revenue recognition
40.1 Goods and services tax (GST)/ Value added tax (VAT)
41.1 Foreign currency
42.1 Mine properties
43.1 Exploration and evaluation expenditure
44.1 Property, plant and equipment
45.1 Cash and cash equivalents
46.1 Income tax
47.1 Inventories
48.1 Trade and other receivables
49.1 Financial assets
50.1 Trade and other payables
51.1 Interest bearing liabilities
52.1 Provisions
53.1 Leases
54.1 Impairment of non-financial assets
55.1 Contributed equity
56.1 Earnings per share
57.1 Borrowing costs
58.1 Employee leave benefits
59.1 Segment reporting

### 40.1 Basis of consolidation

A subsidiary is any entity over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

A list of subsidiaries is contained in note 35 to the financial statements. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company using consistent accounting policies.

All intercompany balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Non-controlling interests in the equity and results of the subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group.

**Business combinations**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities

### 40.2 Revenue Recognition

Under AASB 15 "Revenue from Contracts with Customers", the sale of minerals is recognised at the transfer of control or point of sale, which is when the customer has taken delivery of the goods, the risks and rewards have been transferred to the customer and there is a valid contract. Determining the timing of the transfer of control at a point in time or over time requires judgement.

The Group has an agreement with the refinery and sales are made via correspondence or an on-line trading platform with the customer.

When the customer is the refinery, the control of the metals is transferred upon stowage of the material into the approved carrier's vehicle at the gold room at the mine. The metal availability date is when the metals are available for pricing by the refinery. If the customer is not the refinery, revenue is recognised when the metals are transferred to the customer upon receipt and the customer obtains control of the metals. Invoices are payable two business days after the metal availability date. At the Guanaco/Amancaya mine, revenue is recognised when control of the metal is transferred as the related risk and rewards of ownership is transferred. When the customer is not a refinery, control occurs when the ounces of metals are transferred to the customer.

The price is set by the market using the London gold market.

Revenue recognition for the Toll Processing Agreement ("Agreement) between Casposo Argentina Mining Ltd. ("Casposo) and Challenger Gold Limited ("Challenger") is to be recognised as follows:

i) **Initial Fee:** The initial fee is recognised when there is no risk of refunding the paid amount. According to the Agreement, the plant at Casposo ("Plant") must be ready for commercial operations on or before July 31, 2025. If the Plant is not ready by this date, US$2,000 thousand of the US$3,000 thousand initial fee is refundable, except for delays or other matters beyond Casposo's control. Additionally, the fee is refundable if the Technical Committee, established under the Agreement, determines after all relevant studies and testing, that less than 70% of the material from the Hualilan Project (owned by Challenger) processed at the Plant will be recovered.

ii) **Tolling fee:** when the material is processed at the Plant in accordance with the Agreement.

iii) **Monthly fee:** Fixed monthly fee of US$110 thousand payable from the start of tolling operations at the Plant.

### 40.3 Goods and services tax (GST)/ Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/ VAT incurred is not recoverable from the tax authorities. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows.

### 40.4 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non- monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Foreign currency transactions are translated into US$ using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of foreign operations are translated into US dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US dollars at the exchange rates at the dates of the transactions.

**40.5 Mine Properties**

Mine properties in production represent the aggregated exploration and evaluation expenditure and capitalised development costs in respect of areas of interest in which mining is ready to or has commenced. Mine development costs are deferred until commercial production commences, at which time they are amortised on a units-of-production basis of gold equivalent ounces over mineable reserves. Once production has commenced, further development expenditure is classified as part of the cost of production, (e.g. stripping costs) unless substantial future economic benefits can be established.

**Amortisation**

Aggregated costs on productive areas are amortised over the life of the area of interest to which such costs relate on the units-of-production basis.

**40.6 Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is capitalised in respect of each identifiable area of interest and carried forward in the statement of financial position where rights to tenure of the area of interest are current; and at least one of the following conditions is met:

**i)** such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sales; or

**ii)** exploration and/or evaluation activities in the area of interest have not, at reporting date, yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in the area of interest are continuing.

Expenditure relating to pre-exploration activities, including costs incurred prior to the Group having an exploration license, is written off to the profit or loss during the period in which the expenditure is incurred.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Accumulated expenditure on areas that have been abandoned, or are considered to be of no value, are written off in the year in which such a decision is made.

When the technical and commercial feasibility of an undeveloped mining project has been demonstrated, the project enters the construction phase. The cost of the project assets are transferred from exploration and evaluation expenditure and reclassified into construction phase and include past exploration and evaluation costs, development drilling and other subsurface expenditure. When commissioned based on technical and commercial viability,, the accumulated costs are transferred into Mine Properties or an appropriate class of property, plant and equipment.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the units of production basis.

**40.7 Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

**Depreciation**

The depreciated amount of property, plant and equipment is recorded either on a straight-line basis or on the production output basis to the residual value of the asset over the lesser of mine life or estimated useful life of the asset.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. . Assets that are idle or no longer ready for use are not depreciated but are separately tested for impairment and where the recoverable value is less than the book value of the asset, an impairment is recorded.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, and is generally recognised in profit of loss.

The estimated useful lives for property, plant and equipment for current and comparative periods are as follows:

**i)** Underground mine development, plant ,mining equipment, machinery and equipment, building and heap: over the life of the area of interest on a production output basis

**ii)** Office equipment, vehicles and other: straight-line basis over 2-3 years

**De-recognition and disposal**

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognised.

**40.8 Cash and cash equivalents Cash includes:**

**i.** cash on hand and at call deposits with banks or financial institutions; and

**ii.** cash equivalents which includes other short-term highly liquid investments with original maturities of three months or less..

**40.9 Income tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

i) when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

ii) when the taxable temporary difference is associated with investments in subsidiaries, associates, or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

**i.** when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

**ii.** when the deductible temporary difference is associated with investments in subsidiaries, associates, or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of any deferred income tax assets recognised is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply for the year when the asset is realised or the liability is settled, based on tax laws that have been enacted or substantively enacted at reporting date.

Income taxes relating to items recognised directly to equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

**40.10 Inventories**

Materials and supplies used in production are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

If the ore stockpile is not expected to be processed in the normal operating cycle, it is included in non-current assets and the net realisable value is calculated on a discounted cash flow basis. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified to periodic surveys.

Gold bullion and gold-in-process are valued at the lower of cost and net realisable value. Net realisable value is determined using the prevailing metal prices.

**40.11 Trade and other receivables**

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at the date of the financial position plus accrued interest and less, where applicable, net of provisions for doubtful accounts and are measured at amortised costs.

With respect to VAT, included as other receivables, the Group records an expected credit loss where applicable, noting that VAT in Argentina can generally be recovered only against VAT charged on sales.

**40.12 Financial assets**

Financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets (unless it is a trade receivable without a significant financing component) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The fair value gain or loss on financial assets are measured at FVTPL.

**40.13 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. They are measured at amortised cost and are not discounted. The amounts are unsecured.

**40.14 Interest bearing liabilities**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

**40.15 Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Mine Closure provision**

Close-down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbances. The costs are based on the net present value of the estimated future costs of a closure.

Estimated changes resulting from new disturbances, updated cost estimates including information from tenders, changes to the lives of operations and revisions to discount rates are capitalised within the property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

The amortisation or “unwinding” of the discount applied in establishing the net present value provisions is charged to the income statement in each period as part of finance costs.

The cost of property, plant and equipment includes the estimated cost of dismantling and removing infrastructure and restoring the site to the extent that such cost is recognised as a provision.

**40.16 Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period for time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**Right of use**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

**40.17 Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal or value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives or more frequently if events or circumstances indicate that the carrying value may be impaired.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**40.18 Contributed equity**

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

**40.19 Earnings per share Basic earnings per share**

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the parent, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**40.20 Borrowing costs**

Borrowing costs are recognised as an expense when incurred unless they are attributable to qualifying assets, in which case they are then capitalised as part of the assets.

**40.21 Employee leave benefits/Short-term employee benefits**

Liabilities for employees' entitlements to wages and salaries, annual leave and other employee entitlements expected to be settled within 12 months of the reporting date are recognised in the current provisions in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non- accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

**Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated cash outflows.

**Superannuation**

The Company contributes to employee superannuation funds. Contributions made by the Company are legally enforceable and contributions are made in accordance with the requirements of the Superannuation Guarantee Legislation.

**40.22 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

# AUSTRAL GOLD Limited

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

### 31 December 2024

| Entity name | Body, corporate, partnership or trust | Place incorporated/ formed | % of share capital held directly or indirectly by the Company in the body corporate | Australian or foreign tax resident | Jurisdiction for foreign tax resident |
|---|---|---|---|---|---|
| Austral Gold Limited | | Australia | | Australian | N/A |
| Guanaco Mining Company | Body corporate | British Virgin Islands | 100 | Foreign | British Virgin Islands |
| Guanaco Compañía Minera | Body corporate | Chile | 100 | Foreign | Chile |
| Austral Gold Argentina | Body corporate | Argentina | 100 | Foreign | Argentina |
| Austral Gold North America Corp. | Body corporate | US | 100 | Foreign | US |
| Austral Gold Canada Limited | Body corporate | Canada | 100 | Foreign | Canada |
| Casposo Argentina Mining Ltd. | Body corporate | Canada | 100 | Foreign | Canada/Argentina |
| Revelo Resources Corp. | Body corporate | Canada | 100 | Foreign | Canada |
| Minera Mena Chile Ltda. | Body corporate | Chile | 100 | Foreign | Chile |
| SCM Pampa Buenos Aires | Body corporate | Chile | 100 | Foreign | Chile |
| Minera Celeste Chile Ltda. | Body corporate | Chile | 100 | Foreign | Chile |
| Minera Serena Mining Chile Ltda. | Body corporate | Chile | 100 | Foreign | Chile |
| SCM Montezuma Ltda. | Body corporate | Chile | 100 | Foreign | Chile |
| Minera Cuyo | Body corporate | Argentina | 50 | Foreign | Argentina |

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

31 December 2024

Austral Gold Limited (the "Company") is a company limited by shares that is incorporated and domiciled in Australia.

## BASIS OF PREPARATION

### KEY ASSUMPTIONS AND JUDGEMENTS

**Determination of Tax Residency**

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.
In determining tax residency, the consolidated entity has applied the following interpretations:

• Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

• Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

**Partnerships and Trusts**

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.
Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

**Branches (permanent establishments)**

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.