



Asara Resources Ltd

ABN 39 006 710 774

Half Year Report

For the period ended 31 December 2023

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Corporate Directory

Directors

Brett Montgomery, Non-Executive Chairman
Timothy Strong, Managing Director
Douglas Jones, Non-Executive Director

Company Secretary

Joanna Kiernan

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Auditors

HLB Mann Judd (WA Partnership)
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Stock Exchange Listing

Australian Securities Exchange (ASX), ASX Code: AS1

The Company's shares are also traded on the Berlin Open Market (Freiverkehr, A0LGRE) and Frankfurt Open Market (WKN:A0LGRE).

Directors' Report

The board of directors of Asara Resources Ltd (**Asara** or the **Company**) presents its half year report together with the condensed consolidated financial statements of the Company and the entities it controlled (**Group**) for the half year ended 31 December 2023 (**Half Year, Half Year Report**).

Directors

The following persons held office as directors of the Company during or since the end of the Half Year until the date of this report. Directors were in office for the entire period unless stated otherwise.

Brett Montgomery, Non-Executive Chairman
Timothy Strong, Managing Director
Douglas Jones, Non-Executive Director

Operating Results

During the Half Year, the Group incurred an operating loss after tax of \$1,074,376 (2022: \$4,473,769) which includes mineral exploration and evaluation expenditure of \$474,023 (2022: \$310,219).

Overview of Operations

Asara Resources is an exploration company with a portfolio of advanced minerals projects in Guinea and Burkina Faso, West Africa and in Chile, South America.

Set out below is a summary of the work undertaken during the Half Year on each of the Company's projects.

Kada Gold Project, Guinea (Kada)

The Company's flagship project is the advanced Kada Gold Project (**Kada**), strategically located in the central Siguiri Basin, Guinea, and it lies 36km along strike from and to the south of the >10Moz Siguiri Gold Mine operated by AngloGold Ashanti Ltd (Figure 1). Kada is an advanced project, comprised of two permits, Kada and Bamféle covering an area of approximately 200km², having previously been explored by Newmont Corporation (**Newmont**).

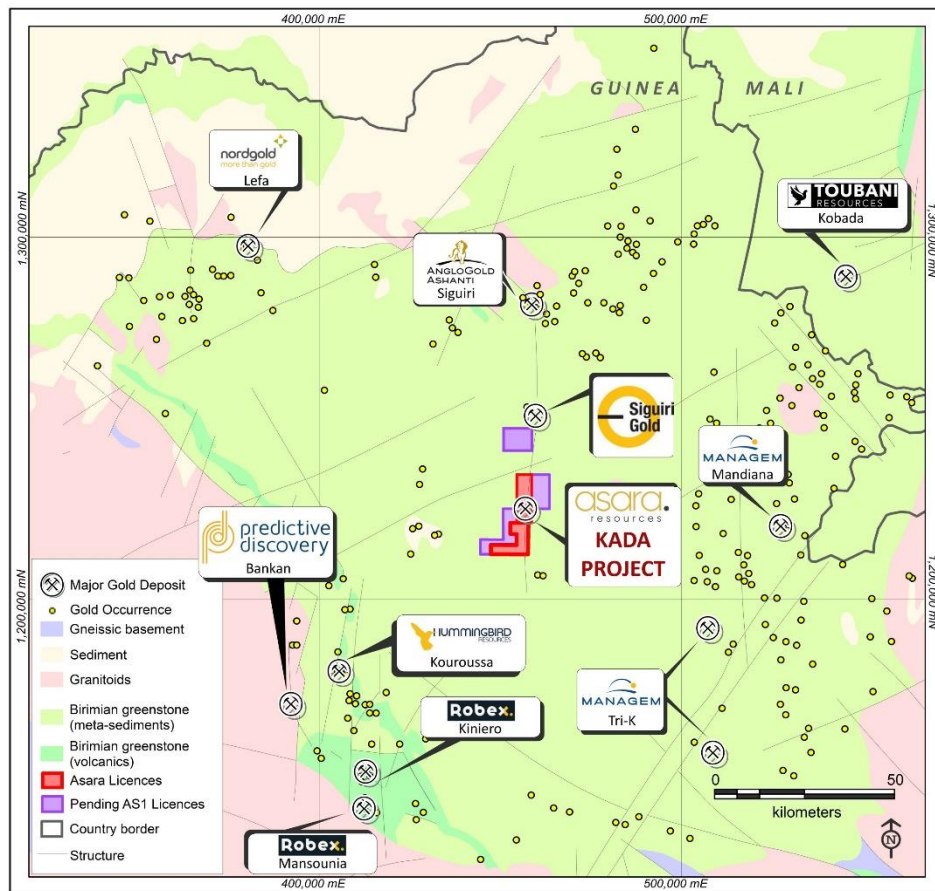


Figure 1. Location of Kada Projects in the Siguiri Basin, NE Guinea.

Asara completed a diamond drilling (DD) campaign in July 2023. Drilling was undertaken to explore the Massan and Bereko deposits at depth, and to further geologic understanding of mineralisation in anticipation of an updated Mineral Resource Estimate (MRE) in late 2023.

Assays were received for the final 24 DD holes (4,450m) during the Half Year. Highlights included:

- 64m @ 1.1 g/t gold
- 16m @ 3.0 g/t gold
- 29m @ 1.2 g/t gold
- 11m @ 2.9 g/t gold
- 26m @ 1.2 g/t gold
- 19m @ 1.4 g/t gold



Figure 1: MSDD008 with gold grades across a portion of 29m @ 1.2 g/t intersection from 29m.

In October, Asara released an updated MRE at Kada. The updated MRE included a maiden MRE at Bereko, and an updated Resource at Massan.

Key attributes of the updated MRE at Kada are as follows:

- **Significant portion of Massan now classified as Indicated:** including >40% of oxide material and 24% of Massan resource.
- **Majority of MRE comprises shallow oxide-transitional gold:** totals 58% of the MRE ounces (17.4 Mt @ 1.0 g/t gold for 536,000oz).
- **Positive mining characteristics:** broad zones of soft oxide-transitional gold mineralisation from surface to ~100m depth; clear potential for free-digging, low-strip, low-cost development.
- **Favourable metallurgical recoveries¹:** testwork indicates the gold mineralisation is amenable to simple cyanide leach processing, with recoveries up to 97% in oxide.
- **Exceptional Mineral Resource growth potential:**
 - MRE open at depth, with intersections up to 12m @ 2.5 g/t gold below the conservative USD\$1,800 pit-shell.
 - Significant gold mineralisation both north and south of Massan MRE within 200m.
 - Bereko MRE open in all directions, constrained by drilling limits.

¹ ASX Announcement: Outstanding Gold Recoveries From Kada Metallurgical Testwork dated 09 March 2022.

- Numerous shallow oxide gold targets in the project area, particularly along the 15km Kada Gold Corridor.
- **Analogies with the +10Moz gold Siguiri Mine Complex:** gold-bearing quartz-sulphide-tourmaline stockwork mineralisation, with a deep >100m oxide zone, very similar to the mineralisation at AngloGold Ashanti's Siguiri Mine, located 35km north along the same mineralisation trend (Figure 8).

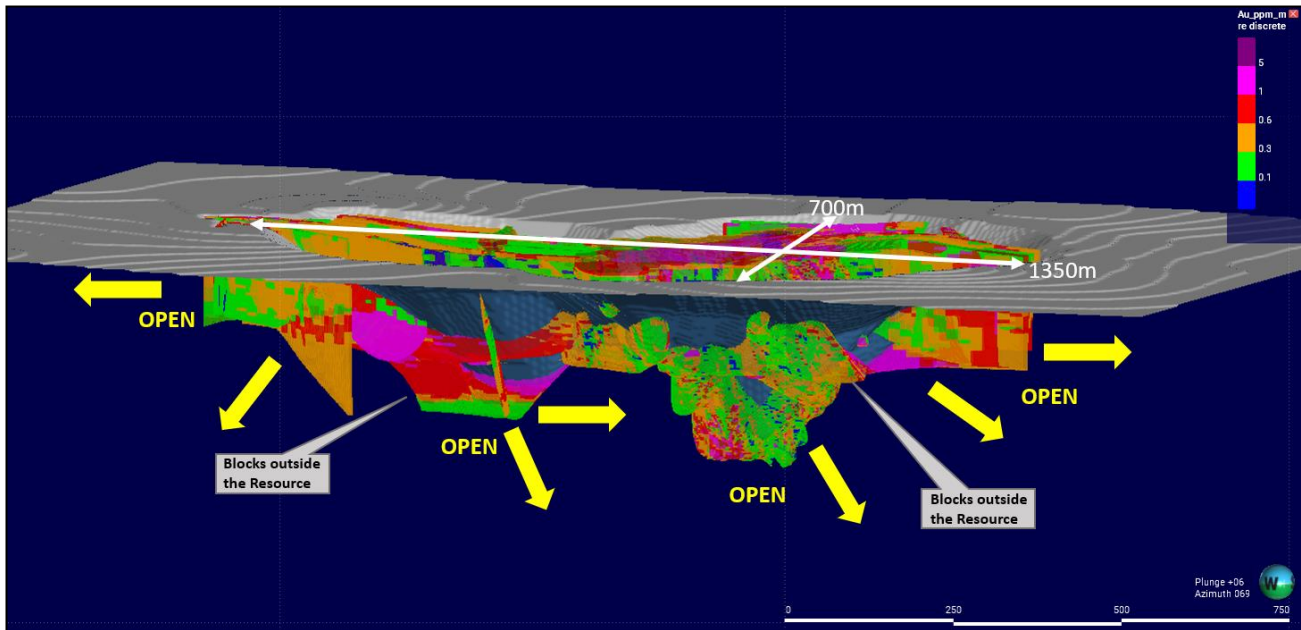


Figure 2: Massan Mineral Resource 3D perspective view, looking northeast (note Low-grade mineralised halo removed from image for clarity)

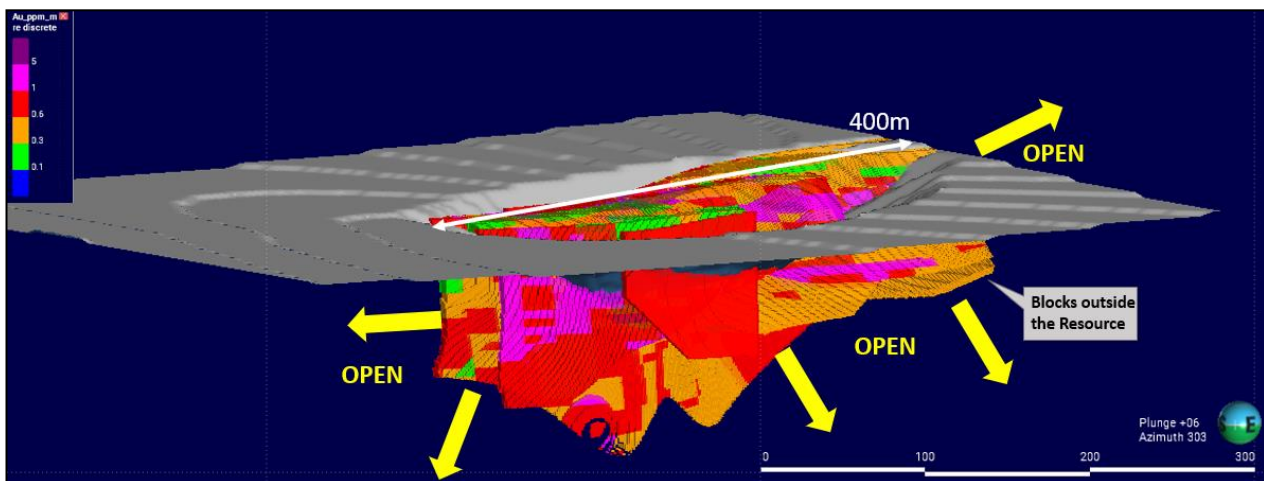


Figure 3: Bereko Mineral Resource 3D perspective view, looking northwest (note Low-grade mineralised halo removed from image for clarity)

Table 1: Kada Mineral Resource Estimate

Deposit	Type	Classification	Tonnes (Mt)	Grade (g/t Au)	Metal (Oz Au)
Massan	Oxide	Indicated	4.60	1.07	158,000
		Inferred	7.28	0.93	219,000
		Total	11.88	0.99	377,000
	Transition	Indicated	1.07	0.88	30,000
		Inferred	3.8	0.91	113,000
		Total	4.94	0.90	143,000
	Fresh	Indicated	1.25	0.90	36,000
		Inferred	11.65	0.93	350,000
		Total	12.90	0.93	386,000
	All	Indicated	6.92	1.01	224,000
		Inferred	22.80	0.93	682,000
		Total	29.72	0.95	906,000
Bereko	Oxide	Inferred	0.48	0.92	14,000
	Transition	Inferred	0.06	1.05	2,000
	Fresh	Inferred	0.04	1.01	1,000
	All	Inferred	0.58	0.94	18,000
Total Kada Project	Oxide	Indicated	4.60	1.07	158,000
		Inferred	7.76	0.93	233,000
		Total	12.37	0.98	391,000
	Transition	Indicated	1.07	0.88	30,000
		Inferred	3.92	0.91	115,000
		Total	4.99	0.90	145,000
	Fresh	Indicated	1.25	0.90	36,000
		Inferred	11.69	0.93	351,000
		Total	12.94	0.93	387,000
	All	Indicated	6.92	1.01	224,000
		Inferred	23.38	0.93	699,000
		Total	30.30	0.95	923,000

Notes for Table 1:

1. Mineral Resources are reported on a dry in-situ basis at a 0.50g/t Au cut-off as selected by Asara, exceeding breakeven cut-off grades for economic extraction, and constrained to the limit of an optimised USD 1,800/oz gold price pit shell, based on a gravity/CIL processing route and typical West African open pit mining costs.
2. Mineral Resources have been compiled by Mr Frank Browning who is a full-time employee of WAI and a Registered Member of the Australian Institute of Geoscientists. Mr Browning has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
3. All Mineral Resource figures reported in the table above represent estimates on 1 October, 2023. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Numbers may not add due to rounding.
4. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
5. Mineral Resources have been reported at a 100% equity stake and not factored for ownership proportions. Ownership proportions are detailed in the Permit Schedule.

Table 2: Kada Project Mineral Resource Estimate by Gold Cut-off Grade

Gold Cut-Off Grade (g/t)	Tonnes (Mt)	Grade (g/t Au)	Metal (oz Au)
0	126.2	0.37	1,480,000
0.05	117.1	0.39	1,470,000
0.1	91.0	0.48	1,410,000
0.15	74.5	0.56	1,340,000
0.2	64.7	0.62	1,290,000
0.25	56.7	0.67	1,230,000
0.3	50.0	0.73	1,170,000
0.35	44.1	0.78	1,110,000
0.4	38.9	0.84	1,050,000
0.45	34.3	0.89	980,000
0.5	30.3	0.95	920,000
0.55	26.9	1.00	870,000
0.6	24.0	1.05	810,000
0.65	21.5	1.10	760,000
0.7	19.3	1.15	710,000
0.75	17.3	1.20	670,000
0.8	15.5	1.25	620,000
0.85	13.8	1.30	580,000
0.9	12.2	1.36	530,000
0.95	10.9	1.41	490,000
1	9.8	1.46	460,000

Notes for Table 2: Sensitivity analysis across a range of cut-off grades is only intended to provide additional context and should not be considered Mineral Resources.

Further details can be found in the ASX released dated 10 October 2023.

Asara is currently in the process of designing further exploration activities focusing on adding to the gold inventory at Kada.

Kouri Gold Project, Burkina Faso (Kouri)

In 2020, Asara discovered and has outlined an Indicated and Inferred Mineral Resource of 50Mt at 1.3g/t gold for 2Moz² at Kouri using a cut-off grade of 0.5g/t gold.

Kouri remained on care and maintenance through the half year period, while the Company remained focused on exploring Kada. No exploration activities were undertaken at Kouri.

The Kouri license was renewed by the Ministere de l'Energie, Des Mines et Des Carrieres in Burkina Faso for a period of three years. The license has been extended until 10 April 2026.

The Company is actively exploring potential divestment opportunities and is in early-stage discussions with a third party in relation to the potential divestment of Kouri. No formal documentation has been signed and there is no guarantee that the discussions will result in a binding transaction.

² ASX announcement: Kouri Mineral Resource Increases by 43% Increase to 2 Million ounces Gold dated 26 October 2020 (Total Mineral Resource includes: Indicated Mineral Resource of 7Mt at 1.4g/t gold and Inferred Mineral Resource of 43Mt at 1.2g/t gold).

Babonga Gold Project, Burkina Faso (Babonga)

Babonga is located 70km north-east of Asara's primary project in Burkina Faso, Kouri. Babonga has a highly coherent gold-in-soil anomaly approximately 2.1km long and 300m wide, located in the southern part of the licence. This anomaly is coincident with a major regional fault that is connected to the major fault zone that hosts gold mineralisation at Kouri.

Aircore drilling has discovered widespread bedrock gold mineralisation, including a coherent zone of bedrock gold mineralisation (comprised of a series of stacked gold mineralised veins) over an area of 1km x 200m.

During the Half Year, no field work was completed at Babonga.

Paguanta Copper and Silver-Lead-Zinc Project, Chile (Paguanta)

Paguanta lies in the Tarapacá Region of northern Chile, approximately 120km northeast of Iquique. The Paguanta Silver-Lead-Zinc Project remained on care and maintenance through the half year period, while the Company remained focused on exploring Kada.

The Company has been seeking a divestment of Paguanta and is considering alternatives for realising value for shareholders.

Loreto Copper Project, Chile (Loreto)

Loreto is located adjacent (West) to the company's Paguanta Project in the Tarapacá Region of northern Chile. Asara has a USD \$17.6m Option and Joint Venture Agreement with Teck Resources Chile Limitada (**Teck Chile**), a subsidiary of Teck Resources Limited (**Teck**), on its 100% owned Loreto Copper Project.

During the Half Year, Teck continued to work on community engagement and exploration planning,

During the quarter, the Company announced that its Paguanta Project Joint Venture Partner Costa Rica Dos SpA (**Costa Rica Dos**) instigated legal proceedings in Chile regarding the Loreto Project in the form of a civil action for damages against the Company and Teck Chile. The civil action relates to predecessor exploration concessions over the ground comprising the Loreto Project that were historically held by Costa Rica Dos.

Asara disputes any wrongdoing on its behalf and is currently assessing the veracity and merits of Costa Rica Dos' claim. Please refer to the ASX announcement dated 15 November 2023 for further information.

Business Development

The Company has previously advised that it regularly investigates new business development opportunities. It continues to review and investigate various new business opportunities across the African continent including advanced gold project opportunities. All potential opportunity processes the Company is engaged in remain incomplete, and are subject to full technical, legal and economic due diligence. Whilst some processes are more advanced than others, there is no guarantee that the Company will be able to successfully conclude a transaction. The Company cautions investors that there is no certainty that any transaction will proceed.

Corporate

Convertible Note

In September 2023, the Company announced that it had entered into a Convertible Note Deed (**Note**) with major shareholder Capital DI Limited (**Capital**) to assist the Company with its working capital requirements.

The Company issued the A\$1.5m Note to Capital using its placement capacity under Listing Rule 7.1. The Note has an expiry date of six months from the date of issue, convertible by Capital at any time in whole or in part, subject to any necessary shareholder and regulatory approval. The Note is unsecured, and interest is payable at 11.5% per annum, payable monthly or capitalised if not paid. The conversion price is the lowest cash issue price of Shares at which the Company raises capital before the expiry date, provided that if the issue price is less than \$0.017 per Share, the Conversion Price shall be \$0.017 per Share.

In December 2023, the Company repaid A\$1m to Capital as part repayment of the Note. As at 31 December 2023, A\$500,000 remained outstanding. Subsequent to the period end, the Company reached an agreement with Capital to extend the maturity date of the Note for a further three months, until 5 June 2024.

Entitlement Offer to Shareholders

On 16 November 2023, the Company announced that it was undertaking a pro-rata non-renounceable entitlement issue (**Entitlement Issue**) of 1 new fully paid share for every 1 share held, at \$0.012 per share to raise up to \$7,099,060 (before costs). Eligible shareholders subscribed for a total of 141,142,538 new fully paid ordinary shares pursuant to their entitlements and additional shares subscribed for, raising a total of \$1,693,710. A further 60,000,000 fully paid ordinary shares were issued on 27 December 2023, raising \$720,000 under the Shortfall Offer described in the Prospectus.

Subsequent to the period end, the Company announced on 18 January 2024 that it had appointed Argonaut Securities Pty Limited to act as a non-exclusive broker and bookrunner to use its best endeavours to place the remaining shortfall to the Entitlement Issue. The Shortfall Offer closed on 16 February 2024 with no further shares issued.

Change of Company Name

At the Company's AGM in November 2023, shareholders voted in favour of changing the Company's name from Golden Rim Resources Limited to Asara Resources Limited. The Company's name officially changed with the Australian Securities and Investments Commission and was registered for trading as AS1 on the Australian Securities Exchange from the commencement of trading on 22 December 2023.

Over the last 12 months, the Company has undergone a Board and Management renewal process and the Board considered that the change of name is appropriate to better reflect the next chapter in the Company's evolution. Asara has Arabic origins with the meaning of 'hope' and the Board believes that Asara Resources Limited is the ideal name to carry the Company on its journey to explore in West Africa and beyond.

Permit Schedule

The following table sets out the permits in which the Company had an interest, as at the end of the Half Year.

Permit name	Project name	Golden Rim Holding (%)	Changes for the Half Year to permits and/or interest
Guinea			
Kada	Kada	51	
Bamfele	Kada	51 effective. 100% legal ownership, held on behalf of Kada joint venture.	
Burkina Faso			
Babonga	Babonga	100	
Kouri	Kouri	100	
Margou	Kouri	100	
Gouéli	Kouri	100	
Chile			
José Miguel 1 1-30 Exploitation	Paguanta	74	
José Miguel 2 1-30 Exploitation	Paguanta	74	
José Miguel 3 1-20 Exploitation	Paguanta	74	
José Miguel 4 1-30 Exploitation	Paguanta	74	
José Miguel 5 1-30 Exploitation	Paguanta	74	
José Miguel 6 1-30 Exploitation	Paguanta	74	
José Miguel 7 1-30 Exploitation	Paguanta	74	
José Miguel 8 1-10 Exploitation	Paguanta	74	
Carlos Felipe 1 1-30 Exploitation	Paguanta	74	
Carlos Felipe 2 1-30 Exploitation	Paguanta	74	
Carlos Felipe 3 1-30 Exploitation	Paguanta	74	
Carlos Felipe 4 1-30 Exploitation	Paguanta	74	
Carlos Felipe 5 1-30 Exploitation	Paguanta	74	
Carlos Felipe 6 1-30 Exploitation	Paguanta	74	
Teki I 1 1-20 Exploitation	Loreto	100 % ownership, joint ventured with Teck.	
Teki I 2 1-40 Exploitation	Loreto		
Teki I 3 1-60 Exploitation	Loreto		
Teki I 4 1-60 Exploitation	Loreto		
Teki I 5 1-60 Exploitation	Loreto		
Teki I 6 1-60 Exploitation	Loreto		
Teki I 7 1-20 Exploitation	Loreto		

Competent Persons Statement

The information in this report relating to previous exploration results and Mineral Resources are extracted from the announcements: Kada Mineral Resource Estimate Update improves confidence dated 09 October 2023; Diamond Drilling returned 64m @ 1.1g/t and 16m @ 3.1g/t gold dated 08 August 2023; Diamond Drilling returns 26m @ 1.2 g/t and 19m @ 1.4 g/t gold at Kada dated 05 July 2023; Massan returned further broad oxide gold intercepts including 57m @ 1.1 g/t gold dated 17 May 2023; Trenching at Massan returns 10m @ 10.7 g/t within 128m @ 3.1 g/t gold dated 12 May 2023; Golden Rim identifies new gold targets at Kada dated 11 May 2023; Maiden drilling at Sounkou prospect returns 17m @ 1.3 g/t shallow gold dated 24 April 2023; Kada drilling delivers 56m @ 1.7 g/t gold at Massan, 9m @ 2.8 g/t gold at Bereko dated 04 April 2023; Golden Rim intercepts 9m @ 3.3 g/t oxide gold; trenching returns 92m @ 1.8 g/t gold at Kada dated 17 March 2023; GMR hits 57m @ 1.0g/t Gold in Oxide at Kada dated 20 February 2023; Golden Rim intercepts further oxide gold zones at Kada's Bereko prospect dated 6 February 2023;

Golden Rim geophysical surveying identifies additional gold targets at Kada dated 18 October 2022; Golden Rim identifies additional oxide gold target areas at Bereko dated 14 July 2022; Golden Rim Hits 43m at 1.2gt Gold Outside Kada Mineral Resource dated 21 June 2022; Golden Rim hits shallow high-grade oxide gold at Bereko dated 19 May 2022; Golden Rim's Drilling Outside Kada Mineral Resource Area Delivers More Oxide Gold dated 11 May 2022; Outstanding Gold Recoveries from Kada Metallurgical Testwork dated 9 March 2022; Kada Maiden Mineral Resource 930Koz Gold dated 3 March 2022; Golden Rim Discovers More Oxide Gold in Exploration Drilling at Kada dated 1 March 2022; Golden Rim hits 171.5g/t gold in sampling at Kada with multiple new targets identified dated 22 February 2022; Golden Rim Discovers Exciting New Zone of Oxide Gold at Kada – 66m at 1.0g/t Gold dated 17 February 2022; Golden Rim hits more oxide gold at Kada – 61m at 1.2g/t gold from surface dated 28 January 2022; Golden Rim Continues to Identify Additional Gold Mineralisation at Kada dated 20 January 2022; Kada Delivers Exceptional Shallow Oxide Gold Intersection - 96m at 3.3ppm Gold dated 20 December 2021; Kada Delivers its Widest Oxide Gold Intersection to Date – 62m at 1.3g/t Gold dated 14 December 2021; Golden Rim Delivers More Broad Zones of Oxide Gold at Kada dated 19 August 2021; Golden Rim Intersects 32m at 1.4g/t Gold in Oxide at Kada dated 5 August 2021; Golden Rim Expands Kada Bedrock Gold Corridor to 15km dated 30 July 2021; Golden Rim's Oxide Gold Blanket at Kada Expands to 700m Width dated 26 July 2021; Golden Rim hits 46m at 1.3g/t gold in oxide at Kada dated 19 July 2021; Golden Rim Continues to Outline Broad Oxide Gold Area at Kada dated 13 July 2021; Golden Rim Confirms Broad Zones of Oxide Gold in Resource Drillout at Kada dated 29 June 2021; Golden Rim Accelerates Maiden Mineral Resource Drillout at Kada Gold Project dated 31 May 2021; Major Bedrock Gold Corridor Extends to 4.7km at Kada dated 20 May 2021; Major 3.5km Bedrock Gold Corridor Confirmed at Kada dated 19 April 2021; Golden Rim commences Diamond Drilling at Kada Gold Project dated 13 April 2021; Golden Rim Ramps Up Drilling on West African Gold Projects dated 23 March 2021; Golden Rim Commences Major Exploration Program at Kada dated 25 February 2021; Broad zones of deep oxide gold mineralisation confirmed at Kada dated 16 November 2020. These reports are available on the Company's website (www.asararesources.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in these announcements and, in the case of the Mineral Resource estimate, that all material assumptions and technical parameters underpinning estimate continue to apply and have not materially changed.

The information in this report that relates to exploration results is based on information compiled by Tim Strong, a Competent Person, who is a Professional Member of the Institute of Materials, Minerals and Mining. Mr Strong is a full-time employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Strong consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Certain statements in this document are or maybe "forward-looking statements" and represent Golden Rim's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Golden Rim, and which may cause Golden Rim's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Golden Rim does not make any representation or warranty as to the accuracy of such statements or assumptions.

Events Subsequent to period end

Since the end of the Half Year, no significant event has occurred, except as stated below and elsewhere in this Half Year Report.

- On 18 January 2024, the Company entered into a mandate with Argonaut Securities Pty Ltd to act as a non-exclusive broker and bookrunner to use its best endeavours to place the remaining shortfall to the Entitlement Issue. The Shortfall Offer closed on 16 February 2024 with no further shares issued.
- On 28 February 2024, the Company reached an agreement with Capital to extend the maturity date of the Note for a further three months, until 5 June 2024.
- On 1 March 2024, the Managing Director agreed to reduce his base salary from \$250,000 to \$125,000 as part of the Company's strategy to reduce overall business costs at this time.
- On 14 March 2024, the Company announced that it had received firm commitments from new and existing shareholders to raise \$805,000 (before costs) at \$0.009 per share (**Placement**). 89.4 million shares will be issued pursuant to the Placement, utilising the Company's available placement capacity pursuant to ASX Listing Rule 7.1.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on the following page of this Half Year Report.

This Half Year Report is signed in accordance with a resolution of the Directors, made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Brett Montgomery', with a stylized, flowing script.

Brett Montgomery

15 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Asara Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
15 March 2024

B G McVeigh
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2023

	Note	31 December 2023	31 December 2022
		\$	\$
Interest income		5,314	3,842
Other gains/(losses)		(41,502)	4,166
Administration expenses		(466,693)	(848,077)
Share based payments		(6,690)	
Interest expense		(53,172)	-
Depreciation expense		(37,610)	(42,963)
Impairment losses	6	-	(3,280,518)
Exploration and evaluation expenditure	6	(474,023)	(310,219)
Loss before income tax		(1,074,376)	(4,473,769)
Income tax expense		-	-
Loss for the period		(1,074,376)	(4,473,769)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(345,047)	1,660,948
Other comprehensive income/(loss) for the period, net of tax		(345,047)	1,660,948
Total comprehensive loss for the period		(1,419,423)	(2,812,821)
Loss attributable to:			
Owners of the Company		(1,005,009)	(4,429,023)
Non-controlling interests		(69,367)	(44,746)
		(1,074,376)	(4,473,769)
Total comprehensive loss attributable to:			
Owners of the Company		(1,241,775)	(3,151,632)
Non-controlling interests		(177,648)	338,811
		(1,419,423)	(2,812,821)
Loss per share			
Basic (cents per share)		(0.18)	(1.84)
Diluted (cents per share)		(0.18)	(1.84)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current Assets			
Cash and cash equivalents		1,120,021	1,640,890
Trade and other receivables		27,337	37,953
Other assets		65,856	28,598
Total Current Assets		<u>1,213,214</u>	<u>1,707,441</u>
Non-Current Assets			
Other financial assets		3,661	3,729
Plant and equipment		155,613	218,421
Exploration and evaluation expenditure	6	22,534,900	21,599,492
Total Non-Current Assets		<u>22,694,174</u>	<u>21,821,642</u>
Total Assets		<u>23,907,388</u>	<u>23,529,083</u>
Current Liabilities			
Trade and other payables		368,308	1,293,851
Loans		500,000	-
Provisions		48,123	142,419
Total Current Liabilities		<u>916,431</u>	<u>1,436,270</u>
Non-Current Liabilities			
Provisions		14,202	70,375
Total Non-Current Liabilities		<u>14,202</u>	<u>70,375</u>
Total Liabilities		<u>930,633</u>	<u>1,506,645</u>
Net Assets		<u>22,976,755</u>	<u>22,022,438</u>
Equity			
Share capital	4	114,974,052	112,607,002
Reserves		1,005,188	1,352,864
Accumulated losses		(91,659,864)	(90,772,455)
Equity attributable to owners of the Company		<u>24,319,376</u>	<u>23,187,411</u>
Non-controlling interests		<u>(1,342,621)</u>	<u>(1,164,973)</u>
Total Equity		<u>22,976,755</u>	<u>22,022,438</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2023

	Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	104,920,632	1,911,365	(24,265)	(84,445,412)	(1,962,573)	20,399,747
Loss for the period	-	-	-	(4,429,023)	(44,746)	(4,473,769)
Other comprehensive income for the period	-	-	1,277,391	-	383,557	1,660,948
Total comprehensive loss for the period	-	-	1,277,391	(4,429,023)	338,811	(2,812,821)
Transactions with owners recorded directly in equity						
Issue of shares and options	2,354,350	-	-	-	-	2,354,350
Share issue costs	(242,011)	-	-	-	-	(242,011)
Fair value of expired/exercised options	-	(1,583,137)	-	1,583,137	-	-
Balance at 31 December 2022	107,032,971	328,228	1,253,126	(87,291,298)	(1,623,762)	19,699,265
Balance at 1 July 2023	112,607,002	302,481	1,050,383	(90,772,455)	(1,164,973)	22,022,438
Loss for the period	-	-	-	(1,005,009)	(69,367)	(1,074,376)
Other comprehensive income for the period	-	-	(236,766)	-	(108,281)	(345,047)
Total comprehensive loss for the period	-	-	(236,766)	(1,005,009)	(177,648)	(1,419,423)
Transactions with owners recorded directly in equity						
Issue of shares and options	2,413,711	6,690	-	-	-	2,420,401
Share issue costs	(46,661)	-	-	-	-	(46,661)
Fair value of expired/exercised options	-	(117,600)	-	117,600	-	-
Balance at 31 December 2023	114,974,052	191,571	813,617	(91,659,864)	(1,342,621)	22,976,755

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows for the Half Year ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities		
Payments to suppliers and employees	(535,403)	(813,827)
Mineral exploration expenditure	(499,531)	(372,123)
Interest received	5,314	3,842
Interest paid	(43,125)	-
Net cash used in operating activities	(1,072,745)	(1,182,108)
Cash flows from investing activities		
Payments for acquisition of exploration assets	(2,379,144)	(1,342,539)
Purchase of plant and equipment	(2,547)	(49,757)
Proceeds from sale of plant and equipment	7,513	587
Net cash used in investing activities	(2,374,178)	(1,391,709)
Cash flows from financing activities		
Proceeds from issue of shares and options	2,413,711	2,354,350
Share issue costs	(14,638)	(156,946)
Proceeds from Borrowings	1,500,000	-
Repayments of Borrowings	(1,000,000)	-
Net cash provided by financing activities	2,899,073	2,197,404
Net decrease in cash and cash equivalents held	(547,850)	(376,413)
Cash and cash equivalents at the beginning of the period	1,640,890	2,607,909
Translation differences on cash held in foreign currencies	26,981	(494)
Cash and cash equivalents at the end of the period	1,120,021	2,231,002

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements for the Half Year ended 31 December 2023

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the financial periods presented unless otherwise stated.

Statement of compliance

This Half Year Report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". This Half Year Report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

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

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

The Board of Directors authorised these half-year financial statements for issue on 15 March 2024.

Adoption of new and revised Australian Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

The adoption of these standards has not had a material impact on the disclosures and/or amounts reported in these financial statements.

Standards and interpretations in issue but not yet effective

The Group has reviewed new and revised standards and interpretations that are in issue but are not mandatory for the current reporting period, and it was determined there will be no material change required to the Group's accounting policies.

2. Going Concern

The condensed consolidated financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

During the half year, the Group incurred a net loss after tax of \$1,074,376 (2022: \$4,473,769) and experienced net cash outflows from operating and investing activities of \$3,446,923 (2022: \$2,573,817). At 31 December 2023, the Group had net assets of \$22,976,755 (30 June 2023: \$22,022,438) and working capital of \$296,783 (30 June 2023: \$271,171). As at 31 December 2023, the Group had a cash balance of \$1,120,021 (30 June 2023: \$1,640,890).

Subsequent to year end, on 14 March 2024, the Company announced that it had received firm commitments from new and sophisticated investors to raise \$805,000 (before costs) at \$0.009 per share (**Placement**). 89.4 million shares will be issued pursuant to the Placement, utilising the Company's available placement capacity pursuant to ASX Listing Rule 7.1.

The Directors have prepared a cash flow forecast for the period ending 31 March 2025, which indicates that additional funding will be required to meet the expected cash outflows in relation to its ongoing exploration and evaluation activities. The ability of the Group to continue to develop its projects and therefore continue as a going concern is dependent on securing additional sources of funding via capital raisings, divestment of assets or other type of corporate transaction, by March 2025.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above, including the ability of the Group to secure additional funding, and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty which may cast significant doubt on whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

These condensed consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

3. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one business, namely exploration for mineral resources in various geographical regions. The financial results from this business are presented to the Board on a geographical basis.

Information on a geographical segment basis is presented below:

	Australia	South America	Africa	Group
	\$	\$	\$	\$
Half year 2023				
Segment revenue	5,314	-	-	5,314
Segment result	(572,032)	(341,931)	(160,413)	(1,074,376)
Exploration costs expensed	7,039	341,931	125,053	474,023
Depreciation expense	2,251	-	35,359	37,610
As at 31 December 2023				
Segment assets	992,542	16,619	22,898,227	23,907,388
Segment liabilities	796,494	41,170	92,969	930,633
Half year 2022				
Segment revenue	3,842	-	-	3,842
Segment result	(839,414)	(200,944)	(3,433,411)	(4,473,769)
Exploration costs expensed	-	200,944	109,275	310,219
Depreciation expense	3,166	-	39,797	42,963

	Australia	South America	Africa	Group
	\$	\$	\$	\$
As at 30 June 2023				
Segment assets	1,451,678	27,294	22,050,111	23,529,083
Segment liabilities	792,929	65,051	648,665	1,506,645

4. Issued capital

	31 December 2023	30 June 2023
	\$	\$
Ordinary shares		
Issued and fully paid: 792,730,906 (30 June 2023: 591,588,368) shares	114,974,052	112,607,002

Shares

Movements in the ordinary share capital of the Company during the period were as follows:

	Number of Shares	Cents	\$
30/06/2023 Opening Balance	591,588,368		112,607,002
19/12/2023 Rights Issue	141,142,538	1.20	1,693,711
27/12/2023 Shortfall placement	60,000,000	1.20	720,000
Cost of share issues			(46,661)
31/12/2023	792,730,906		114,974,052

Options

At 31 December 2023, the Company had the following unlisted options on issue:

Option series	No. of options	Exercise price	Issue Date	Expiry date
		\$		
Unlisted options				
Class AS1AAE	24,649,590	0.120	17/05/2022	17/05/2024
Class AS1AAG	15,000,000	0.045	24/02/2023	24/02/2025
Class AS1AAH	1,250,000	nil	24/02/2023	24/02/2025
Class AS1AAI	1,250,000	nil	24/02/2023	24/02/2026
Class AS1AAJ	2,500,000	nil	24/02/2023	24/02/2027
Class AS1AAK	5,000,000	0.070	24/02/2023	24/02/2027

Movements in the number of options and the Option Reserve during the period were as follows:

Issue / Expiry Date	Description	Number of Options	Fair value cents	\$
30/06/2023	Balance	52,649,593		302,481
	Options expired during the period			
26/11/2023	Class AS1AAD	(3,000,003)	0.039	(117,600)
	Value of AS1AAK options vested during the period	-		6,690
31/12/2023	Balance	49,649,590		191,571

The option reserve relates to the fair value of options granted by the Company. The fair values of options are transferred to share capital on exercise, or to accumulated losses on expiry of the options.

5. Fair value measurement of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group approximate their fair values.

6. Exploration and Evaluation Expenditure

	31 December 2023	31 December 2022
	\$	\$
At beginning of period	21,599,492	18,199,372
Acquisition of exploration projects	1,331,252	1,648,934
Impairment of exploration projects	-	(3,280,518)
Exchange gain/(loss)	(395,844)	1,480,548
	22,534,900	18,048,336

Exploration and evaluation assets are initially measured at cost and include the acquisition of permits / licenses, and the Group's share in joint projects, that provide the right to explore for minerals. All other exploration and evaluation expenditure including studies, exploratory drilling, trenching and sampling and associated activities is expensed as incurred.

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include prospectivity of an area of interest and economic and political environments. If an impairment trigger exists, the recoverable amount of the asset is determined.

During the period the Group expensed \$474,023 of costs incurred for exploration and evaluation activities related to the Chile and Burkina Faso Projects.

7. Events subsequent to reporting date

Since the end of the Half Year, no significant event has occurred, except as stated below and elsewhere in this Half Year Report.

- On 18 January 2024, the Company entered into a mandate with Argonaut Securities Pty Ltd to act as a non-exclusive broker and bookrunner to use its best endeavours to place the remaining shortfall to the Entitlement Issue. The Shortfall Offer closed on 16 February 2024 with no further shares issued.
- On 28 February 2024, the Company reached an agreement with Capital to extend the maturity date of the Note for a further three months, until 5 June 2024.
- On 1 March 2024, the Managing Director agreed to reduce his base salary from \$250,000 to \$125,000 as part of the Company's strategy to reduce overall business costs at this time.

- On 14 March 2024, the Company announced that it had received firm commitments from new and existing shareholders to raise \$805,000 (before costs) at \$0.009 per share (Placement). 89.4 million shares will be issued pursuant to the Placement, utilising the Company's available placement capacity pursuant to ASX Listing Rule 7.1.

8. Exploration Commitments

The Group has the following expenditure commitments at balance date in respect of exploration interests, subject to the right to withdraw at any time.

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Not later than one year	97,898	101,745
Later than one year, but not later than 5 years	58,394	122,413
Later than 5 years	-	-
	<u>156,292</u>	<u>224,158</u>

9. Related Parties

The Company did not enter into any transactions, including loans, with key management personnel.

10. Contingent Assets and Liabilities

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Contingent Asset

According to Guinea tax law, value added tax (VAT) paid in relation to the Company's Guinea tenements may be recovered from the Guinea tax authorities. No asset has been recognised in the Consolidated Statement of Financial Position as there is currently no certainty around timing for the recovery of the VAT or that the total VAT will be fully recovered. However, a contingent asset exists relating to total VAT paid to date. The total paid to the Guinea tax authorities to date has been capitalised as the acquisition of the Company's interest in the Kada Gold Project remains active.

Contingent Liabilities

- Chilean exporters may recover the VAT paid with respect to their exports. Under certain circumstances, exporters may claim VAT credits in advance before exports are completed or the VAT has been incurred. CMP has received such VAT credits in advance of Chilean Unidad Tributaria Mensual (UTM) 31,340.58 which calculates to approximately AUD3.7 million at 30 June 2023 exchange rates (2022: AUD2.8 million). It is expected that CMP will, in the future, export mineral concentrates from its operations and the VAT credit received will be applied to reduce this advanced VAT credit over time. If CMP does not carry out the exports as approved, such amounts of VAT credits claimed in advanced must be paid back to the tax authorities.
- Costa Rica Dos instigated legal proceedings in Chile regarding the Loreto Project in the form of a civil action for damages against the Company and Teck Chile. The civil action relates to predecessor exploration concessions over the ground comprising the Loreto Project that were historically held by Costa Rica Dos. Asara disputes any wrongdoing on its behalf and is currently assessing the veracity and merits of Costa Rica Dos' claim. The quantum and nature of what is being sought has not been disclosed by Costa Rica Dos.

Directors Declaration

The Directors declare that the condensed consolidated financial statements and notes of the consolidated entity set out on pages 15 to 23:

- (a) comply with *Accounting Standard AASB 134 – Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance, as represented by the results of its operations and its cash flows, for the Half Year.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Brett Montgomery
15 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Asara Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Asara Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

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

Basis for Conclusion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility for the Review of the Financial Report

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2024



B G McVeigh
Partner