



Navarre Minerals Limited

ABN 66 125 140 105

Interim Report - 31 December 2023

Navarre Minerals Limited
Corporate Directory
31 December 2023

Directors	James Gurry (Managing Director and Interim Chair) Richard Taylor (Non-Executive Director) Angela Lorrigan (Non-Executive Director)
Company secretary	Mathew Watkins
Registered office and principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205
Telephone	+61 3 9692 7222
Fax	+61 2 9956 7355
Email	info@navarre.com.au
Website	www.navarre.com.au
Share register	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 Australia Telephone +61 (2) 9290 9600 Facsimile +61 (3) 9279 0664
Auditor	RSM Australia Partners Level 27, 120 Collins Street Melbourne Victoria 3000 Australia
Stock exchange listing	Navarre Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: NML)

**NAVARRE MINERALS LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

The directors present their report together with the consolidated financial statements of the group comprising Navarre Minerals Limited (variously the "Company", "Navarre" and "Navarre Minerals") and its subsidiary (together, the "Group") for the half-year ended 31 December 2023.

1. DIRECTORS

The names and details of the Company's directors in office during the half-year ended 31 December 2023 and at the date of this report are as follows. The directors were in office during the entire period unless otherwise stated.

J Gurry	Managing Director (executive) - Appointed Director 5 May 2023
R Taylor	Non-Executive Director - Appointed 24 May 2024
A Lorrigan	Non-Executive Director - Appointed 1 August 2024
K Wilson	Chairman (independent non-executive) - Resigned 1 August 2024
I Holland	Non-Executive Director - Resigned 1 August 2024

2. REVIEW OF OPERATIONS

2.1 Financial Results

The loss after tax of the Group for the half-year was \$748,104 (31 December 2022: loss after tax of \$9,134,998).

2.2 Significant Changes in the State of Affairs during the half year

As reported previously on 19 June 2023, the directors chose to appoint Duncan Clubb, Andrew Fielding and Andrew Sallway as joint and several administrators of all companies in the Navarre Group pursuant to section 436A of the Corporations Act 2001 (Cth).

On 21 June 2023, McGrath Nichol were appointed receivers and managers of Navarre Minerals Queensland Pty Ltd. As a result, control was transferred to the receivers, with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date.

On 25 August 2023, at the second creditors meeting of Navarre Minerals Queensland Pty Ltd, the subsidiary company that owned the Mt Carlton Queensland operations, attendees voted that Navarre Minerals Queensland Pty Ltd enter liquidation.

On 26 Sept 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). Under the supported DOCA, it was agreed the Navarre Minerals Parent Company (and ASX listed status) be acquired for \$125,000. The Group's remaining tenements were to be sold in a formal sale process over the following 3 months.

On 18 October 2023, the DOCA contract was executed and Deed Administrator commenced tenement sale process.

2.3 Significant Events after the Balance Date

Subsequent to the end of the reporting period, there have been a number of subsequent events, these are detailed below:

- On 16 January 2024, the deed administrator advised the director's that their increased bid in the competitive tenement sale process to purchase all the tenements for \$400,000 is the preferred transaction, bringing the total required DOCA Contribution to \$525,000.
- On 17 January 2024, listed investments held by Navarre were sold by the Deed Administrator for approximately \$300,000.
- On 12 March 2024, the three Directors and one previous Director agreed to compromise their claims against the Company. These claims survived the Administration as they were specifically removed from the unsecured creditor claims in an effort to give the remaining creditors a greater return from the NML Creditors' Trust. The majority of the approximately \$753,000 owed to the directors related to employee entitlements. The debt was reduced to \$70,000 owed to previous Director, Mr Geoff McDermott.

- On 24 April 2024, the Directors, as deed proponents of the DOCA, announce intention for Navarre to return to its heritage as a minerals exploration Company listed on ASX, focused on its Victorian tenements, and that the first of a 2-stage recapitalisation be launched. Subject to the success of the capital raise, it was expected that the then non-executive director, Mr James Gurry, would take up an executive role at the Company.
- On 24 May 2024, Navarre announced the appointment of Mr Richard Taylor as a Non-Executive Director. Mr Taylor brings extensive ASX executive experience to the Company from past roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd.
- On 29-May 2024, the Directors, as Deed Proponents of the DOCA, raised approximately \$1.7m in secured convertible debt, with key terms: 15% pa coupon, debt convertible into ordinary shares at 35% discount at the next capital raise prior to resuming trading on ASX and debt secured against the assets of the Company.
- On 31 May 2024, in accordance with the Deed of Company Arrangement ('DOCA') all outstanding option agreements entered into by the Company, including the share subscription agreement ('Subscription Agreement') between the Company and Lind Global Fund II (Lind), prior to the Administrators appointment were terminated effective this date. Any rights or entitlements held under Options are no longer valid or enforceable.
- On the same day, the Directors as Deed Proponents, made a payment of \$525,000 to the Deed Administrator satisfying one of the main conditions to finalise the DOCA. Mr Gurry and Mr Taylor invested \$100,000 and \$25,000 respectively in the convertible debt capital raise which is subject to shareholder approval.
- On 3 June 2024, the Deed Administrator advised the Directors that the DOCA had been effectuated and Navarre Group was released from external administration. On the same day all liabilities and claims against the Company, known and unknown, unless specifically excluded under the terms of the DOCA, were transferred to the NML Creditors' Trust which is external to the Company and managed by the trustee for the benefit of the Company's previous creditors.
- On 6 June 2024, Company announced Mr Gurry's appointment as managing director and eligibility for share-based award of \$250,000 for achieving release from external administration.
- On 12 June 2024, Navarre announced that it has taken the decision to recommit to its 49% interest in the Tandarra Gold Project making payment of \$372,866 in respect of Navarre's 49% interest in the Tandarra Gold Project. The most recent project activity included a diamond drilling program at the Lawry prospect with six holes completed for 1,034m and an air core drilling program at the Uptons Road prospect.
- On 2 August 2024, Company announced the appointment of Ms Angela Lorrigan as Non-Executive Director – Technical, coinciding with the retirement from the board of directors Mr Kevin Wilson and Mr Ian Holland on the same date.

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

2.4 Likely developments and expected results

On the 24 April 2024, the Directors announced the intention to recapitalise the Company to enable the advancement of its long-standing and well-known Victorian project portfolio in a supportive gold price environment.

On 6 June 2024, it was announced that the first stage to recapitalise the Company had been completed via a \$1.7m convertible debt issuance.

It is intended the Company will undertake the second step in its recapitalisation, by way of a new equity issue, immediately prior to the resumption of trading of its shares, subject to various approvals. The capital will be used to fund exploration works on the Company's Victorian projects and working capital.

2.5 Business strategy

The Group continues to undertake an active exploration program within emerging and proven mineral corridors, with the objective of identifying economic gold, silver and copper mineral deposits. In addition to the existing asset suite, the Group will continue to investigate opportunities to grow and advance Navarre through strategic merger and acquisition opportunities.

3. Other Matters

Share Issues

There were no shares issued during the period.

During or since the end of the half year, there has been no issue of fully paid ordinary shares from the exercise of options. There were no shares issued during the period.

Share Options

No share options were issued by the Company to directors or employees of the Company during the half-year ended 31 December 2023.

Unissued shares under option at date of report

At the date of this report, there were nil unissued ordinary shares of the Company under option. All options were cancelled as part of the DOCA on 31 May 2024.

Share Performance Rights

No performance rights were issued by the Company to directors or employees of the Company during the half-year ended 31 December 2023.

Performance rights as at 31 December 2023

There were 8,099,478 unissued ordinary shares of the Company under performance rights 31 December 2023.

The terms of these performance rights are as follows:

Expiry Date	Number
30 June 2027	4,937,234
5 July 2024	2,020,408
31 December 2024	1,000,000
30 June 2024	50,000
5 July 2023	91,836

Unissued shares under performance rights at date of this report

At the date of this report, there were nil unissued ordinary shares of the Company under performance rights. All performance rights were cancelled as part of the DOCA on 31 May 2024.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

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

On behalf of the Directors



J Gurry
Managing Director
Melbourne, 9 September 2024

Navarre Minerals Limited
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AUDITOR'S INDEPENDENCE DECLARATION

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

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

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "R J Morillo Maldonado".

R J MORILLO MALDONADO
Partner

Dated: 9 September 2024
Melbourne, Victoria

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

		Consolidated	
	Note	31 December 2023	31 December 2022
		\$	\$ Restated
Revenue			
Other income	6	778,958	1,036
Expenses			
Transaction and integration costs		-	(22,750)
Corporate and other administration expenses	7	(403,312)	(2,715,747)
Depreciation and amortisation expense		(9,965)	(126,631)
Loss on disposal of assets		(147,086)	-
Loss on fair value of investments		(442,184)	-
Share of losses of investments accounted for using equity method		-	(385,006)
Other expenses		-	(13,883)
Finance costs		(524,515)	(20,861)
Loss before income tax expense from continuing operations		(748,104)	(3,283,842)
Income tax expense		-	(4,252,422)
Loss after income tax expense from continuing operations		(748,104)	(7,536,264)
Loss after income tax benefit from discontinued operations	8	-	(1,598,734)
Loss after income tax (expense)/benefit for the half-year attributable to the owners of Navarre Minerals Limited		(748,104)	(9,134,998)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on revaluation of equity investments held at fair value through other comprehensive income, net of tax		-	570,000
Other comprehensive income for the half-year, net of tax		-	570,000
Total comprehensive income for the half-year attributable to the owners of Navarre Minerals Limited		(748,104)	(8,564,998)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(748,104)	(8,564,998)
Discontinued operations		-	-
		(748,104)	(8,564,998)

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

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

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Navarre Minerals Limited			
Basic earnings per share	22	(0.05)	(0.69)
Diluted earnings per share	22	(0.05)	(0.69)
Earnings per share for loss from discontinued operations attributable to the owners of Navarre Minerals Limited			
Basic earnings per share	22	-	(0.15)
Diluted earnings per share	22	-	(0.15)
Earnings per share for loss attributable to the owners of Navarre Minerals Limited			
Basic earnings per share	22	(0.05)	(0.83)
Diluted earnings per share	22	(0.05)	(0.83)

The above consolidated statement of comprehensive income for the year ended 31 December 2022 has been restated for discontinued operations. Refer to note 8 for detailed information on Discontinued operations.

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

Navarre Minerals Limited
Consolidated statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents		55,212	77,910
Trade and other receivables		18,110	158,213
Other financial assets	9	187,731	180,802
Assets classified as held for sale	10	319,428	-
Total current assets		<u>580,481</u>	<u>416,925</u>
Non-current assets			
Investments accounted for using the equity method	10	-	761,612
Other financial assets	9	120,000	198,976
Leasehold improvements		-	27,140
Property, plant and equipment		-	158,144
Right-of-use assets		51,486	61,451
Exploration and evaluation	12	32,134,113	32,115,420
Total non-current assets		<u>32,305,599</u>	<u>33,322,743</u>
Total assets		<u>32,886,080</u>	<u>33,739,668</u>
Liabilities			
Current liabilities			
Trade and other payables		310,915	307,031
Lease liabilities		22,633	11,953
Other borrowings	13	104,062	-
Derivative financial instruments	14	-	765,251
Employee benefits		314,768	314,768
Interest bearing liabilities	15	530,558	530,558
Convertible notes	16	3,928,874	3,408,941
Total current liabilities		<u>5,211,809</u>	<u>5,338,502</u>
Non-current liabilities			
Lease liabilities		27,211	37,891
Total non-current liabilities		<u>27,211</u>	<u>37,891</u>
Total liabilities		<u>5,239,020</u>	<u>5,376,393</u>
Net assets		<u>27,647,060</u>	<u>28,363,275</u>
Equity			
Issued capital	17	108,188,962	108,188,962
Reserves		2,298,466	2,266,577
Accumulated losses		(82,840,368)	(82,092,264)
Total equity		<u>27,647,060</u>	<u>28,363,275</u>

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

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

Consolidated	Issued capital \$	Share based payments Reserves \$	Net unrealised gains reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	108,050,215	780,053	(570,000)	(15,234,879)	93,025,389
Loss after income tax expense for the half-year	-	-	-	(9,134,997)	(9,134,997)
Other comprehensive income for the half-year, net of tax	-	-	570,000	-	570,000
Total comprehensive income for the half-year	-	-	570,000	(9,134,997)	(8,564,997)
<i>Transactions with owners in their capacity as owners:</i>					
Cost of share based payments	-	93,722	-	-	93,722
Exercise of options	150,597	(150,597)	-	-	-
Cost of issues	(2,357)	-	-	-	(2,357)
Balance at 31 December 2022	<u>108,198,455</u>	<u>723,178</u>	<u>-</u>	<u>(24,369,876)</u>	<u>84,551,757</u>

Consolidated	Issued capital \$	Share based payment Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	108,188,962	2,266,577	(82,092,264)	28,363,275
Loss after income tax expense for the half-year	-	-	(748,104)	(748,104)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(748,104)	(748,104)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	31,889	-	31,889
Balance at 31 December 2023	<u>108,188,962</u>	<u>2,298,466</u>	<u>(82,840,368)</u>	<u>27,647,060</u>

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

Navarre Minerals Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	-	35,385,174
Payments to suppliers and employees (inclusive of GST)	(155,277)	(43,298,296)
Interest received	-	277
Other revenue	12,513	-
Interest and other finance costs paid	-	(101,688)
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(142,764)</u>	<u>(8,014,533)</u>
Cash flows from investing activities		
Redemption / (payments) for other financial assets	-	(583,561)
Expenditure on property, plant and equipment	-	(19,773)
Expenditure on exploration tenements	(18,693)	(2,441,704)
Expenditure for mine properties and development	-	(1,936,858)
Proceeds from sale of property, plant and equipment	38,197	84,545
	<u> </u>	<u> </u>
Net cash from/(used in) investing activities	<u>19,504</u>	<u>(4,897,351)</u>
Cash flows from financing activities		
Transaction costs on issue of shares	-	(4,125)
Proceeds from interest bearing liabilities	-	1,297,837
Proceeds from borrowings	100,562	-
Repayment of interest-bearing liability	-	(491,116)
Repayment of lease liability	-	(287,751)
	<u> </u>	<u> </u>
Net cash from financing activities	<u>100,562</u>	<u>514,845</u>
Net decrease in cash and cash equivalents	(22,698)	(12,397,039)
Cash and cash equivalents at the beginning of the financial half-year	77,910	12,806,285
Effects of exchange rate changes on cash and cash equivalents	-	(279,552)
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>55,212</u></u>	<u><u>129,694</u></u>

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

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 1. General information

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

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

Registered office and Principal place of business

Level 4, 100 Albert Road, South Melbourne, VIC 3205

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 September 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

New or amended Accounting Standards and Interpretations adopted

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

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

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 3. Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, during the period ended 31 December 2023 the Group incurred a net loss after tax of \$748,104 and had net cash outflows from operating activities of \$142,764. In addition, as at 31 December 2023 the Group's current liabilities exceeded its current assets by \$4,631,328. The above factors indicate that a material uncertainty exists about the Group's ability to continue as a going concern.

On 19 June 2023 there was a significant change in the state of affairs the Company, with the directors choosing to place the Navarre Group into voluntary administration pursuant to section 436A of the Corporations Act 2001. On 21 June 2023, receivers and managers were appointed to Navarre Minerals Queensland Pty Ltd, with the appointment being made by one of the secured creditors. As a result, Navarre Minerals Limited lost control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date.

The Navarre Group, excluding Navarre Minerals Queensland Pty Ltd, entered a Deed of Company Arrangement (DOCA) in late 2023. The DOCA agreement provided the framework for Navarre to recapitalise and return to its heritage as a Victorian gold explorer.

On the 6 June 2024 it was announced that the first stage to recapitalise the Company had been completed via an approximate \$1.7m convertible debt issuance to sophisticated and professional investors. Part of the initial funding was used to pay the Deed Administrator and thereby satisfying the key condition to removing the Deed of Company Arrangement. The DOCA has been effectuated and Group released from external administration as confirmed by the Deed Administrator.

Management has prepared a cash flow forecast for a period exceeding 12 months from the approval date of these financial statements and believe the Group will be able to continue as a going concern. Having reviewed the cash flow forecast the directors have concluded that the Group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report. The cash flow forecast included the following matters:

- The Company is planning to commence the second step in its recapitalisation by way of a new equity issue immediately prior to the resumption of trading of its shares, expecting to raise between \$4 to \$6 million, to be finalised in September 2024.
- The Group's ability to scale back its operations to any funding constraints with flexibility to adjust timing and scope of some of its exploration and evaluation activities as required.

This financial report does not include any 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. Should the Group be unable to obtain the funding outlined above, there is material uncertainty as to whether the Group will be able to continue as a going concern, and therefore whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts from those stated in the annual financial report.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Fair value measurement hierarchy

The Consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 19 for details.

Estimation of useful lives of assets

The Consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The Consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated entity recognises liabilities for anticipated tax audit issues based on the Consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 5. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment, being mining exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources. Mining operations segment was discontinued and disposed during the year ended 30 June 2023. Refer to note 8 for financial performance of mining operations segment for the half year ended 31 December 2022.

The Group has identified one reportable segment, being mining exploration, which is based wholly in Australia. The segment details are therefore fully reflected in the body of the financial statements.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Geographical information

The Group has one geographical segment, Australia.

Note 6. Other income

	Consolidated	Consolidated
	31 December	31 December
	2023	2022
	\$	\$
Interest income	1,194	1,036
Other income	12,513	-
Fair value gain on derivative liability	765,251	-
	<u>778,958</u>	<u>1,036</u>
Other income	<u>778,958</u>	<u>1,036</u>

Note 7. Corporate and other administration expenses

	Consolidated	Consolidated
	31 December	31 December
	2023	2022
	\$	\$
	\$	Restated
Insurance	115,712	-
Stock exchange, registry, and reporting costs	44,093	130,792
Legal costs	32,332	-
Share based payments	31,889	85,040
Consultants' fees and expenses	20,840	586,950
IT contractor costs	10,866	-
Investor relations	15,333	125,437
Salaries and on-costs	7,660	1,208,758
Motor vehicle	565	5,840
Directors' remuneration (non-executive)	-	59,670
Business development	-	60,000
Audit fees	-	110,133
Travel	-	55,543
Other administration	142,715	418,113
	<u>422,005</u>	<u>2,846,276</u>
Less: Capitalised to exploration and evaluation ¹	<u>(18,693)</u>	<u>(130,529)</u>
	<u>403,312</u>	<u>2,715,747</u>

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 7. Corporate and other administration expenses (continued)

¹ The amount capitalised as exploration and evaluation costs, totalling \$18,693 (31 December 2022: \$130,529), forms part of the exploration and evaluation expenditure for the year as set out in note 12.

Note 8. Discontinued operations

Background

On 21 June 2023, McGrath Nichol were appointed receivers and managers of Navarre Minerals Queensland Pty Ltd. The appointment of receivers and managers was made by one of the secured creditors, Evolution Mining Limited (Evolution). As a result, control was transferred to the receivers appointed by Evolution, with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date. As a consequence, the entity and Mt Carlton operations have been classified as discontinued operations.

Discontinued operations accounting was finalised at reporting date 30 June 2023, there was no financial impact for the six months to 31 December 2023.

Financial performance information

	Consolidated 31 December 2022 \$
Revenue	34,559,610
Other income	292,207
Gain on sale of assets	84,545
Net foreign exchange loss	(300,285)
Interest income	95
Total revenue	<u>34,636,172</u>
Mine operating costs	(25,588,584)
Royalties	(2,338,410)
Other selling costs	(5,972,683)
Depreciation and amortisation	(3,281,480)
Other mine operating costs	(2,050,594)
Interest expense	(219,481)
Exploration expenditure written-off	(17,092)
Total expenses	<u>(39,468,324)</u>
Loss before income tax expense	<u>(4,832,152)</u>
Income tax benefit	<u>3,233,418</u>
Loss after income tax benefit from discontinued operations	<u><u>(1,598,734)</u></u>

Cash flow information

	Consolidated 31 December 2022 \$
Net cash from operating activities	19,555,440
Net cash used in investing activities	<u>(10,691,387)</u>
Net increase in cash and cash equivalents from discontinued operations	<u><u>8,864,053</u></u>

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 9. Other financial assets

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Current assets</i>		
Cash at bank - restricted *	39,717	32,788
Bank guarantees **	148,014	148,014
	<u>187,731</u>	<u>180,802</u>
<i>Non-current assets</i>		
Bank guarantees	-	78,976
Cash bonds – Exploration permits	120,000	120,000
	<u>120,000</u>	<u>198,976</u>
	<u><u>307,731</u></u>	<u><u>379,778</u></u>

Refer to note 19 for further information on fair value measurement.

* Cash at bank (restricted) relates to trust bank account held by BDO as part of the voluntary administration of Navarre Minerals Limited.

** In relation to the bank guarantee of \$148,014 for Suite 4, Level 28, 360 Collins Street, Melbourne, notice was given to the landlord on the 30 June 2023 as part of the voluntary administration process.

Note 10. Assets classified as held for sale

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Current assets</i>		
Investments	319,428	-
	<u><u>319,428</u></u>	<u><u>-</u></u>

Relates to Resource Base Limited ("RBX"), a company with shares listed on the ASX. On 17 January 2024, the shares in RBX were sold for \$319,428 net of costs.

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 11. Investments accounted under equity method

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Non-current assets</i>		
Interest in Resource Base Limited ("RBX")	-	761,612
	<u>-</u>	<u>761,612</u>
<i>Reconciliation</i>		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial half-year are set out below:		
Opening carrying amount	761,612	-
Transfer from investment in financial assets at fair value through other comprehensive income	-	1,520,000
Loss from changes in fair value of investment	(442,184)	-
Share of loss on investment	-	(758,388)
Transfer to asset classified as held-for-sale (note 10)	(319,428)	-
	<u>-</u>	<u>761,612</u>

Interest in investment relates to Resource Base Limited ("RBX"), a company with shares listed on the ASX. Post reporting date, on 17 January 2024 the shares in RBX were sold for \$319,428 net of costs.

Note 12. Exploration and evaluation

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation assets	32,134,113	32,115,420
	<u>32,134,113</u>	<u>32,115,420</u>

Reconciliations
Reconciliations of the written down values of exploration and evaluation at the beginning and end of the current financial half-year are set out below:

Consolidated	Stawell Corridor \$	Bendigo North \$	St Arnaud Project \$	Total \$
Balance at 1 July 2023	19,528,822	7,333,533	5,253,065	32,115,420
Expenditure during the half-year	18,693	-	-	18,693
Impairment of assets	-	-	-	-
	<u>19,547,515</u>	<u>7,333,533</u>	<u>5,253,065</u>	<u>32,134,113</u>
Balance at 31 December 2023	<u>19,547,515</u>	<u>7,333,533</u>	<u>5,253,065</u>	<u>32,134,113</u>

The Company's wholly owned and joint venture tenements remain in good standing at the date of this report.

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 13. Other borrowings

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Current liabilities</i>		
James Gurry	60,000	-
Loan from Pac Partners	40,561	-
Interest accrued	3,500	-
	<u>104,062</u>	<u>-</u>

Under the Deed of Company Arrangement (DOCA) entered into September 2023, the DOCA allows for contributions and funding by the Deed Proponents to be characterized as loans, convertible notes or similar between the Proponents and the Company. In summary:

- PAC Partners Loan - \$44,618.10 interim funding paid on invoice PAC001 from BDO dated 21 August 2023, covering ASX annual fees, can be offset against the DOCA Contribution amount but it is the intention of the Directors for the Company to repay the loan directly to PAC Partners from investor capital.
- Director loan James Gurry - \$60,000 paid by PAC Partners on 4 December 2023 on behalf of James Gurry to the Company to cover legal fees and initial DOCA contribution, loan is capable of being converted into shares.

At the board meeting on 28 March 2024, it was confirmed that following discussions with the counterparties both these early funding transactions be subject to an 18% per annum interest rate recognising the nature of lending funds to a Company under external Administration.

Note 14. Derivative financial instruments

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Current liabilities</i>		
Embedded derivatives of convertible notes	-	765,251

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
Opening balance	765,251	-
Addition	-	1,091,310
Movement in fair value charged to profit or loss	(765,251)	(326,059)
	<u>-</u>	<u>765,251</u>

Embedded derivatives relate to Lind Partner equity funding instrument executed 6 March 2023 (refer note 16 convertible note for further details).

The conversion feature on this arrangement has a capped conversion price of \$0.068, the variable price also contains a floor as it is the higher of 7.5% discount to 5 lowest day VWAP in the last 20 days and 75% of the 15-day VWAP. The existence of these caps and floors, means that this conversion feature is not considered to be an equity instrument in accordance with AASB 132, as it will not result in a fixed number of shares for fixed consideration. This conversion feature is a derivative and as a result changes in fair value are recognised through the profit and loss (FVTPL) in accordance with AASB 9.

At initial recognition this derivative is recognised at fair value.

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 14. Derivative financial instruments (continued)

At 31 December 2023, the derivative liability has been revalued to a nil fair value, with a gain recognised in the statement of profit or loss of \$765,251 (Other income).

Termination of the Lind Partner subscription agreement was a condition precedent to completion under the DOCA. As a result, the derivative financial instrument will cease to exist 31 May 2024.

Note 15. Interest bearing liabilities

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Current liabilities</i>		
Insurance premium financing	<u>530,558</u>	<u>530,558</u>

In December 2022, the Group executed an insurance premium financing agreement with Elantis Premium Funding Limited (“Monument Premium Funding”).

On 26 September 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). The outstanding debts (including employee provisions) of the Navarre Group will be dealt with as part of the administration process. All liabilities of Navarre Minerals Limited were transferred to the creditors trust on 3 June 2024 except those specially excluded under the terms of the DOCA.

The outstanding the insurance premium financing agreement has been terminated as part of the DOCA.

Note 16. Convertible notes

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
<i>Current liabilities</i>		
Lind Group Fund II	<u>3,928,874</u>	<u>3,408,941</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the period are set out below:		
Opening balance	3,408,941	-
Addition	-	3,109,911
Finance cost	519,933	299,030
Change in fair value	-	-
Closing balance	<u>3,928,874</u>	<u>3,408,941</u>

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 16. Convertible notes (continued)

Advance Payment Amount:	A\$5,000,000
Advance Payment Credit:	A\$5,600,000
End Date:	The date which is 24 months after the Advance Payment Date.
Fixed Subscription Price:	A\$0.068 (Price A)
Variable Subscription Price:	The greater of: (a) 92.5% of the average of the five lowest daily VWAPs during the 20 Actual Trading Days prior to the date on which the Subscription Price is to be determined, rounded down to the lowest A\$0.001 (Natural Price B); and (b) 75% of the VWAP of the shares during the 15 Trading Days prior to the date on which the relevant shares are issued, rounded down to the lowest A\$0.001 (Price B Limit), (Price B).
Subscription Price:	The lesser of: (a) the Variable Subscription Price; and (b) the Fixed Subscription Price.
Maximum Share Number	359,469,786
Options:	The Number of options to purchase Shares, exercisable at the Options Exercise Price on or before the Options Expiration Date, all as specified below, on the terms set out in the facility agreement. Number: 73,529,412 Options Exercise Price: A\$0.051 per Share. Options Expiration Date: the date which is 48 calendar months after the date of issue of the Options.
Initial Shares:	65,000,000 Shares
Commitment Fee:	A\$150,000

There is no security provided by Navarre to Lind in respect to the Agreement and there is no interest payable.

The Lind Partner equity instrument has been accounted for as a convertible note with an embedded derivative conversion feature (see note 13) and the issuance of separate options which are equity classified.

On the 13 March 2023 \$4,845,000 (\$5,000,000 net of commitment fee and legal costs) was received from Lind Partners. This amount was received upfront, with the Company now having the obligation to provide the investor (Lind Partners) with a minimum of \$5.6m in value (The advance payment credit amount) at maturity. As a result, this will be classified as a liability under AASB 132. At initial recognition, the convertible note liability has been measured at fair value, the present value of the \$5.6m payable in 2 years' time at a market rate of interest for Navarre for an instrument without any conversion features.

At 31 December 2023, the convertible note liability was measured at amortised cost in accordance with AASB, with interest accrue on this note at the effective interest rate over the life of the arrangement. The effective interest rate was 30.26%, with the high interest needed such that the net carrying amount at initial recognition (amount allocated to it less the transaction costs allocated to it) builds up to the \$5.6m advance payment credit amount, which is what at the maturity must be converted into shares or repaid.

On 31 May 2024, in accordance with the Deed of Company Arrangement ('DOCA') all outstanding option agreements entered into by the Company, including the share subscription agreement ('Subscription Agreement') between the Company and Lind Global Fund II (Lind), prior to the Administrators appointment were terminated effective this date. Any rights or entitlements held under Options are no longer valid or enforceable.

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 17. Issued capital

	31 December 2023 Shares	30 June 2023 Shares	Consolidated 31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	<u>1,502,929,149</u>	<u>1,502,929,149</u>	<u>108,188,962</u>	<u>108,188,962</u>

In March 2023, 65,000,000 ordinary shares were issued related to the Lind Partners, refer to note 15 Convertible notes for further information on the accounting of this.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 18. Dividends

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

Note 19. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated – 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investments accounted for using the equity method	<u>761,612</u>	-	-	<u>761,612</u>
Total assets	<u>761,612</u>	-	-	<u>761,612</u>
Liabilities				
Embedded derivatives of convertible notes	-	-	<u>765,251</u>	<u>765,251</u>
Total liabilities	-	-	<u>765,251</u>	<u>765,251</u>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

The carrying amounts of trade and other payables are assumed to approximate their fair values due to their short-term nature.

There were no transfers between levels during the financial half-year.

Note 20. Commitments and contingent liabilities

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Estimated cost of minimum work requirements contracted for under exploration permit is estimated at balance date:		
Payable not later than one year	1,950,225	1,098,800
Payable later than one year but not later than five years	4,421,525	3,846,000
	<u>6,371,750</u>	<u>4,944,800</u>

Exploration commitments at 31 December 2023 relate to Bendigo North (the Company's 49% interest in the Tandarra Gold Project) \$1,600,000 (30 June 2023: \$1,600,000), Stawell Corridor \$1,970,600 (30 June 2023: \$1,828,000), St Arnaud Gold Project \$2,567,000 (30 June 2023: \$2,567,000) and Jubilee Gold Project \$234,150 (30 June 2023: \$234,150).

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform work to meet the minimum expenditure requirements set by the Victorian State Government. These obligations are expected to be fulfilled in the normal course of operations. Exploration interests may be relinquished or joint ventured to reduce this expense to the Group. The Victorian State Government has the authority to defer, waive or amend the minimum expenditure requirements.

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Lease commitments - operating		
<i>Committed at the reporting date but not recognised as liabilities, payable:</i>		
Within one year	<u>22,633</u>	<u>11,953</u>

There have been no other commitments as at 31 December 2023 and 30 June 2023.

Contingent liabilities

As part of the voluntary administration process Level 28, 360 Collins Street, Melbourne lease was terminated. There is a \$148,014 security deposit in place in relation this that will be dealt with as by the administrators as part of the voluntary administration process.

Note 21. Events after the reporting period

- On 16 January 2024, the deed administrator advised the director's that their increased bid in the competitive tenement sale process to purchase all the tenements for \$400,000 is the preferred transaction, bringing the total required DOCA Contribution to \$525,000.
- On 17 January 2024, listed investments held by Navarre were sold by the Deed Administrator for approximately \$300,000.
- On 12 March 2024, the three Directors and one previous Director agreed to compromise their claims against the Company. These claims survived the Administration as they were specifically removed from the unsecured creditor claims in an effort to give the remaining creditors a greater return from the NML Creditors' Trust. The majority of the approximately \$753,000 owed to the directors related to employee entitlements. The debt was reduced to \$70,000 owed to previous Director, Mr Geoff McDermott.
- On 24 April 2024, the Directors, as deed proponents of the DOCA, announce intention for Navarre to return to its heritage as a minerals exploration Company listed on ASX, focused on its Victorian tenements, and that the first of a 2-stage recapitalisation be launched. Subject to the success of the capital raise, it was expected that the then non-executive director, Mr James Gurry, would take up an executive role at the Company.
- On 24 May 2024, Navarre announced the appointment of Mr Richard Taylor as a Non-Executive Director. Mr Taylor brings extensive ASX executive experience to the Company from past roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd.

Navarre Minerals Limited
Notes to the consolidated financial statements
31 December 2023

Note 22. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,502,929,149</u>	<u>1,097,349,491</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,502,929,149</u>	<u>1,097,349,491</u>
	Cents	Cents
Basic earnings per share	-	(0.15)
Diluted earnings per share	-	(0.15)

Navarre Minerals Limited
Directors' declaration
31 December 2023

In the directors' opinion:

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

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

On behalf of the directors



James Gurry
Managing Director

9 September 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Navarre Minerals Limited

Conclusion

We have reviewed the accompanying half-year financial report of Navarre Minerals Limited ('the Company') and its controlled entities (together 'the Group') which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Navarre Minerals 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 then ended; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *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* ('ASRE 2410'). 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.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the financial statements which indicates that the Group incurred in a loss for the half year ended 31 December 2023 amounting to \$748,104 and had net cash outflows from operating activities of \$142,764. Also, as at 31 December 2023, the Group's current liabilities exceeded its current assets by \$4,631,328. These events or conditions, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 of 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.

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "R J Morillo Maldonado".

R J MORILLO MALDONADO

Partner

Date: 9 September 2024
Melbourne, Victoria