



**CARBINE RESOURCES**  
LIMITED

ABN 81 122 976 818

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED**

**30 JUNE 2022**

**CORPORATE DIRECTORY**

|  |  |  |
|--|--|--|
| <b>Directors</b>                         | Mr Peter Main<br>Mr Peter Batten<br>Mr Evan Cranston   | (Non-Executive Chairman)<br>(Managing Director)<br>(Non-Executive Director)                    |
| <b>Company Secretary</b>                 | Ms Oonagh Malone   |  |
| <b>Principal &amp; Registered Office</b> | Suite 23, 513 Hay Street<br>Subiaco, WA 6008<br>Telephone:<br>Email:                                   | (08) 6142 0986<br>admin@carbineresources.com.au  |
| <b>Share Registry</b>                    | Automic Registry Services<br>Level 5 126 Phillip Street<br>Sydney NSW 2000<br>Telephone:<br>Email:     | 1300 288 664 (within Australia)<br>+61 2 9698 5414 (outside Australia)<br>hello@automic.com.au |
| <b>Auditor</b>                           | Stantons International Audit & Consulting Pty Ltd<br>Level 2, 40 Kings Park Road<br>West Perth WA 6005 |  |
| <b>ASX Code</b>                          | CRB  |  |

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## **DIRECTORS' REPORT**

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited ("the Company") and the entity it controlled ("the Group") for the half-year ended 30 June 2022.

### **DIRECTORS**

The names of Directors who held office during or since the end of the half-year and until the date of this report period is set out below. Directors were in office for the entire period unless otherwise stated.

|                  |                        |
|------------------|------------------------|
| Mr Peter Main    | Non-Executive Chairman |
| Mr Peter Batten  | Managing Director      |
| Mr Evan Cranston | Non-Executive Director |

### **REVIEW OF OPERATIONS**

The loss for the half-year after income tax was \$884,282 (30 June 2021: profit of \$402,168). This loss was mostly due to ongoing costs of exploration at the Muchea West Silica Sand Project.

During the half year ended 30 June 2022, the Group:

- Completed a maiden drill program at the Muchea West Silica Sand Project, with consequent announcement of a Mineral Resource Estimate on 4 July 2022, along with commencement of the mining license application process and scoping studies.
- Completed due diligence on the Sandbox Silica Sand Project in Far North Queensland, but the Group could not complete conditions precedent within the required time and the counterparty declined an offer to extend the exclusivity agreement.

### **SUBSEQUENT EVENTS**

Subsequent to the reporting period:

- The Group announced the Mineral Resource Estimate for the Muchea West Silica Sand Project and withdrawal from the proposed acquisition of the Sandbox Silica Sand Project.

There were no other events subsequent to the end of the half-year ended 30 June 2022 that would have a material effect on these financial statements.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this half-year financial report.

Dated at Perth this 13<sup>th</sup> day of September 2022.

Signed in accordance with a resolution of the Directors.



**Peter Main**  
Chairman

**CARBINE RESOURCES LIMITED**  
*HALF-YEAR FINANCIAL REPORT*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

|  | Notes | GROUP<br>30 June 2022<br>\$ | COMPANY<br>30 June 2021<br>\$ |
|--|-------|-----------------------------|-------------------------------|
| <b>Revenue from continuing operations</b>  |       | <b>3,737</b>                | 2,539                         |
| <b>Other Income</b>  |       | -                           | -                             |
| Exploration and evaluation costs   | 2     | <b>(528,163)</b>            | (2,417)                       |
| Depreciation   | 4     | <b>(1,541)</b>              | (1,170)                       |
| Employee, director and consultant expenses   |       | <b>(193,960)</b>            | (60,375)                      |
| General and administration expenses  |       | <b>(160,611)</b>            | (148,098)                     |
| Due diligence and acquisition costs  |       | -                           | (138,814)                     |
| Gain on sale of financial assets   | 5     | -                           | 761,490                       |
| Loss on disposal of plant and equipment  |       | <b>(3,744)</b>              | (10,987)                      |
| (Loss)/ profit before income tax   |       | <b>(884,282)</b>            | <b>402,168</b>                |
| Income Tax   |       | -                           | -                             |
| (Loss)/ profit after income tax from continuing operations<br>attributable to members of Carbine Resources Limited |       | <b>(884,282)</b>            | 402,168                       |
| <b>(Loss)/ profit for the half year</b>  |       | <b>(884,282)</b>            | <b>402,168</b>                |
| <b>Other comprehensive income</b>  |       |                             |                               |
| <i>Items that may be reclassified to profit or loss</i>  |       | -                           | -                             |
| Total other comprehensive (loss) / income  |       | -                           | -                             |
| <b>Total comprehensive (loss)/ profit attributable to members<br/>of Carbine Resources Limited</b>                 |       | <b>(884,282)</b>            | <b>402,168</b>                |
| <b>Loss per share attributable to the ordinary equity holders<br/>of the company</b>                               |       | Cents                       | Cents                         |
| Basic (loss)/ profit per share   |       | <b>(0.18)</b>               | 0.22                          |
| Diluted (loss)/ profit per share   |       | <b>(0.18)</b>               | 0.22                          |
| <b>Loss per share from continuing operations attributable to<br/>the ordinary equity holders of the company</b>    |       | Cents                       | Cents                         |
| Basic (loss)/ profit per share   |       | <b>(0.18)</b>               | 0.22                          |
| Diluted (loss)/ profit per share   |       | <b>(0.18)</b>               | 0.22                          |

This Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

**CARBINE RESOURCES LIMITED**  
*HALF-YEAR FINANCIAL REPORT*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

|  | Notes | GROUP<br>30 June 2022<br>\$ | GROUP<br>31 December 2021<br>\$ |
|--|-------|-----------------------------|---------------------------------|
| <b>CURRENT ASSETS</b>                  |       |                             |                                 |
| Cash and cash equivalents              |       | 2,872,235                   | 3,652,046                       |
| Trade and other receivables            | 3     | 13,719                      | 69,012                          |
| Current financial assets               | 5     | -                           | -                               |
| Other current assets                   |       | 27,680                      | 405,206                         |
| <b>TOTAL CURRENT ASSETS</b>            |       | <b>2,913,634</b>            | <b>4,126,264</b>                |
| <b>NON-CURRENT ASSETS</b>              |       |                             |                                 |
| Plant and equipment                    | 4     | 6,123                       | 15,090                          |
| Non-current financial assets           | 5     | 50,000                      | 50,000                          |
| Exploration and evaluation expenditure | 2     | 7,413,829                   | 7,413,829                       |
| <b>TOTAL NON-CURRENT ASSETS</b>        |       | <b>7,469,952</b>            | <b>7,478,919</b>                |
| <b>TOTAL ASSETS</b>                    |       | <b>10,383,586</b>           | <b>11,605,183</b>               |
| <b>CURRENT LIABILITIES</b>             |       |                             |                                 |
| Trade and other payables               | 6     | 35,257                      | 381,033                         |
| Provisions                             |       | 16,293                      | 7,832                           |
| <b>TOTAL CURRENT LIABILITIES</b>       |       | <b>51,550</b>               | <b>388,865</b>                  |
| <b>TOTAL LIABILITIES</b>               |       | <b>51,550</b>               | <b>388,865</b>                  |
| <b>NET ASSETS</b>                      |       | <b>10,332,036</b>           | <b>11,216,318</b>               |
| <b>EQUITY</b>                          |       |                             |                                 |
| Issued Capital                         | 7     | 39,922,037                  | 39,922,037                      |
| Reserves                               |       | 4,601,558                   | 4,601,558                       |
| Accumulated losses                     |       | (34,191,559)                | (33,307,277)                    |
| <b>TOTAL EQUITY</b>                    |       | <b>10,332,036</b>           | <b>11,216,318</b>               |

This Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**CARBINE RESOURCES LIMITED**  
*HALF-YEAR FINANCIAL REPORT*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

**GROUP**

|  | Issued<br>Capital | Accumulated<br>Losses | Share Based<br>Payments Reserve | Total<br>Equity   |
|--|-------------------|-----------------------|---------------------------------|-------------------|
|  | \$                | \$                    | \$                              | \$                |
| <b>Balance at 1 January 2022</b>                             | <b>39,922,037</b> | <b>(33,307,277)</b>   | <b>4,601,558</b>                | <b>11,216,318</b> |
| Loss for the half year from continuing operations            | -                 | (884,282)             | -                               | <b>(884,282)</b>  |
| <b>Total comprehensive income for the half year</b>          | <b>-</b>          | <b>(884,282)</b>      | <b>-</b>                        | <b>(884,282)</b>  |
| <b>Transactions with owners in their capacity as owners:</b> |                   |                       |                                 |                   |
| Capital raising  | -                 | -                     | -                               | -                 |
| Capital raising costs  | -                 | -                     | -                               | -                 |
| Share based payments   | -                 | -                     | -                               | -                 |
|  | -                 | -                     | -                               | -                 |
| <b>Balance at 30 June 2022</b>                               | <b>39,922,037</b> | <b>(34,191,559)</b>   | <b>4,601,558</b>                | <b>10,332,036</b> |

**COMPANY**

|  | Issued<br>Capital | Accumulated<br>Losses | Share Based<br>Payments Reserve | Total<br>Equity  |
|--|-------------------|-----------------------|---------------------------------|------------------|
|  | \$                | \$                    | \$                              | \$               |
| <b>Balance at 1 January 2021</b>                             | <b>31,121,482</b> | <b>(31,532,412)</b>   | <b>2,948,558</b>                | <b>2,537,628</b> |
| Profit for the half year from continuing operations          | -                 | 402,168               | -                               | <b>402,168</b>   |
| <b>Total comprehensive income for the half year</b>          | <b>-</b>          | <b>402,168</b>        | <b>-</b>                        | <b>402,168</b>   |
| <b>Transactions with owners in their capacity as owners:</b> |                   |                       |                                 |                  |
| Capital raising  | -                 | -                     | -                               | -                |
| Capital raising costs  | (37,602)          | -                     | -                               | <b>(37,602)</b>  |
| Share based payments   | -                 | -                     | -                               | -                |
|  | -                 | -                     | -                               | -                |
| <b>Balance at 30 June 2021</b>                               | <b>31,083,880</b> | <b>(31,130,244)</b>   | <b>2,948,558</b>                | <b>2,902,194</b> |

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.



**CARBINE RESOURCES LIMITED**  
*HALF-YEAR FINANCIAL REPORT*

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

|   | <b>GROUP</b><br><b>30 June 2022</b><br>\$ | <b>COMPANY</b><br><b>30 June 2021</b><br>\$ |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |   |   |
| Payments to suppliers and employees                               | (327,607)                                 | (334,713)                                   |
| Exploration expenditure, prospects, management fees               | (154,063)                                 | (1,805)                                     |
| Stamp duty on Muchea West Project acquisition                     | (302,915)                                 | -   |
| Interest received   | 2,373                                     | 2,525                                       |
| <b>Net cash (outflow) from operating activities</b>               | <b>(782,212)</b>                          | <b>(333,993)</b>                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |   |   |
| Proceeds from sale of investments                                 | -   | 1,641,490                                   |
| Proceeds from sale of plant and equipment                         | 3,682                                     | -   |
| <b>Net cash inflow from investing activities</b>                  | <b>3,682</b>                              | <b>1,641,490</b>                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |   |   |
| Funds received for shares to be issued                            | -   | 380,000                                     |
| Capital raising costs   | (1,281)                                   | (37,602)                                    |
| <b>Net cash (outflow)/ inflow from financing activities</b>       | <b>(1,281)</b>                            | <b>342,398</b>                              |
| <b>Net increase/ (decrease) in cash and cash equivalents held</b> | <b>(779,811)</b>                          | <b>1,649,895</b>                            |
| Cash and cash equivalents at the beginning of the period          | 3,652,046                                 | 1,590,749                                   |
| <b>Cash and cash equivalents at the end of the period</b>         | <b>2,872,235</b>                          | <b>3,240,644</b>                            |

This Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

## **CARBINE RESOURCES LIMITED**

### *HALF-YEAR FINANCIAL REPORT*

## **CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

### **1. BASIS OF PREPARATION**

These general purpose interim financial statements of Carbine Resources Limited (the Group) for the half-year reporting period ended 30 June 2022 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Carbine Resources Limited (the Company) is a listed public company, incorporated and domiciled in Australia. The consolidated financial report of the Company for the half-year ended 30 June 2022 comprises the Company and its subsidiary (together referred to as the Group).

This half-year report was authorised for issue in accordance with a resolution of the Board of Directors on 13<sup>th</sup> September 2022. Carbine Resources Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

The interim financial statements do not include all notes of the type normally included within the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by Carbine Resources Limited during the interim financial reporting period in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

For the purpose of preparing these half-year financial statements, the half-year has been treated as a discrete reporting period.

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements except in relation to the matters discussed below. Comparative balances for 30 June 2021 are presented for the Company because the Company had no subsidiary during the half-year ended 30 June 2021.

#### *New and Future Applicable Accounting Standards*

None of the new standards, amendments to standards or interpretations that are mandatory for the first time for the financial year beginning 1 January 2022 affected any of the amounts recognised in the current period or any prior period.

*AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* amends *AASB 101 Presentation of Financial Statements* from 1 January 2022 to clarify when liabilities with uncertain settlement dates are current. This amendment has no effect on the Group for the current period, and would have had no effect on comparative periods, but may affect treatment of future liabilities.

The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2022**

**2. EXPLORATION AND EVALUATION EXPENDITURE**

Exploration expenditure – costs carried forward in respect of areas of interest in:

|  | <b>GROUP</b><br><b>30 June 2022</b> | <b>GROUP</b><br>31 December 2021 |
|--|-------------------------------------|----------------------------------|
|  | \$                                  | \$                               |
| Carrying amount at beginning of year           | 7,413,829                           | -                                |
| Acquisition of Muchea West Silica Sand Project | -                                   | 7,413,829                        |
| Carrying amount at the end of year             | <u>7,413,829</u>                    | <u>7,413,829</u>                 |
| Exploration and evaluation incurred            | 528,163                             | 449,646                          |
| Exploration costs expensed                     | <u>(528,163)</u>                    | <u>(449,646)</u>                 |
|  | -                                   | -                                |

On 14 July 2021, the Company completed the acquisition of Australian United Silica Corporation Pty Ltd (Ausco), which owns the Muchea West Silica Sands Project, with the following transactions and changes:

- Issue of 200,000,010 shares and 50,000,003 options exercisable at \$0.06 each on or before 14 July 2026 to Ausco Shareholders and Optionholders (or nominees there-of) in consideration for acquisition of the Muchea West Silica Sands Project. The shares were valued at a total of \$6,000,000. The options were valued at a total of \$950,000.
- Payments to related creditors of Ausco of \$500,000. These were considered part of the purchase consideration for Ausco based on the nature of the transactions and the recognition of the liabilities being contingent on completion of the acquisition. None of these creditors were related parties of the Company before the acquisition or director related parties since the acquisition.
- Following completion, the Company 100% owns and controls Ausco which 100% owns and controls the Muchea West Silica Sands Project.

This acquisition has been classified as an asset acquisition as disclosed in note 1(u) of the financial report for the year ended 31 December 2021. The exploration costs expensed do not include due diligence costs and other acquisition costs, which were separately expensed in the comparative periods. The expense for the half-year ended 30 June 2021 of \$2,417 reflects exploration expenditure that was not considered due diligence costs.

**3. TRADE AND OTHER RECEIVABLES**

|  | <b>GROUP</b><br><b>30 June 2022</b> | <b>GROUP</b><br>31 December 2021 |
|--|-------------------------------------|----------------------------------|
|  | \$                                  | \$                               |
| <b>Current</b>                           |                                     |                                  |
| Net GST refundable                       | 9,054                               | 65,711                           |
| Other receivable                         | 4,665                               | 3,301                            |
| <b>Total trade and other receivables</b> | <u>13,719</u>                       | <u>69,012</u>                    |

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is interest receivable on term deposits held with Australian banks.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2022**

**4. PLANT AND EQUIPMENT**

|   | <b>GROUP</b><br><b>30 June 2022</b> | <b>GROUP</b><br>31 December 2021 |
|---|-------------------------------------|----------------------------------|
|   | <b>\$</b>                           | <b>\$</b>                        |
| Opening net book value                  | <b>15,090</b>                       | 20,771                           |
| Acquired on acquisition of subsidiary   | -                                   | 6,203                            |
| Additions                               | -                                   | 3,043                            |
| Depreciation charge for the period      | <b>(1,541)</b>                      | (3,941)                          |
| Disposals                               | <b>(7,426)</b>                      | (10,986)                         |
| <b>Closing net book value</b>           | <b>6,123</b>                        | 15,090                           |
| <br>                                    |                                     |                                  |
| Cost                                    | <b>20,544</b>                       | 21,032                           |
| Accumulated depreciation and impairment | <b>(14,421)</b>                     | (5,942)                          |
| <b>Net book value</b>                   | <b>6,123</b>                        | 15,090                           |

**5. FINANCIAL ASSETS**

**Current financial assets**

|   | <b>GROUP</b><br><b>30 June 2022</b> | <b>GROUP</b><br>31 December 2021 |
|---|-------------------------------------|----------------------------------|
|   | <b>\$</b>                           | <b>\$</b>                        |
| Value of 10,000,000 ordinary shares in Boss Energy Limited ( <b>Boss</b> ) at start of the year | -                                   | 880,000                          |
| Gain on sale of 10,000,000 shares in Boss Energy Limited  | -                                   | 761,490                          |
| Proceeds on sale of 10,000,000 shares in Boss Energy Limited                                    | -                                   | (1,641,490)                      |
| Total current financial assets at fair value  | -                                   | -                                |

**Non-current financial assets**

|  |               |        |
|--|---------------|--------|
| Term deposit held as a security bond             | 50,000        | 50,000 |
| Total non-current financial assets at fair value | <b>50,000</b> | 50,000 |

At 31 December 2020 the Company held 10,000,000 shares in Boss Energy Limited (ASX: BOE) that were worth \$0.088 each for a total value of \$880,000. These shares were sold during 2021 for net proceeds of \$1,641,490. The net increase in value of these shares of \$761,490 was been recognised in profit or loss. These shares were Tier 1 financial assets because Boss shares are quoted on the ASX.

All term deposits have been valued based on quoted (unadjusted) market values and are therefore Tier 1 measured financial assets.

There have been no transfers between measurement levels during the half-year and there are currently no other assets in any other categories.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2022**

**6. TRADE AND OTHER PAYABLES - CURRENT**

|   | <b>GROUP</b><br><b>30 June 2022</b> | <b>GROUP</b><br>31 December 2021 |
|---|-------------------------------------|----------------------------------|
|   | \$                                  | \$                               |
| Trade payables - unsecured                          | <b>12,362</b>                       | 44,382                           |
| Other payables and accruals – unsecured             | <b>22,895</b>                       | 33,736                           |
| Accrued stamp duty payable for acquisition of Ausco | -                                   | 302,915                          |
| <b>Total trade and other payables</b>               | <b>35,257</b>                       | <b>381,033</b>                   |

The accrued stamp duty payable at 31 December 2021 of \$302,915 was expensed as a transaction cost during the prior year and paid with no variation during the half-year.

**7. ISSUED CAPITAL**

|   | <b>30 June 2022</b> |                   | 31 December 2021 |            |
|---|---------------------|-------------------|------------------|------------|
|   | <b>No. of</b>       |                   | <b>No. of</b>    |            |
| <b>(a) Ordinary shares fully paid</b>                           | <b>Shares</b>       | <b>\$</b>         | <b>Shares</b>    | <b>\$</b>  |
| Balance at beginning of period                                  | 479,771,962         | 39,922,037        | 199,746,729      | 31,121,482 |
| 9:10 share capital consolidation                                | -                   | -                 | (19,974,777)     | -          |
| Issue of shares in capital raising                              | -                   | -                 | 100,000,000      | 3,000,000  |
| Issue of shares in part consideration for the Ausco acquisition | -                   | -                 | 200,000,010      | 6,000,000  |
| Costs of capital raising  | -                   | -                 | -                | (199,445)  |
| Balance at end of year  | <b>479,771,962</b>  | <b>39,922,037</b> | 479,771,962      | 39,922,037 |

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share.

**(b) Options**

Options granted during the prior year and on issue at balance dates are as follows. No options were exercised or forfeited during the half-year or prior year.

| <b>Date and details of grant/exercise/forfeit</b>     | <b>No. of Options</b> | <b>Weighted Average Exercise Price</b> |
|---|-----------------------|--|
| Issued options opening balance                        | -                     | -                                      |
| Consideration Options granted and issued 14 July 2021 | 50,000,003            | \$0.06                                 |
| Facilitation Options granted and issued 14 July 2021  | 25,000,000            | \$0.06                                 |
| Balance at 31 December 2021 and 30 June 2022          | <b>75,000,003</b>     |  |

All share options granted in the prior year have an exercise price of \$0.06 and expire 14 July 2026. The weighted average remaining contractual life is 4 years (4.5 years at 31 December 2021).

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2022**

**7. ISSUED CAPITAL (Continued)**

**(c) Performance rights**

Performance rights granted during the prior year and on issue at balance dates are as follows. No performance rights were exercised or forfeited during the half-year or prior year.

| <b>Date and details of grant/exercise/forfeit</b>  | <b>No. of<br/>Performance<br/>rights</b> | <b>Weighted Average Exercise Price</b> |
|--|--|--|
| Issued performance rights opening balance          | -  | -                                      |
| Performance rights granted and issued 14 July 2021 | 10,000,000                               | -                                      |
| Balance at 31 December 2021 and 30 June 2022       | <u>10,000,000</u>                        | -                                      |

These performance rights all expire 14 July 2026. 5,000,000 Director Performance Rights were issued to each of directors Peter Main and Peter Batten, for a total of 10,000,000 Performance Rights issued with the following tranches and market based vesting conditions. They each received 1,000,000 of each of the below tranches. The weighted average remaining contractual life is 4 years (4.5 years at 31 December 2021).

The Performance Rights will vest in five equal tranches, subject to meeting the applicable vesting condition relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

| <b>Tranche No.</b> | <b>Performance Rights</b> | <b>Vesting condition</b>                                 |
|--------------------|---------------------------|--|
| 1                  | 2,000,000                 | 20-day VWAP of Shares is equal to or greater than \$0.06 |
| 2                  | 2,000,000                 | 20-day VWAP of Shares is equal to or greater than \$0.09 |
| 3                  | 2,000,000                 | 20-day VWAP of Shares is equal to or greater than \$0.15 |
| 4                  | 2,000,000                 | 20-day VWAP of Shares is equal to or greater than \$0.25 |
| 5                  | 2,000,000                 | 20-day VWAP of Shares is equal to or greater than \$0.35 |

**8. SEGMENT INFORMATION**

The Board of Directors, which is the chief operating decision maker, has determined the operating segment based on geographical location. The Group has one reportable segment: mineral exploration and evaluation in Australia.

The Australian segment incorporates the Group's mineral exploration and evaluation in Australia along with head office and treasury functions. Consequently, financial information for the sole operating segment is identical to the information presented in these financial reports.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2022**

**9. COMMITMENTS AND CONTINGENT LIABILITIES**

A total expense of \$27,000 (2021: \$72,000) was recognised during the period under serviced office agreements. The serviced office agreements do not lead to the recognition of any right-of-use asset or associated lease liability because the serviced office agreements do not specify or effectively require identified assets.

|   | <b>GROUP</b><br><b>30 June 2022</b> | <b>GROUP</b><br>31 December 2021 |
|---|-------------------------------------|----------------------------------|
|   | \$                                  | \$                               |
| <b>Serviced office commitments</b>      |                                     |                                  |
| Due within 1 year                       | -                                   | 36,000                           |
| Due greater than 1 year and less than 5 | -                                   | -                                |
| Total                                   | <u>-</u>                            | <u>36,000</u>                    |

The administrative services agreement contracted for but not recognised in the financial statements:

|  |                |                |
|--|----------------|----------------|
| <b>Administrative services commitments</b> |                |                |
| Due within 1 year                          | 120,000        | 120,000        |
| Due greater than 1 year and less than 5    | 7,233          | 66,740         |
| Total                                      | <u>127,233</u> | <u>186,740</u> |

Executive services agreements contracted for but not recognised in the financial statements:

|   |               |               |
|---|---------------|---------------|
| <b>Executive services commitments</b>   |               |               |
| Due within 1 year                       | 55,250        | 55,000        |
| Due greater than 1 year and less than 5 | -             | -             |
| Total                                   | <u>55,250</u> | <u>55,000</u> |

**Contingent liability**

The Group has royalties payable of \$0.75 per tonne of silica, other sand or minerals extracted from the Muchea West Silica Sands Project.

Access by the Group to parts of the Muchea West Silica Sands Project that encroach upon the Muchea Air Weapons Range is permitted pursuant to an Access Deed with the Commonwealth of Australia, Department of Defence. This Access Deed may be terminated by the Commonwealth for a variety of reasons. The Company is not aware of any specific reason for the Department of Defence to terminate the Access Deed.

The Group has no other contingent liabilities.

**10. EVENTS OCCURRING AFTER THE REPORTING DATE**

Subsequent to the reporting period:

- The Group announced the Mineral Resource Estimate for the Muchea West Silica Sand Project and withdrawal from the proposed acquisition of the Sandbox Silica Sand Project.

There were no other events subsequent to the end of the half-year ended 30 June 2022 that would have a material effect on these financial statements.

**DIRECTORS' DECLARATION**

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 14 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Carbine Resources Limited 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.



**Peter Main**  
Chairman

Dated at Perth this 13<sup>th</sup> day of September 2022





PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 40 Kings Park Road  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 84 144 581 519  
www.stantons.com.au

13 September 2022

Board of Directors  
Carbine Resources Limited  
Suite 23, 513 Hay Street  
Subiaco, WA 6008

Dear Sirs

**RE: CARBINE RESOURCES LIMITED**

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

As Audit Director for the review of the financial statements of Carbine Resources Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

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

**Martin Michalik**  
Director



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

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Carbine Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Carbine Resources Limited's financial position as at 30 June 2022 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.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 13 September 2022.

**Responsibility of the Directors for the Financial Report**

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



**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

*Stantons International Audit & Consulting Pty Ltd*

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

**Martin Michalik**  
Director

West Perth, Western Australia  
13 September 2022