



Hamelin Gold Limited

ABN 15 650 439 580

Interim Consolidated Financial Report

**For the Half-Year Ended
31 December 2022**

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Directors' Report

The Directors present their interim consolidated report of Hamelin Gold Limited and its controlled entities for the half-year ended 31 December 2022.

Directors

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

Will Robinson	<i>(Non-Executive Chairman)</i>
Peter Bewick	<i>(Managing Director)</i>
Justin Osborne	<i>(Independent Non-Executive Director)</i>
Philip Crutchfield	<i>(Independent Non-Executive Director)</i>

Company Secretary

Dan Travers

Principal Activities

The principal activity of the Company during the financial period was mineral exploration in the Western Tanami region of Western Australia.

There were no significant changes in these activities during the half-year.

Review of Operations

The consolidated net loss after income tax for the half-year was \$666,632 (2021: Restated loss \$908,909).

At the end of the half-year the Group had \$4,254,357 (30 June 2022: \$7,113,664) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$15,693,218 (30 June 2022: \$14,223,928).

Operations during the reporting period were focused on gold exploration at the Group's West Tanami Gold Project in Western Australia.

Matters Subsequent to the End of the Financial Period

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Directors' Report

Significant Changes in the State of Affairs of the Group

Other than as stated in this report there has not arisen during or since the end of the financial period any material changes in the state of affairs of the Group.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

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

DATED at Perth this 24th day of February 2023.



Peter Bewick
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Hamelin Gold Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Perth



Cyrus Patell

Partner

Signed at Perth, 24 February 2023

Hamelin Gold Limited
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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2022

		Consolidated	
		31 December 2022	Restated 31 December 2021
	Note	\$	\$
Interest income		23,533	30
Other income		4,125	-
Total Income		27,658	30
Employee expenses		(571,736)	(63,670)
Employee expenses recharged to exploration		389,735	31,832
Equity based remuneration expense		(54,476)	(686,734)
Depreciation expense	7	(28,006)	-
Corporate expenses		(47,095)	(134,796)
Administration and other expenses		(152,714)	(55,571)
Exploration costs written off and expensed		(229,998)	-
Loss before income tax		(666,632)	(908,909)
Income tax benefit/(expense)		-	-
Loss for the half-year		(666,632)	(908,909)
Other comprehensive loss		-	-
Total comprehensive loss for the period		(666,632)	(908,909)
(Loss)/Earnings per share			
Basic (loss)/earnings per share (cents)		(0.6)	(2.4)
Diluted (loss)/earnings per share (cents)		(0.6)	(2.4)

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

Hamelin Gold Limited
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Consolidated Statement of Financial Position
As At 31 December 2022

		Consolidated	
	Note	31 December 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents		4,254,357	7,113,664
Security bonds and deposits		50,000	50,000
Trade and other receivables		114,868	60,251
Total current assets		4,419,225	7,223,915
Non-current assets			
Property, plant and equipment	7	307,597	133,345
Capitalised mineral exploration and evaluation expenditure	11	15,693,218	14,223,928
Total non-current assets		16,000,815	14,357,273
Total assets		20,420,040	21,581,188
Current liabilities			
Trade and other payables		207,608	771,325
Employee leave liabilities		147,243	132,518
Total current liabilities		354,851	903,843
Total liabilities		354,851	903,843
Net assets		20,065,189	20,677,345
Equity			
Issued capital	7	21,029,645	21,029,645
Retained earnings		(1,962,426)	(1,295,794)
Equity remuneration reserve		997,970	943,494
Total equity		20,065,189	20,677,345

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

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Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2022

	Consolidated			Total
	Issued capital	Accumulated income	Equity remuneration reserve	
	\$	\$	\$	\$
<u>6 months ended 31 December 2021</u>				
<u>(Restated)</u>				
Balance at the start of the financial period	1	-	-	1
Comprehensive loss for the financial period	-	(908,909)	-	(908,909)
Shares issued (net of costs)	21,029,644	-	-	21,029,644
Movement in reserves in respect of options granted	-	-	858,264	858,264
Balance at the end of the financial period	21,029,645	(908,909)	858,264	20,979,000
<u>6 months ended 31 December 2022</u>				
Balance at the start of the financial period	21,029,645	(1,295,794)	943,494	20,677,345
Comprehensive loss for the financial period	-	(666,632)	-	(666,632)
Shares issued (net of costs)	-	-	-	-
Movement in reserves in respect of options granted	-	-	54,476	54,476
Balance at the end of the financial period	21,029,645	(1,962,426)	997,970	20,065,189

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

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Consolidated Statement of Cash Flows
For the half-year ended 31 December 2022

	Consolidated	
	31	31
	December	December
	2022	2021
Note	\$	\$
Cash flows from operating activities		
Interest received	23,533	30
Payments to suppliers and employees	(387,589)	(112,770)
Net cash used in operating activities	(364,056)	(112,740)
Cash flows from investing activities		
Payments for bonds and deposits	-	(50,000)
Payments for plant and equipment	(202,258)	-
Payments for exploration and evaluation	(2,578,878)	(471,560)
Proceeds from government exploration grants	285,885	-
Net cash used in investing activities	(2,495,251)	(521,560)
Cash flows from financing activities		
Payments for the repayment of loans	-	(312,858)
Proceeds from the issue of shares	-	10,000,000
Payments for costs associated with issue of shares	-	(469,536)
Net cash from financing activities	-	9,217,606
Net (decrease)/increase in cash held	(2,859,307)	8,583,306
Cash at the beginning of the period	7,113,664	1
Cash at the end of the period	4,254,357	8,583,307

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

Notes to the Interim Financial Statements
For the half-year ended 31 December 2022

Note 1 Basis of preparation of half-year report

Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

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

Other than as stated below, the accounting policies and methods of computation adopted in the preparation of the half-year financial report, are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2022.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New or amended Standards and Interpretations adopted

The Group 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.

The half year financial report was approved by the Board of Directors on 24th February 2023.

Note 2 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The Group's sole activity is mineral exploration and resource development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

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Notes to the Interim Financial Statements
For the half-year ended 31 December 2022

Note 3 Loss for the period

Loss before income tax includes the following specific income/(expenses):

	Note	31 December 2021 \$	31 December 2021 \$
Corporate expenses:			
Demerger costs		-	104,240
Administration and other expenses:			
Marketing and promotion		13,524	16,546

Note 4 Dividends

No dividends were paid or proposed during the period.

The Group has no franking credits available as at 31 December 2022 or 30 June 2022.

Note 5 Contingencies

(i) Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

(ii) Contingent assets

There has been no change in contingent assets since the last annual reporting date.

Note 6 Events occurring after the reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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Notes to the Interim Financial Statements
For the half-year ended 31 December 2022

Note 7 Property, plant and equipment

	Field equipment \$	Office equipment \$	Motor vehicles \$	Total \$
Cost at 1 July 2022	49,940	7,995	90,406	148,341
Additions	40,746	2,551	158,961	202,258
Cost at 31 December 2022	90,686	10,546	249,367	350,599
Accumulated depreciation at 1 July 2022	(6,547)	(916)	(7,533)	(14,996)
Depreciation expense for period	(7,232)	(1,220)	(19,554)	(28,006)
Accumulated depreciation at 31 December 2022	(13,779)	(2,136)	(27,087)	(43,002)
Net Book Value at 1 July 2022	43,393	7,079	82,873	133,345
Net Book Value at 31 December 2022	76,907	8,410	222,280	307,597

No items of property, plant and equipment have been pledged as security.

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Notes to the Interim Financial Statements
For the half-year ended 31 December 2022

Note 8 Issued capital

During the 6-month period to 31 December 2021 the Company undertook a subdivision of its issued capital on the basis of one share subdivided into 60 million ordinary fully paid shares and issued 50 million ordinary fully paid shares at \$0.20 per share pursuant to an Initial Public Offer leading to quotation of the Company's securities on the Australian Securities Exchange.

	Issue price	2022 No.	2021 No.	2022 \$	Restated 2021 \$
<i>Share movements during the period</i>					
Balance at 1 July	\$1.00	110,000,000	1	21,029,645	1
Share subdivision adjustment ¹	\$0.00	-	59,999,999	-	12,000,000
Initial Public Offer	\$0.20	-	50,000,000	-	10,000,000
Less share issue costs ²		-	-	-	(970,356)
Balance at 31 December		110,000,000	110,000,000	21,029,645	9,029,645

¹ Note, the issued capital of one share was subdivided into 60 million ordinary fully paid shares effective 7 September 2021. The 60 million shares were subsequently issued to eligible shareholders of Encounter Resources Limited on 29 October 2021 as a component of the demerger of the Company from the Encounter Resources Limited group.

² Included in share issue costs of \$970,356 is an amount of \$171,530 being the fair value of 2,000,000 options issued to the initial public offer lead managers (note 9).

Note 9 Options

During the current period the following movements in options over unissued shares occurred:

	31 December 2021 No.	31 December 2021 No.
Options on issue at the start of the financial period	9,250,000	-
Options issued to officers and contractors on Initial Public Offer	-	4,500,000
Options issued to Initial Public Offer advisers	-	2,000,000
Options issued to employees and directors ¹	500,000	1,000,000
Options on issue at the end of the financial period	9,750,000	7,500,000

Details of the above options issued and Black-Scholes valuation inputs are as follows:

No of Options	Exercise price	Price on Issue	Grant and vesting date	Expiry date	Volatility	Risk free rate	Value of Options
500,000	\$0.264	\$0.18	1 Dec 2022	30 Nov 2026	96.8%	3.28%	\$54,476

¹ Issued to a director of the Company pursuant to shareholder approval at the Company's 2022 annual general meeting.

Notes to the Interim Financial Statements
For the half-year ended 31 December 2022

Note 10 Acquisition of Hamelin Resources Pty Ltd

On 14 September 2021 the Company acquired a 100% interest in the issued capital of Hamelin Resources Pty Ltd from Encounter Resources Limited. At the time of the transaction, pursuant to the terms and conditions of a Share Sale Agreement, the Company was a wholly owned subsidiary of Encounter Resources Limited.

As the acquisition transaction resulted in a change of control, effective at the date of demerger of the Company from the Encounter Resources Limited group (acquisition date), the application of the acquisition method of accounting under AASB 3 was initially applied. This resulted in the fair value attributed to the assets acquired and the liabilities assumed by Hamelin Resources Pty Ltd being recognised from the date of change of control.

For the purposes of the 31 December 2021 reporting period the Group initially applied the provisional accounting requirements under AASB 3, to the net assets acquired as outlined in the Prospectus issued on 3rd November 2021. The provisional amounts applied to the net assets acquired was calculated as the 60 million shares issued on demerger, at the date of the change of control, at a notional price of \$0.20 per share (being the Company's initial public offer subscription price). As a result, the 31 December 2021 interim financial statements disclosed a provisional gain on bargain purchase of \$12,000,000 and a corresponding amount as capitalised exploration and evaluation expenditure, reflecting the exploration assets acquired following the demerger from Encounter Resources Limited.

During finalisation of the acquisition accounting for the purposes of the 30 June 2022 audited financial report, the Company reviewed its accounting treatment and considered the adoption of the optional Concentration Test under AASB 3 to be more appropriate to the transaction as the assets and activities acquired were not considered to constitute a business. As a result, the transaction was more appropriately recognised as an asset acquisition. Accordingly, there was no gain on bargain purchase recognised in the profit or loss on the demerger from Encounter Resources Limited for the financial year ended 30 June 2022.

The 31 December 2021 comparative information has been amended within this financial report to reflect the finalisation of these entries and the amended accounting treatment.

	Provisional amounts initially recognised for acquisition accounting under AASB 3 in the 31 December 2021 Interim Financial Report	Final amounts recognised on adoption of the Optional Concentration Test within the 31 December 2021 comparative information.
Gain on bargain purchase included in profit or loss	\$12,000,000	Nil
Acquisition cost in Capitalised Mineral Exploration and Evaluation Expenditure	\$12,000,000	\$12,000,000
Issued Capital	Nil	\$12,000,000

Notes to the Interim Financial Statements
For the half-year ended 31 December 2022

Note 11 Capitalised mineral exploration and evaluation expenditure

	Period to 31 December 2022	Period to 31 December 2021
	\$	\$
Balance at 1 July	14,223,928	-
Initial acquisition costs	-	12,135,636
Capitalised costs for the period	1,755,174	494,202
Exploration grants received ¹	(285,884)	-
Balance at 31 December	15,693,218	12,629,838

¹Exploration grants received are allocated to the corresponding exploration expense.

Note 12 Related party transactions

During the period the Company employed, on a casual basis to provide field services, related parties of Mr Peter Bewick the Managing Director of the Company, as follows:

1. Lachlan Bewick - \$10,829 (inclusive of superannuation)
2. Josh Bewick - \$939 (inclusive of superannuation)

Other than the above there have been no material changes to the nature of the related party transactions for the period.

Note 13 Commitments

As at 31 December 2022 the Company has capital commitments amounting to approximately \$200,000 in respect of exploration camp acquisition costs.

Directors' Declaration

The Directors of Hamelin Gold Limited ("the Consolidated Entity") declare that:

- (a) the interim financial statements and notes set out on pages 6 to 15 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB 134 – *Interim Financial Reporting*, and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half-year ended on that date of the Consolidated Entity.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 24th day of February 2023.



Peter Bewick
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HAMELIN GOLD LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Hamelin Gold Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 ended on that date, 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 Hamelin Gold 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 2022 and of its performance for the half-year ended on that date; and
- b) complying with Australian 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 Group 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.

Responsibility of the Directors for the Financial Report

The directors of the Group 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 Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Australian 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.



Crowe Perth



Cyrus Patell
Partner

Signed at Perth, 24 February 2023