



HALF YEAR REPORT

FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2022



DMC MINING
— LIMITED —

DMC MINING LIMITED AND ITS CONTROLLED ENTITIES (ABN 25 648 372 516)

CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	14
INDEPENDENT AUDITOR'S REVIEW REPORT	15
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	17
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	18
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	19
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	20
CONDENSED NOTES TO THE FINANCIAL STATEMENTS	21
DIRECTOR'S DECLARATION	27

This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2022 and any public announcements made by DMC Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CORPORATE DIRECTORY

EXECUTIVE CHAIRMAN

David Sumich

NON-EXECUTIVE DIRECTORS

Frank Knezovic

Bruce Franzen

COMPANY SECRETARY

Bruce Franzen

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SECURITIES EXCHANGE LISTING

Shares and options are listed on the
Australian Securities Exchange

(ASX Codes: DMM, DMMO)

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DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of DMC Mining Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of the half-year ended 31 December 2022.

1. DIRECTORS

The names of Directors who held office during or since the end of the half-year are:

- **David Sumich** Executive Chairman
- **William Witham** Non-Executive Director (resigned 21 February 2023)
- **Frank Knezovic** Non-Executive Director (appointed 22 February 2023)
- **Bruce Franzen** Non-Executive Director

Directors have held office for the entire period and to the date of this report unless otherwise stated.

2. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the half-year has been exploration and evaluation of the Consolidated Entity's mineral tenement holdings.

3. RESULT OF OPERATIONS

The loss after tax for the half-year ended 31 December 2022 was \$440,504 (2021: \$131,984).

4. REVIEW OF OPERATIONS

The Company is an Australian public company incorporated on 2 March 2021 for the purpose of identifying, acquiring and developing prospective critical minerals, nickel, copper, gold and other base metal assets.



EXPLORATION ACTIVITIES DURING THE PERIOD

RAVENSTHORPE NICKEL PROJECT

The Ravensthorpe Nickel Project (DMC 100%, EL 74/669) is located in a highly prospective geological setting for nickel sulphide deposits. The Project has approximately 15km strike length of the Bandalup ultramafics, the target host rocks that are prospective for Kambalda-style komatiitic nickel sulphide deposits.

The project is very well serviced by roads, power, and other necessary mining infrastructure.

During the period the Company completed soil geochemistry consisting of 100m x 50m sampling grids over three priority target areas (Figure 1) identified from ground reconnaissance follow-up on the results of the 2021 high-resolution helicopter-borne time domain electromagnetic (EM) and magnetic (Xcite™) survey covering all the RNP. The three priority areas have been chosen where reconnaissance follow-up identified areas of shallow bedrock with abundant ultramafic (peridotite, dunite and spinifex textured komatiite) lithologies consistent with the target nickel sulphide komatiite channel facies host geology. In all some 1,251 sample points were taken.

The company has also completed follow-up detailed fixed loop and moving loop ground electromagnetic (FLEM and MLEM) surveys over the priority conductivity targets identified at Ravensthorpe (Figure 2). The data acquired is currently being interpreted with a view to delineating drilling targets to be considered as part of the 2023 exploration program.

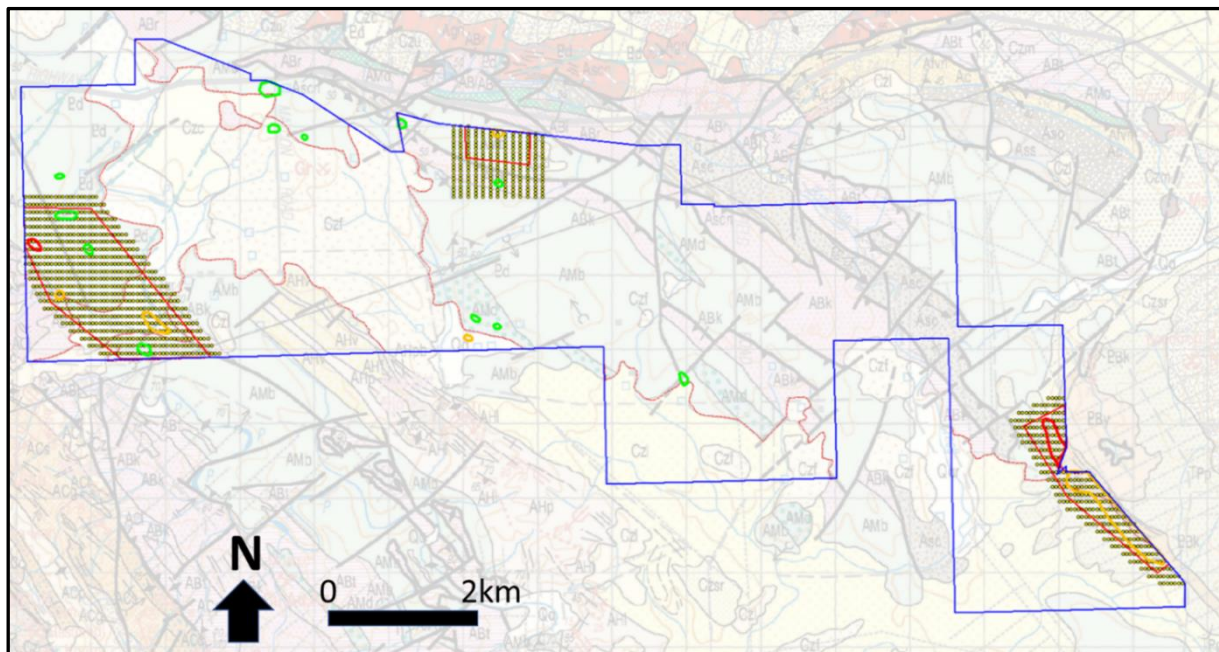


Figure 1 - Completed 100m x 50m Soil Geochemistry Sampling Coverage on the Ravensthorpe Nickel Project.

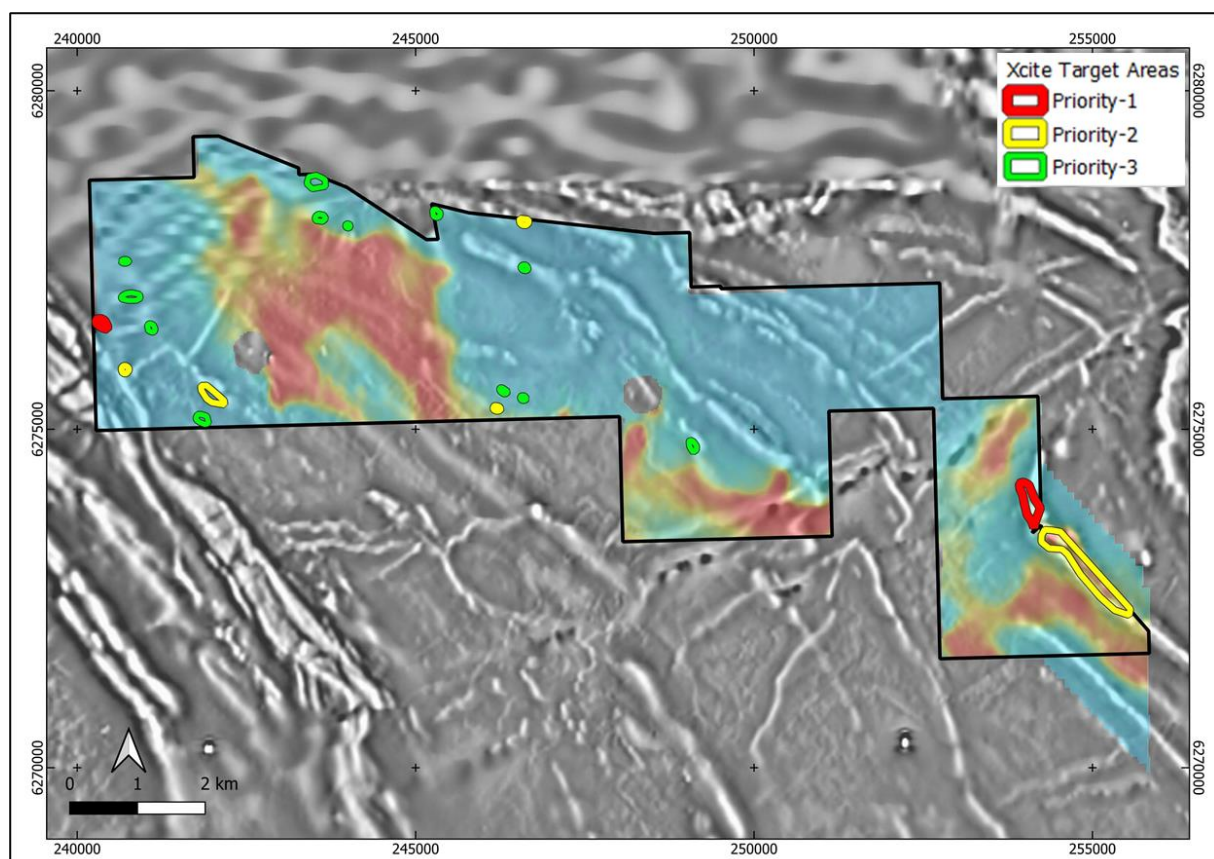


Figure 2 - Priority Conductivity Targets Identified on the Ravensthorpe Nickel Project.

Ravensthorpe project tenement E74/669 outline (black) and target areas coloured by priority over a semi-transparent late-time Xcite EM decay image (dB/dt Z Ch45) over a residual magnetic greyscale image (TMIRTP HP500m)

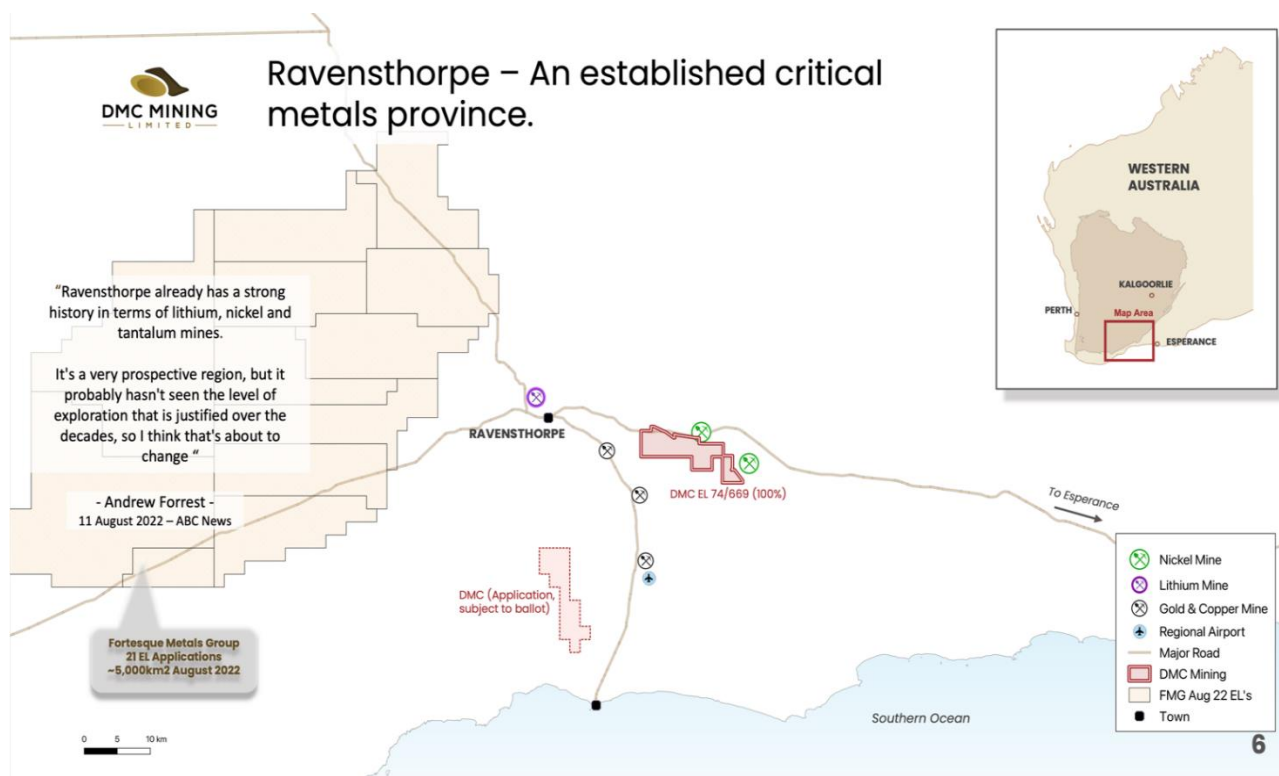


Figure 3 – Ravensthorpe Nickel Project – Regional Map

FRASER RANGE PROJECTS

The Fraser Range Projects are a consolidation of 10 granted Exploration Licences ("EL's") and 3 EL Applications with a combined area of approximately 1,064km², - being one of the largest strategic landholdings of held by any junior explorer in the Fraser Range. Investment by the Company will be undertaken at the Fraser Range Projects to explore for critical minerals, nickel, copper, gold and other base metals.

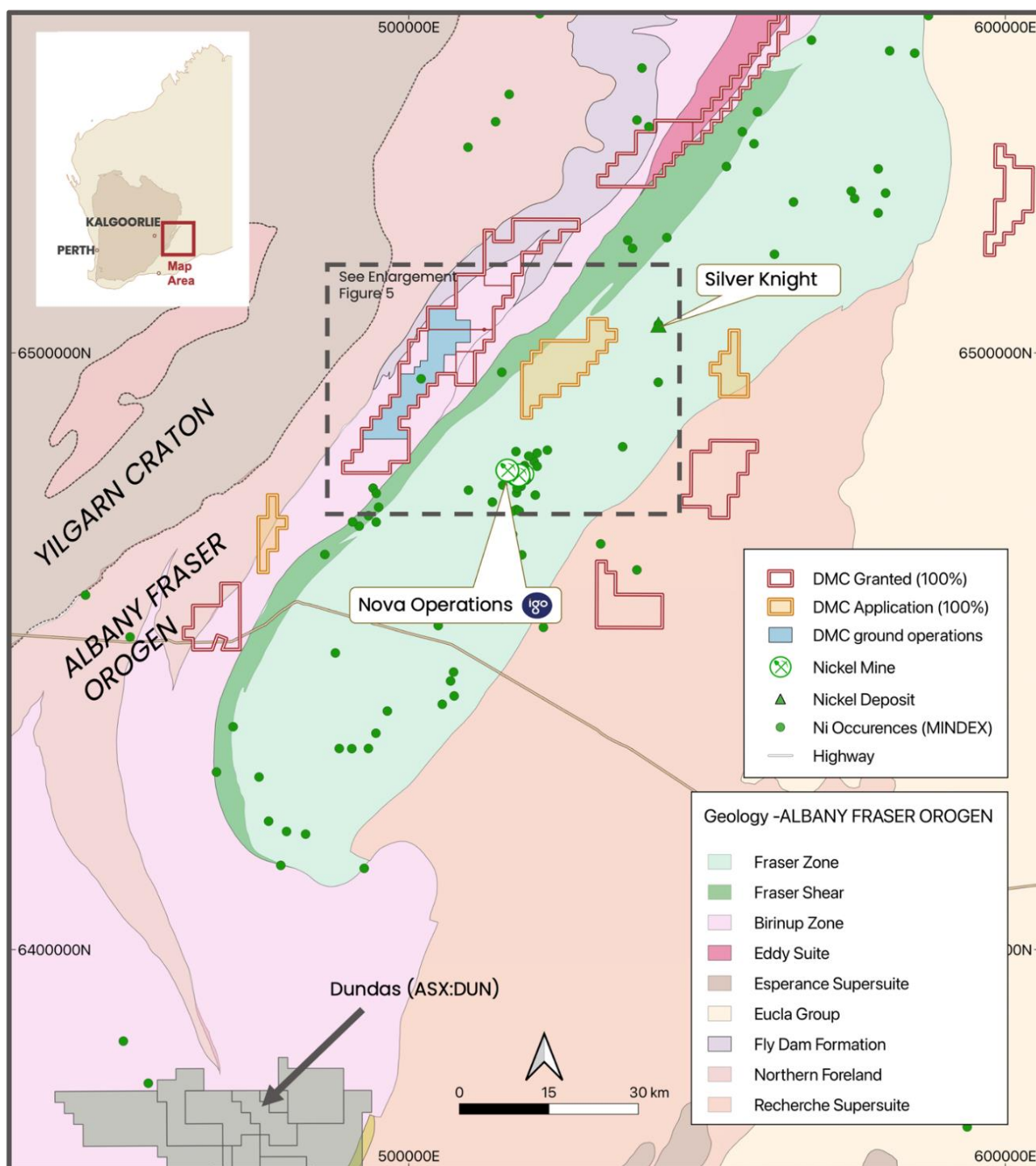


Figure 4 – Fraser Range Projects – Regional Geology

FRASER RANGE – TRINITY PROJECT

The Trinity Project is The Company's flagship project in the Fraser Range and is located approximately 18km from the Nova Operations, owned by IGO (ASX:IGO). The Company is targeting nickel and copper sulphide mineralisation within mafic intrusives.

During the period the Company completed ground geochemistry and ground geophysics surveys at the Trinity Project.

The surveys were over a number of high priority target areas consistent with potential for buried nickel-copper-cobalt mineralisation.

The soil geochemistry survey consisted of infill survey on a 200m x 200m grid. The surveys covered the 3 priority target areas C2, C3 and D10 (Figure 5). Other areas were surveyed in areas where past work only gave poor data quality unsuitable for targeting or in areas where previous sampling was in media, mainly calcrete, poorly suited to nickel sulphide exploration.

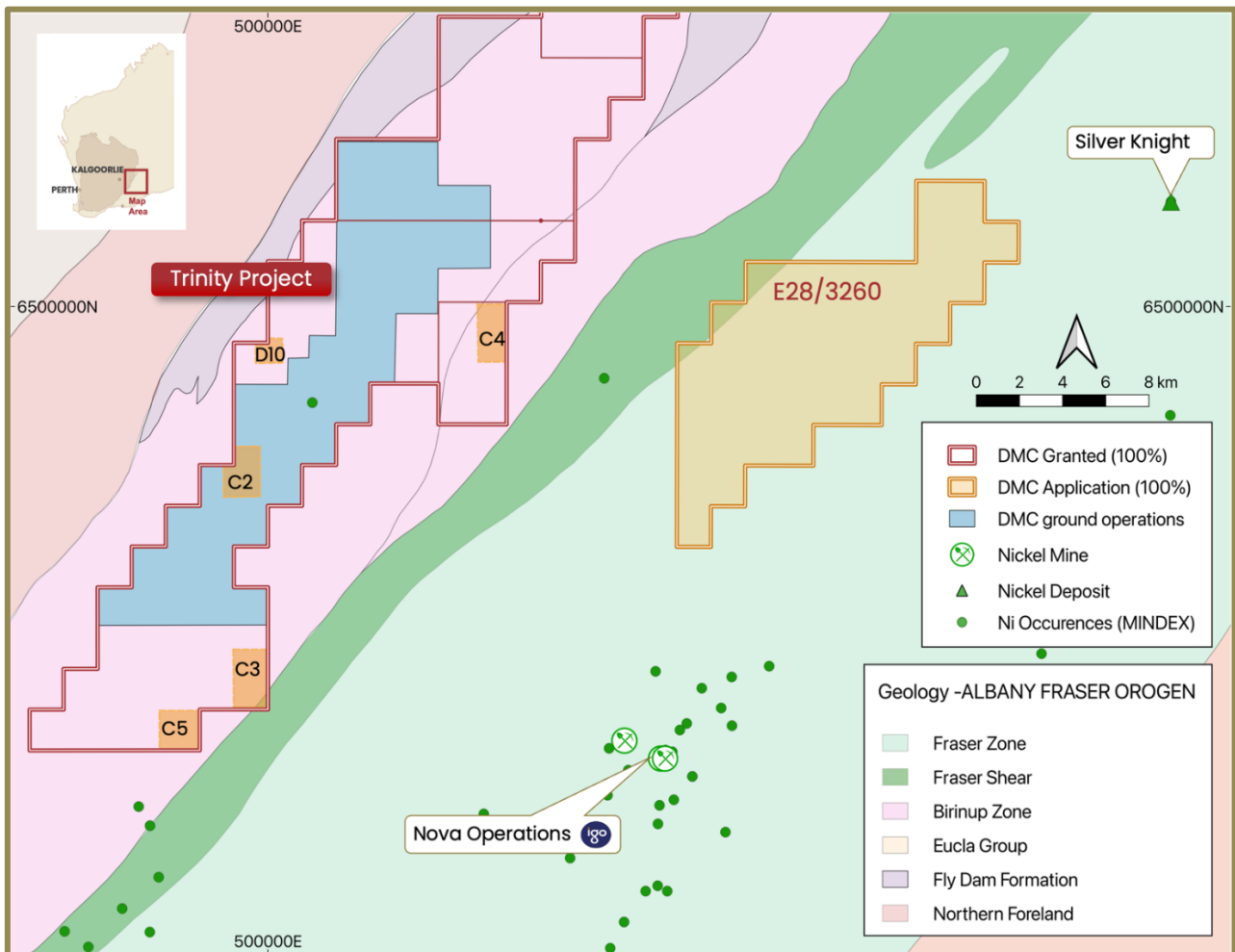


Figure 5 – Fraser Range Project Priority Target Areas

The limited sparse effective previous soil geochemistry in these regions does indicate trace element anomalism in areas consistent with potential for buried mafic-ultramafic intrusive complexes and associated potential for nickel sulphide. In all some ~3,000 sample points were collected. Gyro Drilling were contracted to carry out the soil sampling program, and samples sent for geochemical analysis to Bureau Veritas in Perth.

Simultaneous to the soil sampling program, ground geophysics was conducted over the priority targets identified. Refer Table 1 for summary.

It is anticipated that the results from the geochemical and ground geochemical surveys conducted will then be followed up by diamond drilling to test the anomalies for potential nickel sulphide mineralisation.

Project Area	Line KM	Survey Type
C2	18	Moving Loop EM
C3	7.5	Moving Loop EM
C4	8.5	Fixed Loop LEM
C5	5.4	Moving Loop EM
C5	16.5	Fixed Loop LEM
D10	6	Moving Loop EM

Table 1 – Summary of Ground Geophysics – Fraser Range Projects

NEW PROJECTS

GIBB RIVER CU PROJECT (UNDER APPLICATION)

The Gibb River Cu Project (Project) comprises 5 EL applications totalling ~573 km² in the Kimberley Region of WA. See Figure 6.

Key Points;

- The prospective tenement has previous drilling (27 drill holes) and widespread Cu mineralisation – not fully tested and explored.
- DMC can leverage existing technical skills and expertise to advance exploration (should it proceed to granting)
- \$8,300 paid in non-refundable application fees (to DMIRS) upfront to secure the tenement package. DMC holds 100%.
- 2019 co-funded GSWA drill hole (KCDD19001) was never assayed, despite chalcopyrite veining (based on photo interpretation)
- Right location - Tenements sit within a zone of thinning lithosphere along the same corridor as McArthur River, Redbank, Century and Prominent Hill mines.
- Overlooked during 1980's to early 2000's as a copper project as exploration mainly focussed on diamonds.
- Exploration model is for Zambian style sedimentary exhalative (SedEx) or Mississippi valley type (MVT) deposit around the Menuairs Dome.
- Pre-granting updates & newsflow;
 - Inspection and logging of KCDD19001 (completed on 9 August at GSWA)
 - Assaying pending of KCDD19001. The intact diamond core is currently stored at GSWA.
 - Field reconnaissance trip completed by geologist, rock chip and soil results shown at Table 2.

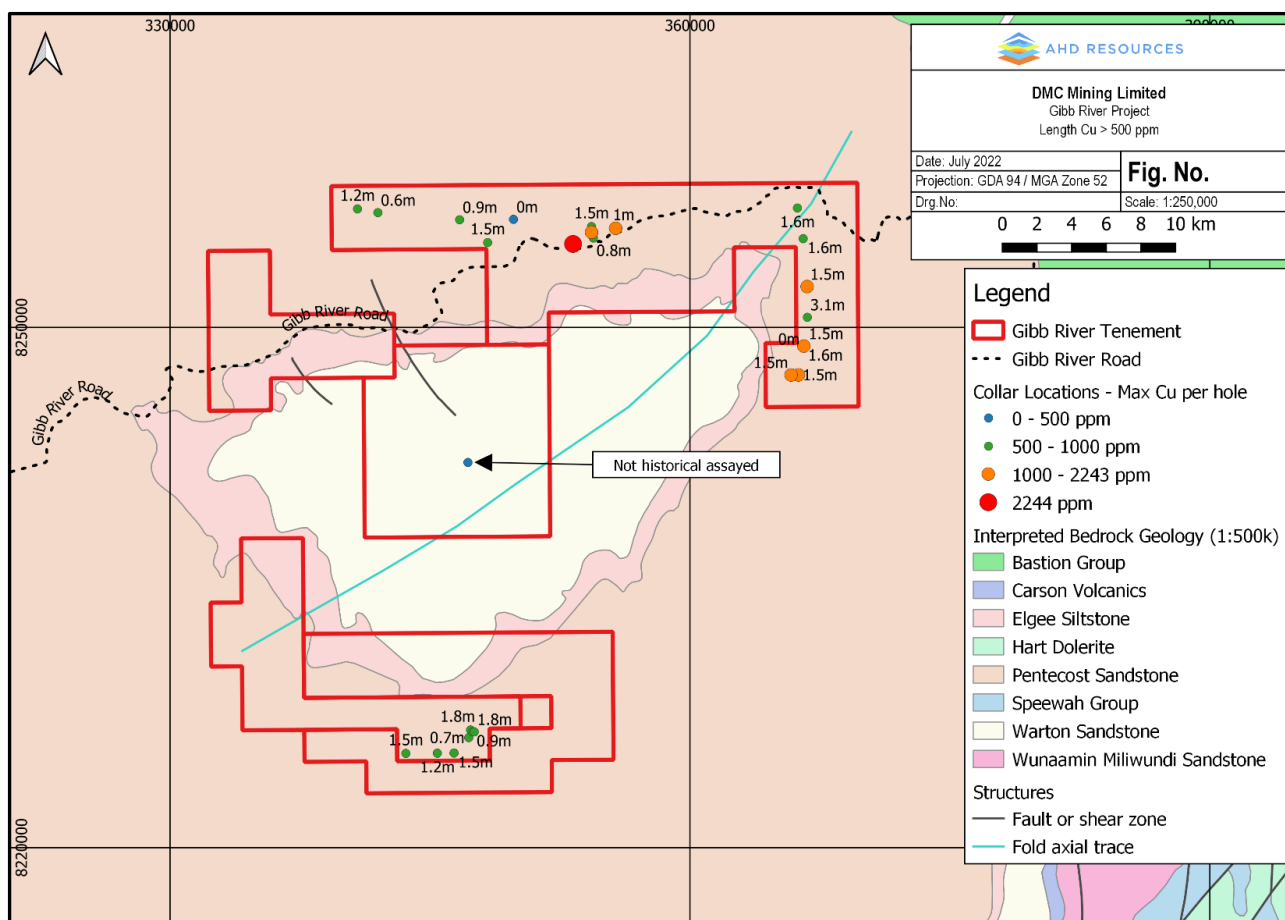


Figure 6 – Gibb River Cu Project location map, historic drill locations, Cu grade & Cu length Cu>500ppm.

Rock chip and soil results received are from an initial field reconnaissance trip conducted in July 2022 which aimed to investigate and test historic reports of copper anomalism at the geological contact of the Middle and Lower Members of the Pentecost Sandstone Formation (Pkpm and Pkpl respectively). A total of 27 rock and 11 soil samples were collected during the reconnaissance trip.

Anomalous results received are detailed below in Figure 7 below.

Sample ID – Rock Chips	Cu (ppm)	Sample ID - Soils	Cu (ppm)
32976	111.8	32983	10.5
32989	280.4	32993	15.9
32990	151.3	32994	44.7
32992	315.5	32995	29.9

Table 2 – Anomalous copper results received for rock (left) and soil (right) samples.

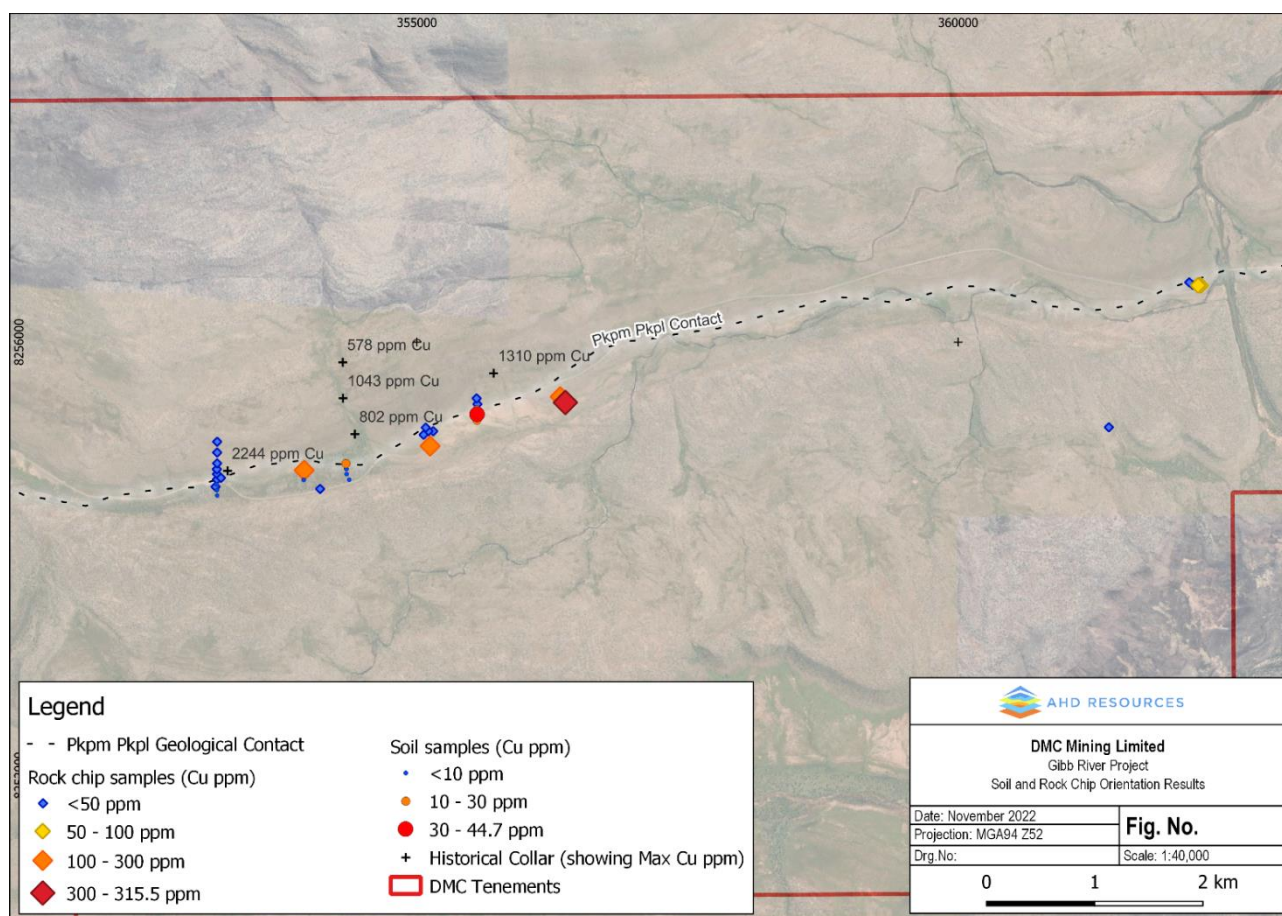


Figure 7 – Rock chip and soil results from field reconnaissance.

FRASER RANGE - EL28/3260 (UNDER APPLICATION)

Exploration Licence EL28/3260 lies within the highly prospective Fraser Range province ~112km.

It sits within the Fraser Zone (Refer Figure 8) of the Fraser Range region, home to world class deposits such as Nova – Bollinger (ASX:IGO).

Key Points

- Opportunistically secured a Project prospective for critical metals (Ni & Co) .
- DMC can leverage existing technical skills and expertise to advance exploration (should it proceed to granting). Ground exploration is ongoing on nearby DMC tenements. Refer Figure 8.
- The Project adds to DMC's already large tenure in the Fraser Range of 10 granted tenements totalling ~880km².
- \$1,660 paid in non-refundable application fees (to DMIRS) upfront to secure the tenement package. DMC holds 100% interest.
- The Project sits within the Fraser Zone (Refer Figure 8) of the Fraser Range region, home to world class deposits such as Nova – Bollinger (ASX:IGO) .
- Exploration model is for a range of mineral deposit styles, including:
 - (a) magmatic Ni – Co – Cu mineralisation, as exemplified by the Nova – Bollinger nickel-copper cobalt mine;

- (b) orogenic gold mineralisation;
 - (c) intrusion-related gold mineralisation; and
 - (d) polymetallic sedimentary exhalative and volcanogenic massive sulphide mineralisation
- Magmatic nickel and cobalt sulphide orebodies frequently occur in clusters globally. Thus far there are only two discoveries in the Fraser Range and a large number of mineral occurrences.
 - Process to Granting: DMC is not aware of any reason why the Project will not proceed to granting in due course.
 - Heritage Agreement: DMC (via Isker Mining Pty Ltd) has an existing Heritage Agreement with Ngadju Native Title Aboriginal Corporation, the traditional owners of the region. Under the terms of the existing agreement, DMC has the option to add the Project to the schedule of tenements in the existing agreement.

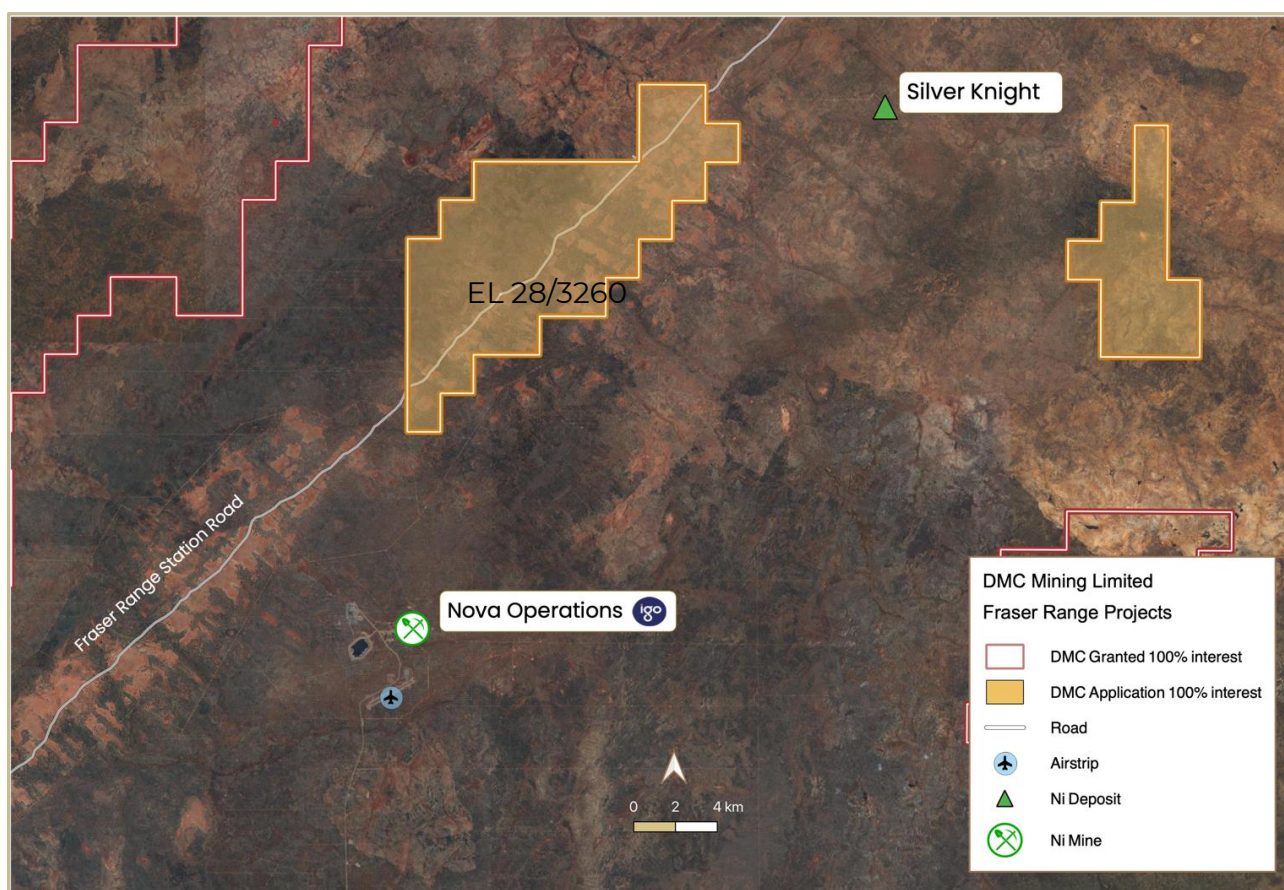


Figure 8 – Project Location map Fraser Range - EL28/3260

Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Tony Donaghy who is a Registered Professional Geoscientist (P.Geo) with the association of Professional Geoscientists of Ontario (PGO), a Recognised Professional Organisation (RPO). Mr Donaghy is an employee of CSA Global, an ERM Company, and is contracted as Exploration Management Consultant to DMC Mining Limited. Mr Donaghy has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Donaghy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement - Gibb River Cu Project

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Dawes who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by AHD Resources, independent consultants to DMC. Mr Dawes has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dawes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE ACTIVITIES

On 25 November 2022, the Company held its Annual General Meeting of Shareholders (AGM). All resolutions put to the meeting were passed by the required majority by way of a poll.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

5. EVENTS SUBSEQUENT TO REPORTING DATE

CORONA VIRUS IMPACT

The impact of the Corona Virus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Consolidated Entity up to 31 December 2022, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be implemented.

On 21 February 2023, Non-executive Director William Witham resigned as a Director of the Company.

On 22 February 2023, Non-executive Director Frank Knezovic was appointed a Director of the Company.

No other matters or circumstances have arisen subsequent to 31 December 2022 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

7. AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 14 for the half-year ended 31 December 2022.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors.



David Sumich
Executive Chairman

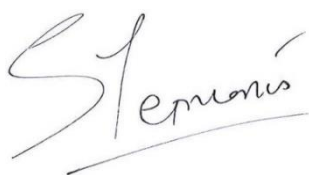
Dated this day 10th March 2023

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF DMC MINING LIMITED

In relation to our review of the financial report of DMC Mining Limited for the half year ended 31 December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
PARTNER

10 MARCH 2023,
WEST PERTH,
WESTERN AUSTRALIA

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DMC MINING LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of DMC Mining Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2022, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of DMC Mining Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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.

Independence

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.

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

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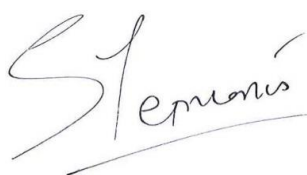
Auditor's Responsibilities for the Review of the Financial Report

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 consolidated entity's financial position as at 31 December 2022 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation 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.



PKF PERTH



SIMON FERMANIS
PARTNER

10 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
REVENUE			
Other revenue	3	8,448	141,871
EXPENSES			
Administrative expenses		(7,174)	(33,640)
Compliance and regulatory expenses		(75,942)	(35,098)
Consultancy expenses		(64,000)	(56,800)
Directors' fees		(159,996)	(11,242)
Exploration expenses	4	(53,855)	(120,789)
Marketing and Investor relations expenses		(62,634)	-
Insurance expenses		(16,132)	(6,185)
Occupancy expenses		(9,219)	(10,101)
Loss for the period before income tax expense		(440,504)	(131,984)
Income tax benefit/(expense)		-	-
LOSS FOR THE PERIOD		(440,504)	(131,984)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF INCOME TAX			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in fair value of available for sale financial asset		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(440,504)	(131,984)
LOSS PER SHARE			
Basic and diluted loss per share (cents)	5	(0.01)	(0.006)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note	31-Dec-22 \$	30-Jun-22 \$
CURRENT ASSETS			
Cash and cash equivalents		2,785,158	3,836,261
Trade and other receivables		116,299	44,756
Other assets		22,385	11,189
TOTAL CURRENT ASSETS		2,923,842	3,892,206
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	6	1,984,966	1,013,640
TOTAL NON-CURRENT ASSETS		1,984,966	1,013,640
TOTAL ASSETS		4,908,808	4,905,846
CURRENT LIABILITIES			
Trade and other payables		644,470	201,004
TOTAL CURRENT LIABILITIES		644,470	201,004
TOTAL LIABILITIES		644,470	201,004
NET ASSETS		4,264,338	4,704,842
EQUITY			
Issued capital	7	4,839,724	4,839,724
Reserves	8, 9	469,612	469,612
Accumulated losses		(1,044,998)	(604,494)
TOTAL EQUITY		4,264,338	4,704,842

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2022

	31-Dec-22 \$	31-Dec-21 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	8,448	86
Payments for administration and corporate expenses	(607,617)	(130,018)
Payments for exploration and evaluation expenses	(451,934)	(204,039)
NET CASH USED IN OPERATING ACTIVITIES	(1,051,103)	(333,971)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation acquisition	-	(82,513)
NET CASH USED IN INVESTING ACTIVITIES	-	(82,513)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	5,000,000
Payment for costs of share issue	-	(554,987)
NET CASH FROM FINANCING ACTIVITIES	-	4,445,013
Net increase/(decrease) in cash and cash equivalents	(1,051,103)	4,028,529
Cash and cash equivalents at the beginning of the reporting period	3,836,261	360,544
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	2,785,158	4,389,073

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2022

	Issued Capital	Options Reserve	Retained Earnings	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2022	4,839,724	469,612	(604,494)	4,704,842
Loss for the period	-	-	(440,504)	(440,504)
Total comprehensive loss for the period	-	-	(440,504)	(440,504)
<i>Transactions with owners, recorded directly in equity:</i>				
Shares Issued During the Period	-	-	-	-
Share Based Payments	-	-	-	-
Cost of Share Issue	-	-	-	-
Total transactions with owners	-	-	-	-
BALANCE AT 31 DECEMBER 2022	4,839,724	469,612	(1,044,998)	4,264,338
BALANCE AT 1 JULY 2021	420,340	-	(54,676)	365,664
Loss for the period	-	-	(131,984)	(131,984)
Total comprehensive loss for the period	-	-	(131,984)	(131,984)
<i>Transactions with owners, recorded directly in equity:</i>				
Shares Issued During the Period	5,270,000	-	-	5,270,000
Share Based Payments	-	107,000	-	107,000
Cost of Share Issue	(554,987)	-	-	(554,987)
Total transactions with owners	4,715,013	107,000	-	4,822,013
BALANCE AT 31 DECEMBER 2021	5,135,353	107,000	(186,660)	5,055,693

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

DMC Mining Limited (the Company) is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The consolidated half-year financial report of the Company for the six months ended 31 December 2022, comprise the Company and its subsidiaries (the "Consolidated Entity" or "Group").

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this half-year financial report be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by DMC Mining Limited and its controlled entities during the half-year reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated half year financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 10 March 2023.

BASIS OF PREPARATION

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2022. Those accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to their operations and mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity and are consistent with those of the previous financial years and corresponding interim reporting period.

Impact of new standards and interpretations issued but not yet adopted

There are no new standards that have been issued since 30 June 2022 that have been applied by the Consolidated Entity. The 30 June 2022 annual report disclosed that the Consolidated Entity anticipated no new material impacts arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2022.

SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

(ii) Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

(iii) Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. . There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;

- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

2. SEGMENT INFORMATION

IDENTIFICATION OF REPORTABLE SEGMENTS

The consolidated entity is organised into one operating segment, being 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.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

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

3. OTHER REVENUE	31 December 2022	31 December 2021
	\$	\$
OPERATING ACTIVITIES		
Interest received	8,448	85
Loan forgiveness on acquisition – Fraser Range Project	-	141,786
Total Other Revenue	8,448	141,871

4. EXPENSES	31 December 2022	31 December 2021
	\$	\$
Operating activities		
Exploration Expenses	53,855	120,789
Total exploration costs	53,855	120,789

During the period, the consolidated group incurred costs related to the application of new tenements which often included limited technical evaluation prior to grant. At the time of the expenditure on the tenements, the group did not have the rights to these tenements and is subsequently unable to capitalise these costs under AASB 6. Therefore, these costs have been expensed for the period.

5. EARNINGS/(LOSS) PER SHARE	31 December 2022	31 December 2021
	\$	\$
Profit/(loss) from continuing operations used in the calculation of basic and diluted EPS	(440,504)	(131,984)
Weighted average number of ordinary shares outstanding during the year used in calculating the basic and dilutive EPS	46,350,000	22,577,717

There are 26,575,000 share options excluded from the calculation of diluted earnings per share (that could potentially dilute basic earnings per share in the future) because they are anti-dilutive for each of the periods presented.

6. EXPLORATION EXPENDITURE	31 December 2022	31 December 2021
	\$	\$
Exploration project expenditure	1,984,966	688,948
MOVEMENT IN CARRYING VALUE:		
Brought forward	1,013,640	-
Exploration project expenditure – Ravensthorpe Nickel	303,013	85,260
Exploration project expenditure – Fraser Range	668,313	144,179
Acquisition– Isker Mining Pty Ltd	-	302,398
Acquisition – Romany Minerals Pty Ltd	-	129,598
Acquisition – Tenement Ravensthorpe Nickel	-	27,513
Exploration Asset at reporting date	1,984,966	688,948

7. ISSUED CAPITAL	31 December 2022	30 June 2022
	\$	\$
Fully paid ordinary shares	5,710,140	5,710,140
Less: capital issue costs net of tax	(870,416)	(870,416)
	<u>4,839,724</u>	<u>4,839,724</u>

8. RESERVES	31 December 2022	31 December 2021
	\$	\$
Opening balance	469,612	-
Issue of options during the period	-	107,000
Closing Balance	<u>469,612</u>	<u>107,000</u>

9. SHARE BASED PAYMENTS

SHARE OPTIONS ISSUED

	Number of Options	Exercise Price \$
Exercisable at 1 July 2022	26,575,000	\$0.20
Issued during the period	-	-
Exercisable at 31 December 2022	<u>26,575,000</u>	<u>\$0.20</u>

10. CONTINGENT LIABILITIES

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

11. EVENTS SUBSEQUENT TO REPORTING DATE

CORONA VIRUS IMPACT

The impact of the Corona Virus (COVID-19) pandemic is ongoing and whilst it had no financial impact for the Consolidated Entity up to 31 December 2022, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be implemented.

On 21 February 2023, Non-executive Director William Witham resigned as a Director of the Company.

On 22 February 2023, Non-executive Director Frank Knezovic was appointed a Director of the Company.

No other matters or circumstances have arisen subsequent to 31 December 2022 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

12. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2022.

13. COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the government of Western Australia. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation.

	31 December 2022	30 June 2022
	\$	\$
EXPENDITURE REQUIRED ON EXPLORATION LICENCES		
Within one year	339,000	326,000
More than one year but less than five years	678,000	652,000
Greater than five years	-	-
Total commitments	<u>1,017,000</u>	<u>978,000</u>

DIRECTOR'S DECLARATION

The Directors' of the Company declare that: -

1. The financial statements and notes, as set out on pages 17 to 26 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporation Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.

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

This declaration is made in accordance with a resolution of the directors made pursuant to s.303 (5) of the *Corporations Act 2001*.



David Sumich

Executive Chairman

Dated this day 10th March 2023