

Nex Metals Explorations Limited

ABN: 63 124 706 449

Interim Financial Report

for the half-year ended 31 December 2023

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Corporate Directory

DIRECTORS

Thomas F Percy KC
Kenneth M Allen
Hock Hoo Chua
Raja Mohd Azmi bin Raja Razali (Alternate Director to Hock Hoo Chua)

COMPANY SECRETARY

Kenneth M Allen

PRINCIPAL OFFICE

45 Guthrie Street
OSBORNE PARK WA 6017

REGISTERED OFFICE

45 Guthrie Street
OSBORNE PARK WA 6017

AUDITORS

Armada Audit and Assurance Pty Ltd
18 Sangiorgio Court
OSBORNE PARK WA 6017

SOLICITORS

Lawton Gillon
Level 7, 16 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
Phone: (+618) 9389 8033

STOCK EXCHANGE LISTING

Australian Securities Exchange
Home Exchange: PERTH, Western Australia
Code: NME

Directors' Report

The directors of Nex Metals Explorations Limited ("Nex Metals" or "the Company") (ASX: NME) and its controlled entity ("Group") submit herewith the financial report for the half-year ended 31 December 2023. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

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

Thomas F Percy
Kenneth M Allen
Hock Hoo Chua
Raja Mohd Azmi bin Raja Razali (Alternate Director to Hock Hoo Chua)

Operating Results

The operating loss of the Group for the half-year after providing for income tax amounted to \$429,814 (31 December 2022 – \$789,466).

Review of Operations

Operations during the half-year were mainly focussed on negotiating a settlement of its ongoing disputes with Metalicity Ltd.

Moving Forward -Post dispute settlement

The Company will now assess the current strategy with respect to the tailings both in terms of settlement of the dispute with Metalicity Ltd but also how to expedite any cashflow benefits that can be fast tracked from the tailings.

The Company has discussed with its Geological consultants to commence desktop studies on the tenements to be held 100% by Nex with a view to undertaking an exploration (on ground) program.

The Company will also will be required to undertake a capital raising in the near future.

The Company will also assess other Gold based tenements that can add value to the Company within the Goldfields region.

Settlement of Legal Dispute between Nex Metals and Metalicity (MCT)

The Company and Metalicity announced on 21 December 2023 the signing and execution of all final agreements in relation to settling all matters between the parties.

As previously announced by Nex and Metalicity (ASX Release 29 September 2023), on completion of the matters set out in the agreements, MCT will hold an 80% interest in the JV (currently 51%) with NEX retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NEX will acquire 100% of certain none-core prospecting licences along with the tailing rights.

The signing of the Formal Agreements between the two parties completes the first stage of matters set out in the Term Sheet, which broadly includes execution of the following:

- Settlement Agreement – being agreement of specific details of matters agreed and set out in the Term Sheet, including settlement of disputes between the two parties;
- Amendment of JV Agreement – being amendment of matters including, but not limited to:
 - Amendment of dilution clause to reflect an industry standard;
 - First right of refusal given to each party;
 - Confirmation of JV commencement date of 20 May 2019; and
 - Removal of area of influence.

Directors' Report

- Mineral Rights Agreement - providing NEX with the sole right to the Kookynie Tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, and for MCT to retain the priority right to explore the area where the tailings are located as reasonably required.

Following execution of these Formal Agreements, both parties are now focused on completion of the remaining conditions, being:

- (a) Approvals: each of NEX and MCT having obtained all authorisations of any governmental or administrative agency or commission, which are necessary to implement the transactions contemplated by the Terms Sheet and the Formal Agreement. These approvals are of a standard nature; and
- (b) Share Cancellation: NEX obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME.

The Board considers that entering into the Term Sheet is in the best interests of NME and provides a pathway for NME and MCT to focus their efforts on achieving the objectives under the JV and in their own rights.

Following completion of the Metalicity agreement, NME anticipates that it will undertake a capital raising to fund Joint Venture contributions, project acquisitions, exploration costs on retained tenements and administration costs.

Responsibility Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Rob L'Heureux, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (Canada). Mr. L'Heureux M.Sc., P.Geol., who is a full-time employee of APEX Geoscience Australia Pty Ltd., has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. L'Heureux consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Subsequent events

Subsequent to balance date, the Company announced that the Warden handed down the judgment in the long running applications for forfeiture on Yundamindera tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840 which were lodged by the applicant, MCA Nominees Pty Ltd (in May 2018). The Warden found that the Company has not complied with expenditure conditions but not of sufficient gravity to justify forfeiture. A total fine of \$30,500.00 has been imposed on the Company with such fine to be paid to the Applicant. The Yundamindra tenements form part of Nex – Metalicity Ltd (ASX:MCT) joint venture.

Other than the above there are no matters or circumstances that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financials periods.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* has been received and is included on the following pages.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Kenneth Allen', with a long horizontal flourish extending to the right.

Kenneth Allen
Managing Director
Perth, 13 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF**

NEX METALS EXPLORATIONS LIMITED

As lead auditor for the review of Nex Metals Explorations Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief there have been:

- i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii) No contraventions of any applicable code of professional conduct in relation to the review.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD



NIGEL DIAS

DIRECTOR

Perth, Dated 13 March 2024

Consolidated Condensed Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
Other income	-	-
Occupancy expenses	(30,170)	(30,735)
Administration expenses	(54,454)	(288,977)
Consultants expenses	(88,970)	(208,577)
Depreciation	(4,644)	(6,085)
Employment and contractor expenses	(230,308)	(229,917)
Borrowing expenses	(11,268)	(15,175)
Travel expenses	(10,000)	(10,000)
Exploration and evaluation expenses	-	-
Loss before income tax expense	(429,814)	(789,466)
Income tax benefit	-	-
Loss for the period	(429,814)	(789,466)
Other comprehensive income for the period	-	-
Total comprehensive loss attributable to owners of Nex Metals Explorations Limited	(429,814)	(789,466)
Loss per share:		
Basic and diluted loss per share (cents)	(0.12)	(0.28)

The accompanying notes form part of this interim financial report.

Consolidated Condensed Statement of Financial Position As at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		30,156	270,262
Receivables		14,398	-
Other current assets		16,233	18,483
Total current assets		60,787	288,745
Non-current assets			
Plant and equipment		43,345	47,489
Capitalised exploration and evaluation expenditure	2	1,113,695	1,108,180
Total non-current assets		1,157,040	1,155,669
Total assets		1,217,827	1,444,414
Current liabilities			
Payables	3	1,408,511	1,308,443
Borrowings	4	346,830	257,897
Provisions		282,425	268,199
Total current liabilities		2,037,766	1,834,539
Total liabilities		2,037,766	1,834,539
Net liabilities		(819,939)	(390,125)
Equity			
Issued capital	5	28,266,507	28,266,507
Option reserve		2,260,245	2,260,245
Accumulated losses		(31,346,691)	(30,916,877)
Total deficiency in equity		(819,939)	(390,125)

The accompanying notes form part of this interim financial report.

Consolidated Condensed Statement of Cash Flows

For the half-year ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities		
R&D rebate received	-	536,788
Other receipts	128	-
Payments to suppliers and employees	(323,652)	(504,770)
Net cash (used in)/ provided by operating activities	(323,524)	32,018
Cash flows from investing activities		
Payments for exploration expenditure	(5,515)	(22,227)
Net cash used in investing activities	(5,515)	(22,227)
Cash flows from financing activities		
Proceeds from the issue of shares	-	94,234
Proceeds from borrowings	94,585	-
Repayment of borrowings	(5,652)	-
Net cash provided by financing activities	88,933	94,234
Net (decrease)/ increase in cash and cash equivalents	(240,106)	104,025
Cash and cash equivalents at the beginning of the period	270,262	15,781
Cash and cash equivalents at the end of the period	30,156	119,806

The accompanying notes form part of this interim financial report.

Consolidated Condensed Statement of Changes in Equity For the half-year ended 31 December 2023

	Consolidated Attributable to equity holders			
	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total Deficiency in Equity \$
Balance at 1 July 2022	24,058,753	2,260,245	(29,872,059)	(3,553,061)
Loss for the period	-	-	(789,466)	(789,466)
<i>Total comprehensive loss for the period</i>	-	-	(789,466)	(789,466)
<i>Transactions with owners in their capacity as owners</i>				
<i>Total contributions by owners</i>	-	-	-	-
Shares Issued	1,977,987	-	-	1,977,987
Balance at 31 December 2022	26,036,740	2,260,245	(30,661,525)	(2,364,540)

	Consolidated Attributable to equity holders			
	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total Deficiency in Equity \$
Balance at 1 July 2023	28,266,507	2,260,245	(30,916,877)	(390,125)
Loss for the period	-	-	(429,814)	(429,814)
<i>Total comprehensive loss for the period</i>	-	-	(429,814)	(429,814)
<i>Transactions with owners in their capacity as owners</i>				
<i>Total contributions by owners</i>	-	-	-	-
Balance at 31 December 2023	28,266,507	2,260,245	(31,346,691)	(819,939)

The accompanying notes form part of this interim financial report.

Notes to the condensed interim financial statements

For the half-year ended 31 December 2023

1. Basis of preparation

The interim 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 interim financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Nex Metals Explorations Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The interim financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value for certain classes of assets. The accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial report.

Standards and Interpretations in issue not yet adopted

The Directors have reviewed all new Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2023. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

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 period.

Statement of Compliance

The interim financial statements were authorised for issue on 13 March 2024.

Significant estimates and judgements

The preparation of the interim financial statements requires management to make judgements and estimates that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The judgements and estimates applied in the interim financial statements were the same as those applied to the Company's last annual report for the year ended 30 June 2023.

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

Notes to the condensed interim financial statements

For the half-year ended 31 December 2023 (cont'd)

1. Basis of preparation (cont'd)

Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. As disclosed in the interim financial report, the Group incurred a loss of \$429,814 and had net cash outflows from operating activities of \$323,524 for the half-year ended 31 December 2023. As at that date, the Group had net current liabilities of \$1,976,979 and net liabilities of \$819,939. Notwithstanding this deficiency of net assets as at balance date, the Directors believe that there are reasonable grounds to believe that Consolidated Entity will be able to continue as a going concern after consideration of the following events that have occurred after balance date, resulting in a reduction of net current liabilities of \$1,521,735 as follows:

The total amount owing to Allens Business Group at 31 December 2023 is \$346,830. Mr Ken Allen from Allens Business Group Pty Ltd has agreed in writing to not seek cash payments for its unpaid balances until the Group is in a financial position to pay.	\$346,830
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The total unpaid directors fees at 31 December 2023 was \$598,138. The directors have agreed not to seek cash payments for its unpaid balances until the Group is in a financial position to pay.	\$598,138
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Accrued rent and accounting fees owed to Allen's Business Group of \$423,130. The Company has received written confirmation these payables will not be called for repayment until the Company is in a financial position to pay.	\$423,130
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Annual leave liability of \$153,637 owing to Director Ken Allen. The director has provided a written confirmation to the Company to defer payment until at least 16 March 2025.	\$153,637
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Total	\$1,521,735
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Furthermore, other factors leading to the decision that the Consolidated Entity will be able to continue as a going concern include:

- Allens Business Group Pty Ltd, an entity controlled by the Director, Ken Allen, has agreed in writing to continue to cover any short term funding needs up to a further \$750,000 to assist with payment of current payables. The \$750,000 line of credit is in addition to the \$346,830 that has been drawn down to 31 December 2023
- The Directors have prepared a cash flow forecast reducing any discretionary expenditure ;
- As detailed in Note 7, all legal disputes with Metallicity have been settled.
- The Company intends to raise capital to assist with working capital requirements over the next 12 months.

The Directors of the Company have considered the material uncertainties that exists regarding going concern. In the event of one or a combination of these events occurring, the Company may not be able to continue as a going concern:

- If further capital raisings are not successful;
- If the directors and creditors are not willing to accept payment via shares;
- If Allens Business Group Pty Ltd is unable to provide further financial support;

Based on the factors above there is a material uncertainty that may cast significant doubt about whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report ended 31 December 2023.

Notes to the condensed interim financial statements For the half-year ended 31 December 2023 (cont'd)

2. Capitalised exploration and evaluation expenditure

	31 December 2023 \$	30 June 2023 \$
Opening balance	1,108,180	1,083,316
Current year expenditure	5,515	25,864
Current year expenditure written off	-	-
Closing balance	<u>1,113,695</u>	<u>1,108,180</u>

The recoupment of cost carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

An agreement has been entered into with Metalicity Limited ("MCT") regarding the Kookynie and Yundamindra Joint Venture ("JV") as detailed in Note 7.

The agreement is subject to shareholder approval and once settled an amount of \$659,125 will be reduced from capitalised exploration costs being the reduction of the 29% share held by Nex Metals post 31 December 2023, the prospecting licenses received will be recorded at fair value on initial recognition and the balancing amount will be deducted from equity being the cancellation of the 91,365,685 shares held by MCT in the Company.

3. Payables

	31 December 2023 \$	30 June 2023 \$
Trade payables and accruals (i)	482,373	484,704
Accrued director fees (ii)	598,138	495,739
Shares application monies(iii)	328,000	328,000
	<u>1,408,511</u>	<u>1,308,443</u>

(i) Trade payables are non-interest bearing and are normally settled on 30-60 day terms. Included in the trade and other payable is \$423,130 relating to accounting fees and rent payable to Allens Business Group Pty Ltd a Company related to the director Ken Allen. Allen's Business Group has confirmed that these amounts will not be called for repayment until at least 16 March 2025.

(ii) Directors have agreed not to call on Directors fees payable until at least 16 March 2025.

(iii) This represents share application monies from Raja Mohd Azmi bin Raja Razali. Mr Ken Allen has provided a written confirmation that he will cover the payment of this amount

Notes to the condensed interim financial statements For the half-year ended 31 December 2023 (cont'd)

	31 December 2023 \$	30 June 2023 \$
4. Borrowings		
Borrowings	346,830	257,897
Current		
Loans – related parties (i)	346,830	257,897
	<u>346,830</u>	<u>257,897</u>

- (i) This loan is interest free and is with Allens Business Group Pty Ltd, an entity controlled by Mr Ken Allen. Allens Business Group Pty Ltd has agreed to not seek cash payments for its unpaid balances until the Group is in a financial position to settle.

5. Issued Capital

Movements in share capital were as follows:

Year ended 30 June 2023

		Fully Paid Ordinary Shares	\$
1 July 2022	Opening balance	267,014,768	24,058,753
	Shares issued for debt consideration at \$0.05	82,270,372	4,113,519
	Rights Issue	3,247,387	94,235
30 June 2023	Closing balance	<u>352,532,527</u>	<u>28,266,507</u>

Period ended 31 December 2023

		Fully Paid Ordinary Shares	\$
1 July 2023	Opening balance	352,532,527	28,266,507
31 December 2023	Closing balance	<u>352,532,527</u>	<u>28,266,507</u>

6. Segment Reporting

The Directors have considered the requirements of AASB 8 “Operating Segments” and the internal reports that are reviewed by the chief operating decision maker, the board of directors, in allocating resources and have concluded that at this time there are no separately identifiable segments.

Throughout the half-year, the Group remained focused on mineral exploration over a number of areas of interest in Western Australia.

Notes to the condensed interim financial statements

For the half-year ended 31 December 2023 (cont'd)

7. Contingencies

(a) Application for Tenement Forfeiture

On 4 May 2018, the Company advised that it had received applications for forfeiture on Yundamindera tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840. The applicant is by MCA Nominees Pty Ltd who hold the tenements immediately north of Nex Yundamindera Tenements.

The applications for forfeiture lodged by MCA Nominees Pty Ltd over the Yundamindera tenements through the Wardens Court have been settled in February 2024– refer to Note 8.

(b) Settlement of Legal Dispute between Nex Metals and Metalicity (MCT)

The Company and Metalicity announced on 21 December 2023 the signing and execution of all final agreements in relation to settling all matters between the parties.

As previously announced by Nex and Metalicity (ASX Released 29 September 2023), on completion of the matters set out in the agreements, MCT will hold an 80% interest in the JV (currently 51%) with NEX retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NEX will acquire 100% of certain none-core prospecting licences along with the tailing rights.

The signing of the Formal Agreements between the two parties completes the first stage of matters set out in the Term Sheet, which broadly includes execution of the following:

- Settlement Agreement – being agreement of specific details of matters agreed and set out in the Term Sheet, including settlement of disputes between the two parties;
- Amendment of JV Agreement – being amendment of matters including, but not limited to:
 - Amendment of dilution clause to reflect an industry standard;
 - First right of refusal given to each party;
 - Confirmation of JV commencement date of 20 May 2019; and
 - Removal of area of influence.
- Mineral Rights Agreement - providing NEX with the sole right to the Kookynie Tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, and for MCT to retain the priority right to explore the area where the tailings are located as reasonably required.

Following execution of these Formal Agreements, both parties are now focused on completion of the remaining conditions, being:

- (a) Approvals: each of NEX and MCT having obtained all authorisations of any governmental or administrative agency or commission, which are necessary to implement the transactions contemplated by the Terms Sheet and the Formal Agreement. These approvals are of a standard nature; and
- (b) Share Cancellation: NEX obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME.

Other than the above, there are no other known significant contingencies as at 31 December 2023.

Notes to the condensed interim financial statements

For the half-year ended 31 December 2023 (cont'd)

8. Subsequent events

Subsequent to balance date, the Company announced that the Warden handed down the judgment in the long running applications for forfeiture on Yundamindra tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840 which were lodged by the applicant, MCA Nominees Pty Ltd (in May 2018). The Warden found that the Company has not complied with expenditure conditions but not of sufficient gravity to justify forfeiture. A total fine of \$30,500.00 has been imposed on the Company with such fine to be paid to the Applicant. The Yundamindra tenements form part of Nex – Metalicity Ltd (ASX:MCT) joint venture.

Other than the above there are no matters or circumstances that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financials periods.

Directors' Declaration

The directors of the Company declare that:

- The attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- Subject to Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Kenneth Allen
Managing Director
Perth, 13 March 2024

Independent Auditor's Review Report to the Members of Nex Metals Explorations Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying Condensed Consolidated Half-Year Financial Report of Nex Metals Explorations Limited ('the Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at half-year end from time to time during the half-year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Condensed Consolidated Half-Year Financial Report of Nex Metals Explorations Limited is not in accordance with the *Corporations Act 2001* including:

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.



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strength in numbers

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$429,814 during the half-year ended 31 December 2023, as of that date, the Company's current liabilities exceeded its total assets by \$1,976,979. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Group are responsible for the preparation of the Condensed Consolidated 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 Condensed Consolidated Half-Year Financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year 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 Condensed Consolidated Half-Year Financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. A review of a 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.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD

Nigel Dias Director, Dated 13 March 2024, Perth Western Australia.

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