



Albion Resources Limited
ACN: 620 545 664

Interim Financial Statements Report
for the Period Ended 31 December 2023

ALBION RESOURCES LIMITED CONTENTS

	Page
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	5
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	6
Interim Condensed Statement of Financial Position	7
Interim Condensed Statement of Cash Flows	8
Interim Condensed Statement of Changes in Equity	9
Notes to the Interim Condensed Financial Statements	10
Directors' Declaration	15
Independent Auditor's Review Report	16

**ALBION RESOURCES LIMITED
CORPORATE DIRECTORY**

Directors

Non-Executive Chairman
Mr Steven Formica

Non-Executive Director
Mr Julian Jarman

Non-Executive Director
Mr David Palumbo

Company Secretary
Mr David Palumbo

Registered and Principal Office

Level 8
216 St Georges Terrace
Perth Western Australia 6000

Telephone : +61 (8) 9481 0389
Facsimile : +61 (8) 9463 6103

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road, Subiaco, WA 6008

Bankers

National Australia Bank Limited
Ground Floor, 100 St Georges Terrace
Perth Western Australia 6000

Share Registrar

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000

Tel: +61 (8) 9323 2000
Fax: +61 (8) 9323 2033

ALBION RESOURCES LIMITED DIRECTORS' REPORT

The Directors present their report together with the financial statements of Albion Resources Limited (referred to hereafter as "the Company") for the financial period ended 31 December 2023.

Current Directors

The name and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless stated otherwise.

Mr Steven Formica – Non-Executive Chairman
Mr David Palumbo – Non-Executive Director
Mr Julian Jarman – Non-Executive Director

Principal Activities

The principal activity of the Company during the financial period was the acquisition, exploration and evaluation of resource projects.

Operating Results for the Period

The operating result of the Company for the reporting period was a loss of \$244,479 (2022: \$444,801).

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Company occurred during the financial period.

Review of Operations

Mongers Lake Project:

The Mongers Lake Project covers a portion of the Yalgoo-Singleton Greenstone Belt in the Murchison Province of Western Australia, located between Capricorn Metals' Mt Gibson Gold Project and Silver Lakes' Rothsay Gold Projects. The Mongers Lake Project has been subject to limited historical exploration despite the regional prospectivity.

During the half year, the Company completed a review of Geoscience Australia's national SKYTEM data at Mongers Lake and identified 2 conductors which are coincident with previously announced Ni-Cu-PGM soil anomalies at the Red Well Prospect.

The bedrock conductor anomalies are highly prospective for the discovery of nickel-copper-PGM sulphide deposits. Bedrock EM anomalies and coincident geochemical Ni-Cu-PGM and Kambalda Ratio anomalies and coincident magnetic features are characteristic of classic magmatic nickel-copper-PGM systems typical of Archean greenstone terrains.

In light of the delineation of these high priority targets, the Company has elected to conduct ground based fixed loop EM (FLEM) across both targets and along strike in order to accurately define these anomalies for drill targeting. Subsequent to period end, the Company announced that the FLEM program had commenced.

Leinster Project:

The Leinster Project, located 30km southeast of Leinster, covers an area of 42km² and is prospective for nickel-copper being located adjacent to BHP's Nickel West Weebo Ni deposit.

During the half year, the Company undertook a review of soil sampling completed in 2021 with the compilation and interpretation work highlighting the western greenstone trend as being the most prospective for magmatic nickel-copper-PGM deposits.

ALBION RESOURCES LIMITED DIRECTORS' REPORT

The soil data indicated that a highly elevated "Kambalda Ratio" (Ni/Cr x Cu/Zn) occurs variably associated with the greenstone belt for at least 1.3km strike. This anomaly is semi-coincident with a highly elevated PGM (Pt+Pd+Au)-in-soil anomaly particularly toward the south where both anomalies remain. Highly elevated PGM is further validation of the possible presence of Ni-Cu-PGM sulphides in fresh rock at depth.

A program of 130 soil samples was undertaken late in the half year to track the anomalies along strike to the south over an additional 3 km strike length associated with the same greenstone belt.

Lennard Shelf Project:

Albion's Lennard Shelf Project is located in the world class Mississippi Valley type Zinc-Lead province, the Lennard Shelf, approximately 30 km southeast of Fitzroy Crossing in the Kimberley, Western Australia. Despite hosting significant historic mines, Pillara (19.3Mt @ 7.8% Zn + 2.6% Pb) and the Cadjebut Trend (16.4Mt @ 8.9% Zn + 5% Pb), regional exploration in the Lennard Shelf Province has been largely overlooked since the late 1980's. The Lennard Shelf Project covers an expansive area and contains comparable geology to Pillara and the Cadjebut Trend.

No on-ground activities were completed on the Lennard Shelf Project during the half-year.

Competent Persons Statement

The information in this announcement that relates to historical exploration results was first reported by the Company in its IPO prospectus dated 18 March 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus. Mineral Resource estimates for neighbouring properties sourced from US Geological Survey, "Compilation of Mineral Resource Data for Mississippi Valley-Type and Clastic-Dominated Sediment-Hosted Lead-Zinc Deposits". USGS Open-File Report 2009-1297.

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

**ALBION RESOURCES LIMITED
DIRECTORS' REPORT**

Subsequent Events

There were no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the directors:



Mr Steven Formica
Non-Executive Chairman

Dated this 14th day of March 2024

To the Board of Directors

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

As lead audit Director for the review of the financial statements of Albion Resources Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 14th day of March 2024
Perth, Western Australia

ALBION RESOURCES LIMITED
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$	31 December 2022 \$
Revenue	4(a)	90,677	31,890
Exploration, evaluation and tenement acquisition expense	4(b)	(113,688)	(107,732)
Corporate compliance expense		(78,831)	(83,327)
Administration expense		(18,701)	(78,665)
Employee benefits expense		(75,880)	(119,323)
Share based payments expense	7	(48,056)	(87,644)
Profit/(loss) before income tax		(244,479)	(444,801)
Income tax expense		-	-
Net profit/(loss) for the period		(244,479)	(444,801)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(244,479)	(444,801)
Basic and diluted loss per shares (cents per share)		(0.37)	(0.93)

The accompanying notes form part of these financial statements

ALBION RESOURCES LIMITED
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31 December 2023 \$	30 June 2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,005,754	3,239,542
Trade and other receivables		52,564	16,533
Other Assets		18,891	18,390
TOTAL CURRENT ASSETS		<u>3,077,209</u>	<u>3,274,465</u>
TOTAL ASSETS		<u>3,077,209</u>	<u>3,274,465</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		48,578	49,411
TOTAL CURRENT LIABILITIES		<u>48,578</u>	<u>49,411</u>
TOTAL LIABILITIES		<u>48,578</u>	<u>49,411</u>
NET ASSETS		<u><u>3,028,631</u></u>	<u><u>3,225,054</u></u>
EQUITY			
Issued capital	6	6,014,193	6,014,193
Reserves	7	725,290	677,234
Accumulated losses		(3,710,852)	(3,466,373)
TOTAL EQUITY		<u><u>3,028,631</u></u>	<u><u>3,225,054</u></u>

The accompanying notes form part of these financial statements

ALBION RESOURCES LIMITED
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows used in operating activities			
Payments to suppliers and employees		(207,245)	(281,394)
Payments for exploration and evaluation		(117,220)	(108,940)
Interest received		90,677	-
Net cash flows (used in) operating activities		<u>(233,788)</u>	<u>(390,334)</u>
Cash flows from financing activities			
Proceeds from issue of equity in the Company (net of costs)		-	1,402,885
Net cash flows from financing activities		<u>-</u>	<u>1,402,885</u>
Net (decrease)/ increase in cash and cash equivalents		(233,788)	1,102,551
Cash and cash equivalents at the beginning of the period		3,239,542	2,505,826
Cash and cash equivalents at the end of the period	5	<u>3,005,754</u>	<u>3,518,377</u>

The accompanying notes form part of these financial statements

ALBION RESOURCES LIMITED
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Issued Capital \$	Accumulated Losses \$	Options Reserve \$	Total \$
Balance at 1 July 2022	4,611,308	(2,667,316)	516,441	2,460,433
Loss for the period	-	(444,801)	-	(444,801)
Other comprehensive income	-	-	-	-
	-	(444,801)	-	(444,801)
Transactions with equity holders in their capacity as owners				
Issue of equity (net of costs)	1,402,885	-	-	1,402,885
Share based payments	-	-	87,644	87,644
Total transactions with equity holders in their capacity as owners	1,402,885	-	87,644	1,490,529
Balance at 31 December 2022	6,014,193	(3,112,117)	604,085	3,506,161
Balance at 1 July 2023	6,014,193	(3,466,373)	677,234	3,225,054
Loss for the period	-	(244,479)	-	(244,479)
Other comprehensive income	-	-	-	-
	-	(244,479)	-	(244,479)
Transactions with equity holders in their capacity as owners				
Issue of equity (net of costs)	-	-	-	-
Share based payments	-	-	48,056	48,056
Total transactions with equity holders in their capacity as owners	-	-	48,056	48,056
Balance at 31 December 2023	6,014,193	(3,710,852)	725,290	3,028,631

The accompanying notes form part of these financial statements

ALBION RESOURCES LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

Albion Resources Limited is a public listed company, incorporated and domiciled in Australia.

This financial report of Albion Resources Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 14 March 2024.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

This interim financial report is intended to provide users with an update on the latest annual financial statements of Albion Resources Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Company for the year ended 30 June 2023, together with any public announcements made during the half-year.

The financial statements were authorised for issue by the Board of Directors on 14 March 2024.

b) 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 report and shall be read in conjunction with the most recent annual financial report.

c) Basis of Measurement

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

d) Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2023.

e) Accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

f) New and Amended Standards Adopted by the Group

Accounting Standards that are mandatorily effective for the current reporting period in the half-year ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2023. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to the Group's accounting policies.

ALBION RESOURCES LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

3. SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Company has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the half-year ended 31 December 2023, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

4. REVENUES AND EXPENSES

	31 December 2023	31 December 2022
	\$	\$
(a) Revenue		
Other revenue	90,677	31,890
	90,677	31,890
(b) Exploration, evaluation and tenement acquisition expense		
General exploration and evaluation	113,688	107,732
	113,688	107,732

5. CASH AND CASH EQUIVALENTS

	31 December 2023	30 June 2023
	\$	\$
Cash at bank and in hand	3,005,754	2,505,826
	3,005,754	2,505,826

Cash at bank and in hand earns interest at floating rates based on daily at call bank deposit and savings rates.

ALBION RESOURCES LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

6. CONTRIBUTED EQUITY

	31 December 2023	30 June 2023
	\$	\$
Ordinary shares		
Issued and fully paid	6,014,193	6,014,193
	No.	\$
Movement in ordinary shares on issue:		
Balance at 1 July 2023	65,266,667	6,014,193
No movements in Ordinary Shares during period	-	-
At 31 December 2023	65,266,667	6,014,193

7. RESERVES

	31 December 2023	30 June 2023
	\$	\$
Share based payment reserve (a)	703,290	655,234
Options reserve	22,000	22,000
	725,290	677,234
(a) Share based payments reserve	No.	\$
Balance at 1 July 2023	9,500,000	655,234
Advisory options expense (i)	-	41,398
Expiry of advisory options (i)	(6,000,000)	-
Director performance rights expense (ii)	4,500,000	6,658
Balance as at 31 December 2023	8,000,000	703,290

(i) During previous financial periods the following share based payment occurred:

- 6,000,000 options were issued to Alignment Capital as consideration for their two (2) year appointment as corporate advisors to the Company on 11 October 2021. The options are exercisable at \$0.25 on or before 29 September 2023 and were subject to 12 month voluntary escrow. Due to the conditions of the options, they vested on a pro-rata basis over the 2-year period with the remaining share based payment expense of \$41,398 being recognised during the current financial period.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument	Value \$
Corporate Advisory Options	6,000,000	11/10/2021	29/09/2023	\$0.25	0.049	294,000

ALBION RESOURCES LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

- (ii) On 16 November 2023, each director Steve Formica, Julian Jarman, and David Palumbo were issued 750,000 Tranche 1 and Tranche 2 performance rights each, totalling 4,500,000. Performance rights were granted to using the directors during the current financial period, and valued using the Monte-Carlo simulation model based on the following inputs to determine fair value at the grant date:

	Tranche 1 Performance Rights	Tranche 2 Performance Rights
Recipient	Steve Formica	Steve Formica
Methodology	Monte-Carlo	Monte-Carlo
Grant date	16 November 2023	16 November 2023
Vesting date	16 November 2023	16 November 2023
Expiry date	17 November 2025	17 November 2025
Spot price	\$0.07	\$0.07
Share Price target	\$0.12	\$0.18
Risk-free rate	4.23%	4.23%
Volatility	57%	57%
Dividend Yield	-	-
Number	750,000	750,000
Value per PR	\$0.0305	\$0.0177
Total fair value	\$22,854	\$13,249
Total share based payment recognised at 31 December 2023	\$1,405	\$814

	Tranche 1 Performance Rights	Tranche 2 Performance Rights
Recipient	David Palumbo	David Palumbo
Methodology	Monte-Carlo	Monte-Carlo
Grant date	16 November 2023	16 November 2023
Vesting date	16 November 2023	16 November 2023
Expiry date	17 November 2025	17 November 2025
Spot price	\$0.07	\$0.07
Share Price target	\$0.12	\$0.18
Risk-free rate	4.23%	4.23%
Volatility	57%	57%
Dividend Yield	-	-
Number	750,000	750,000
Value per PR	\$0.0305	\$0.0177
Total fair value	\$22,854	\$13,249
Total share based payment recognised at 31 December 2023	\$1,405	\$814

ALBION RESOURCES LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Tranche 1 Performance Rights	Tranche 2 Performance Rights
Recipient	Julian Jarman	Julian Jarman
Methodology	Monte-Carlo	Monte-Carlo
Grant date	16 November 2023	16 November 2023
Vesting date	16 November 2023	16 November 2023
Expiry date	17 November 2025	17 November 2025
Spot price	\$0.07	\$0.07
Share Price target	\$0.12	\$0.18
Risk-free rate	4.23%	4.23%
Volatility	57%	57%
Dividend Yield	-	-
Number	750,000	750,000
Value per PR	\$0.0305	\$0.0177
Total fair value	\$22,854	\$13,249
Total share based payment recognised at 31 December 2023	\$1,405	\$814

8. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

9. EVENTS SUBSEQUENT TO REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

11. COMMITMENTS

There has been no material change in commitments since the last annual reporting date.

**ALBION RESOURCES LIMITED
DIRECTORS' DECLARATION**

The Directors of the Company declare that:

- a) The financial statements and notes of Company Limited for the half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - ii. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) In the Directors' option 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 signed in accordance with a resolution of the Board of Directors.



Mr Steven Formica
Non-Executive Chairman

Dated this 14th day of March 2024

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

Conclusion

We have reviewed the accompanying half-year financial report of Albion Resources Limited ("the Company") which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the Company'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 *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* 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 Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 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 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.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 14th day of March 2024
Perth, Western Australia