



ACN 647 899 698

**Interim Financial Statements
for the six months ended
31 December 2023**

Corporate Directory

Directors

John Hannaford	Chairman and CEO
David Izzard	Non-Executive Director
William Higgins	Non-Executive Director
Scott Patrizi	Non-Executive Director

Company Secretary

Cecilia Tyndall

Registered and Principal Office

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West Perth WA 6005

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Auditor

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

Share Registry

Automic Group Pty Ltd
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Perth WA 6000

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Stock Exchange Listing

Australian Securities Exchange (**ASX**)

ASX Code: FRS

FRSO

FRSOA

FRSOB

Directors' Report

31 December 2023

The Directors of Forrestania Resources Limited (the "Company" or "Forrestania") present their report on the Company for the period ended 31 December 2023 ("Period").

Directors

John Hannaford – Interim CEO and Non-Executive Chairman
David Izzard – Non-Executive Director
William Higgins – Non-Executive Director
Scott Patrizi – Non-Executive Director (appointed 22 November 2023)
Michael Anderson – Managing Director (resigned 22 November 2023)

Principal activities

Principal activities of the Company during the financial period were the exploration of mineral tenements in Western Australia ("WA").

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company which have not been disclosed elsewhere in this report.

Review of Operations

The following is a summary of the activities Forrestania Resources Limited during the period 1 July 2023 to 31 December 2023.

Corporate

The Company's Managing Director resigned on 22 November 2023. Chairman John Hannaford is currently acting as Interim CEO

Entitlement Offer

The Company announced a pro-rata renounceable entitlement offer, under a Prospectus dated 23 October 2023, of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.03 per Share together with one (1) free New Option for every two (2) Shares applied for and issued to raise approximately \$1,534,524. Each New Option has an exercise price of A\$0.075 with an expiry date of 20 November 2025.

The Company received total applications for 14,635,384 Shares, and 7,317,692 Options. Applications for a further 36,515,416 Shares and 18,257,708 Options under the Shortfall Offer were received from Eligible Shareholders. The balance of the offer, Shares and Options, were taken up by clients of the Lead Manager, Mahe Capital Pty Ltd.

To accommodate shareholders and investors who applied for additional shares, the Company agreed to undertake a Placement to raise an additional \$250,000 on the same terms as the rights issue. Following the completion of the Placement, the total amount raised was approximately \$1,78m (before costs). Under the placement the Company issued a total of 8,333,333 new fully paid ordinary shares (Shares) and 4,166,667 New Options. The Placement was made under the Prospectus and a Supplementary Prospectus lodged by the Company.

Joint Venture Agreement

On 8 May 2023, the Company announced that it had expanded its lithium exploration focus into the world-class James Bay Region of Quebec, Canada. The Company has exercised its option and earned a 50% interest in the Hydra Lithium Project (HLP) forming a Joint Venture with ALX Resources Corp. (TSXV: AL; FSE: 6LLN; OTC: ALXEF), ("ALX").

The terms agreed for Forrestania to earn its 50% interest in the HLP essentially provided for FRS to match ALX's staking and exploration commitment. To earn the 50% interest in the HLP Forrestania Resources paid ALX an initial CAD \$50,000 non-refundable deposit, CAD \$350,000 in cash, and CAD \$600,000 in shares. A total of 4,579,586 shares were issued to ALX on 10 July 2023 (based on an AUD:CAD exchange rate of 0.881 and the 10-day volume weighted average ASX:FRS price (A\$0.1486 / share) up to the day prior to the closing date of the transaction.

Share issues in lieu of Cash

On 31 August 2023, the Company issued 627,298 shares at a price of \$0.1565 per share to Top Drill Pty Ltd. An additional issue of 314,396 shares at a price of \$0.06 were issued on 6 October 2023.

These issues were Pursuant to an agreement, with Top Drill Pty Ltd, to allow part-payment for drilling services by way of share issue. Per the agreement, the price of the issued shares was calculated by way of 5-day volume weighted average price prior to issue date of the invoice.

Projects

During the reporting period, the Company has been active with exploration, and evaluation work.

Forrestania, Western Australia

The Company undertook an RC drill program at the South Iron Cap East (624m) and Giant (670m) prospects at the Forrestania Project during the half year.

On 12 July 2023 the company announced that visible spodumene had been identified in logged pegmatite at South Iron Cap East. The drill programme at South Iron Cap East was designed to follow up on highly encouraging geochemistry returned from pegmatites intersected in the company's previous drilling campaign⁴. In total, 624m were drilled across four holes over a drilling area which encompassed mapped pegmatite and surface geochemical anomalism.

Six metres of pegmatite was intercepted in one of the holes, from a downhole depth of 40m. Notably, visible spodumene crystals were identified amongst the RC chips, also confirmed by ultraviolet (UV) response.

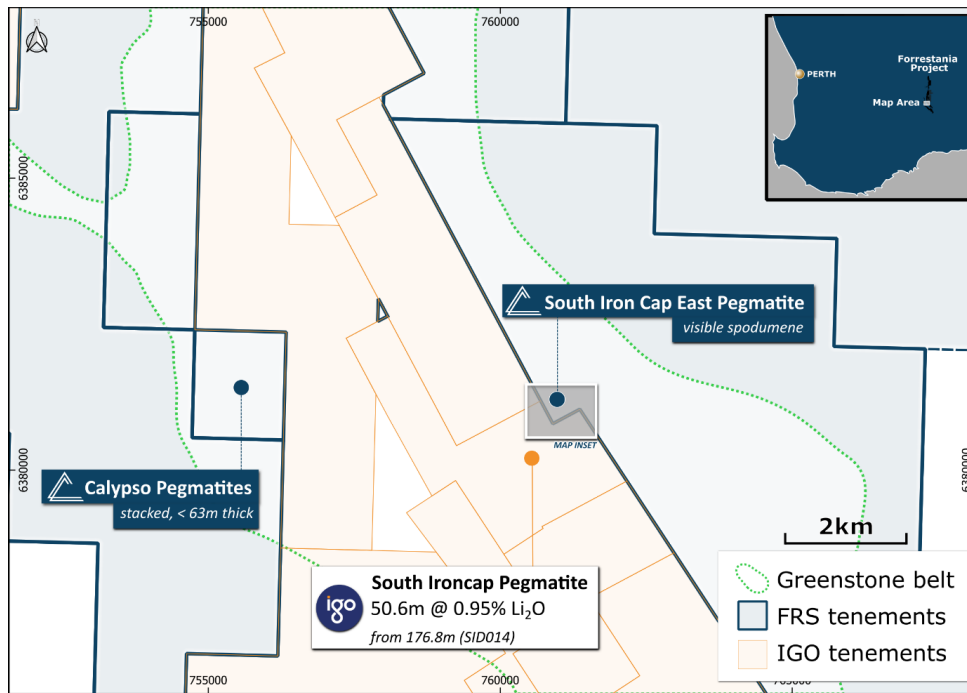


Figure 1: Map showing location of South Iron Cap East relative to South Ironcap (IGO)3 & Calypso (FRS).

Eastern Goldfields, Western Australia

On 9 August 2023 the Company announced it had completed mapping and reconnaissance field trips to the newly acquired Eastern Goldfields tenements. The focus of these field trips was to further enhance the Company's geological understanding of the project areas, and to further assess the potential for lithium mineralisation.

The Breakaway Dam - E29/1037 and Alexandra Bore - E29/1036 tenements had never previously been explored for their lithium potential; with previous, historic exploration instead focussed on copper, gold and nickel.

Significantly, as a result of the Company's recent field work, multiple pegmatites were confirmed and mapped across Breakaway Dam, with several highly anomalous lithium and LCT pathfinder results returned from sampled rock chips.

Of the pegmatite/granite samples referred to in this announcement:

- 45% of samples returned Li₂O values >100ppm
- 13% of samples returned Li₂O values >300ppm

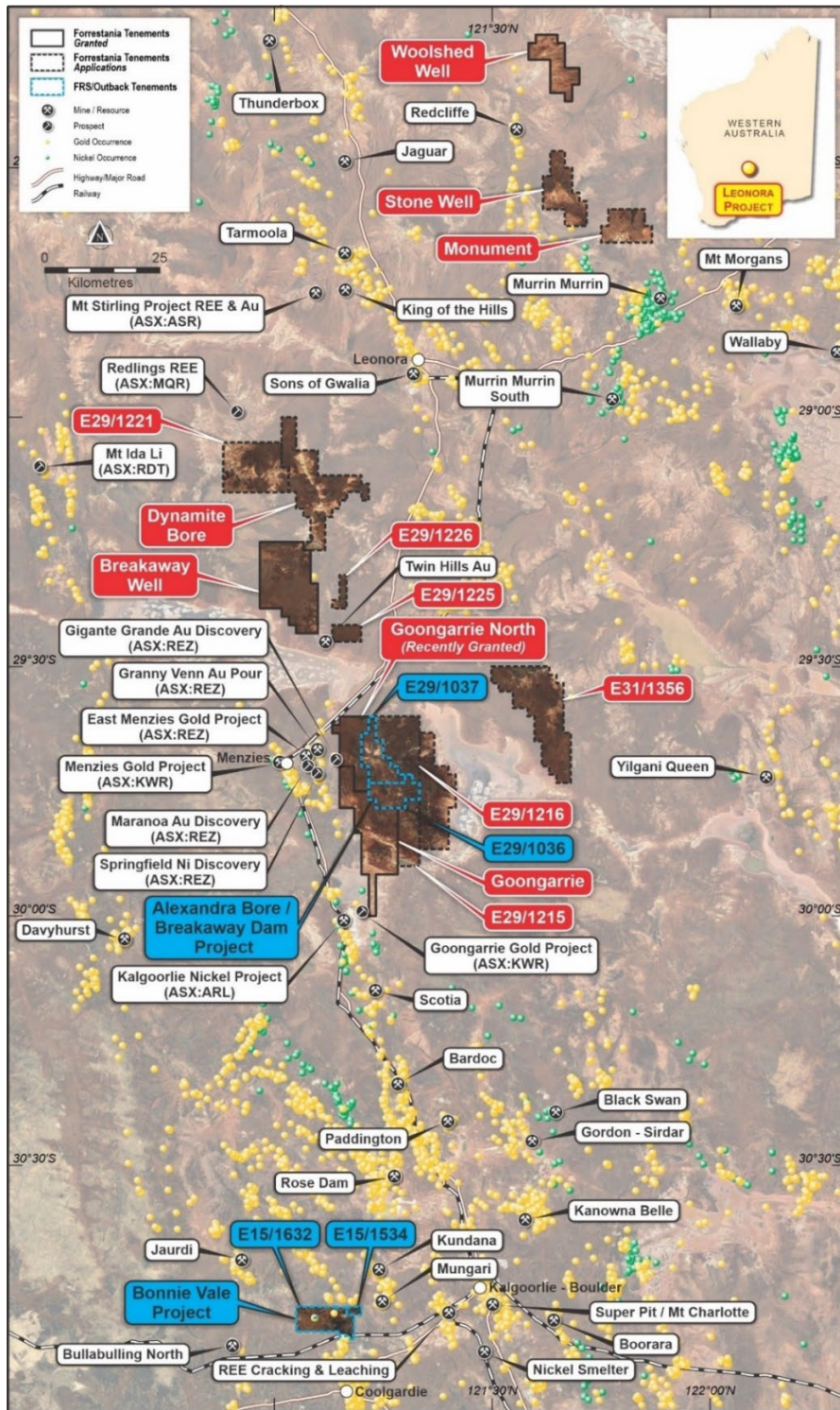


Figure 2: The Eastern Goldfields project area (recent acquisitions highlighted in blue)

James Bay, Quebec

On 24 August 2023, the Company announced the recommencement of field work at the Hydra Lithium Project, in Quebec, following forest fires in the region which had severely curtailed exploration activities across the Quebec Province. The geological crew mobilized to the area of the Python East and Python West sub-projects initially being guided by the use of satellite imagery and spectral analysis for lithium and associated pathfinder elements

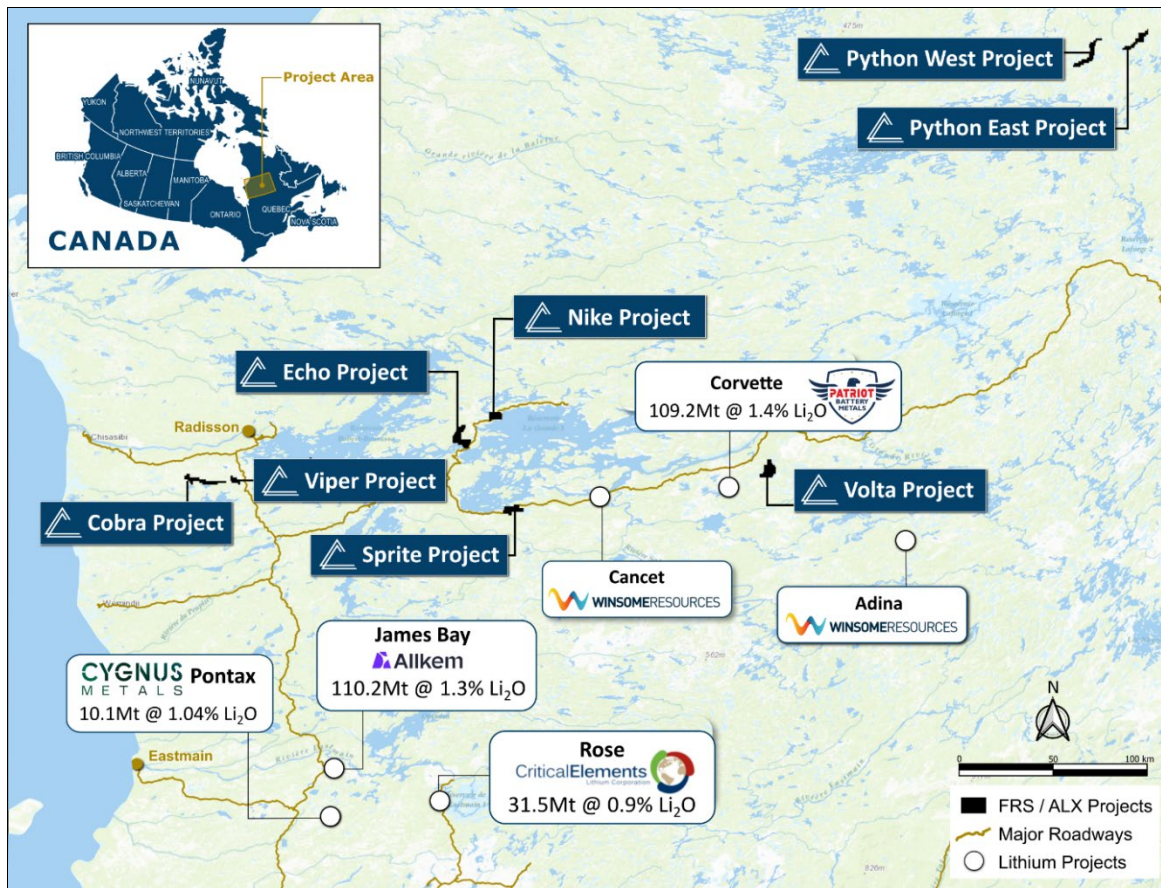


Figure 3: Hydra Lithium Project showing proximity to major lithium projects

On 27 October 2023 the Company announced it had commenced exploration fieldwork at the Volta sub project at the HLP following completion of a LiDAR (Light Detection And Ranging) survey orthophoto survey at Volta to improve the quality of the imagery used for pegmatite exploration. LiDAR can provide detailed and high-resolution topographical information from the analysis of laser pulses emitted from the sensor and the subsequent return signal.

Volta lies 20 kilometres to the east of the Corvette Deposit (Mineral Resource: 109.2 million tonnes at 1.42% Li₂O) owned by Patriot Battery Metals and is 1 kilometre north of the eastern Corvette property boundary.

The helicopter-assisted prospecting work at Volta was aided by remote sensing studies optimized for pegmatite detection.

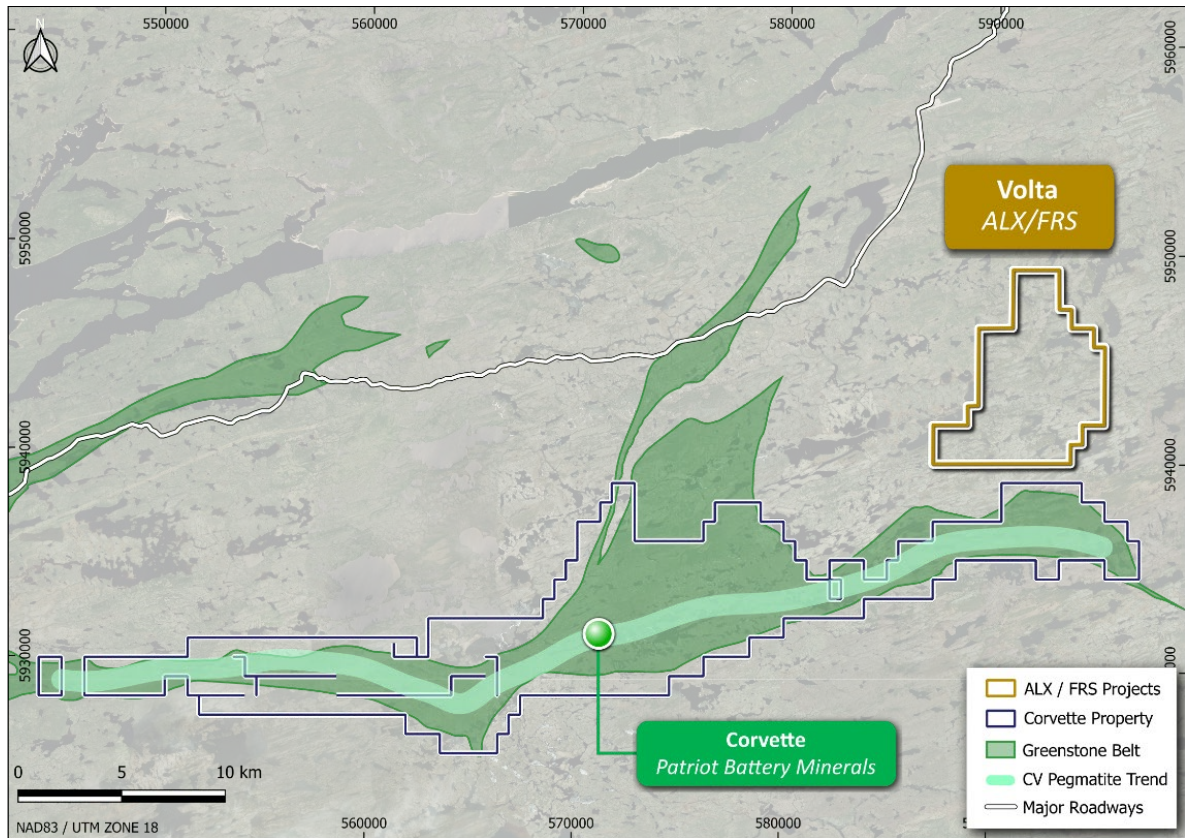


Figure 4: Location of Volta sub-project relative to Patriot Battery Metals Inc.'s Corvette property

Operating results

The Company's net loss from operations for the period was \$3,281,093.

At 31 December 2023, the Company had net assets of \$8,646,990 with cash reserves of \$1,278,571. The Directors believe there are sufficient funds to meet the Company's working capital requirements and as at the date of this report the Company believes it can meet all liabilities as and when they fall due.

Matters subsequent to the end of the financial period

There were no events subsequent to the financial period

John Hannaford
Chairman
15 March 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 31 December 2023

		31-Dec-23	31-Dec-22
	Note		
Interest	3.1	3,973	-
Other income	3.1	62,934	8,482
		66,907	8,482
Administration services	3.2	(528,305)	(430,346)
Impairment of capitalised exploration and evaluation expenditure		(2,451,061)	(106,499)
Interest		(890)	-
Employee expenses	3.3	(355,474)	(167,964)
Share based payments		(12,270)	(3,997)
Loss from continuing operations before income tax expense		(3,281,093)	(700,324)
Income tax expense		-	-
Loss from continuing operations		(3,281,093)	(700,324)
Loss for the year		(3,281,093)	(700,324)
Other comprehensive income		-	-
Comprehensive loss attributable to the shareholders of the Company		(3,281,093)	(700,324)
Basic and diluted loss per share (dollar per share) for continuing operations attributable to the shareholders of the Company		(0.0293)	(0.0126)
Basic and diluted loss per share (dollar per share) attributable to the shareholders of the Company		(0.0293)	(0.0126)

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 2023

	Note	31-Dec-23 \$	30-Jun-23 \$
Assets			
Current assets			
Cash and cash equivalents	4.1	1,278,571	2,117,054
Trade and other receivables	4.2	62,350	76,394
Prepayments		194,851	132,717
Total current assets		1,535,772	2,326,165
Non-current assets			
Exploration and evaluation expenditure	2.1	7,282,714	7,795,606
Property, plant and equipment	2.2	13,642	34,041
Total non-current assets		7,296,356	7,829,647
Total assets		8,832,128	10,155,812
Liabilities			
Current liabilities			
Trade & other payables	4.3	144,401	754,432
Provisions		30,796	51,018
Borrowings		9,941	-
Total current liabilities		185,138	805,450
Total liabilities		185,138	805,450
Net assets		8,646,990	9,350,362
Equity			
Share capital	5.1	13,540,498	11,156,587
Accumulated loss		(7,258,561)	(3,977,468)
Reserves	6.3.3	2,364,953	2,171,243
Total equity attributable to shareholders of the Company		8,646,990	9,350,362

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity For the Period Ended 31 December 2023

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2023	11,156,587	(3,977,468)	2,171,243	9,350,362
Loss for the half-year	-	(3,281,093)	-	(3,281,093)
Total comprehensive loss for the year	-	(3,281,093)	-	(3,281,093)
Transactions with owners in their capacity as owners:				
Issue of new shares net of cost	2,383,911	-	-	2,383,911
Issue of new options	-	-	181,440	181,440
Share-based payments	-	-	12,270	12,270
At 31 December 2023	13,540,498	(7,258,561)	2,364,953	8,646,990
At 1 July 2022	7,229,344	(2,325,062)	1,893,319	6,797,601
Loss for the half-year	-	(700,324)	-	(700,324)
Total comprehensive loss for the year	-	(700,324)	-	(700,324)
Transactions with owners in their capacity as owners:				
Issue of new shares net of cost	2,537,300	-	-	2,537,300
Issue of new options net of cost	-	-	172,622	172,622
Share-based payments	-	-	3,997	3,997
At 31 December 2022	9,766,644	(3,025,386)	2,069,937	8,811,195

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows For the Period Ended 31 December 2023

	31-Dec-23 \$	31-Dec-22 \$
Cash flows from operating activities		
Interest paid		-
Interest received	3,973	2,664
Payments to suppliers and employees	(868,094)	(374,587)
Net cash (outflow) from operating activities	(864,121)	(371,923)
Cash flows from investing activities		
Payments for acquisition of property plant and equipment	(947)	(4,047)
Payments for exploration and evaluation expenditure	(1,658,645)	(1,367,988)
Net cash (outflow) from investing activities	(1,659,592)	(1,372,035)
Cash flows from financing activities		
Proceeds from issue of shares	1,874,544	2,552,830
Share issue costs	(189,214)	-
Net cash inflow from financing activities	1,685,330	2,552,830
Cash and cash equivalents at the beginning of the period	2,117,054	1,586,230
Net increase/ (decrease) in cash and cash equivalents	(838,383)	808,872
Cash and cash equivalents at the end of the period	1,278,671	2,395,102

The above condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

The interim report of Forrester Resources Limited for the period ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 15 March 2024.

1.1. Basis of Preparation

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

1.2. Basis of Measurement

The financial report has been prepared on a historical cost basis.

1.3. Functional and Presentation Currency

The financial report is presented in Australian dollars.

1.4. Compliance with IFRS

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The 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.

Notes to the Financial Statements

1.5. Going Concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is principally dependent upon one of more of the following:

- The ability of the Company to raise capital as and when necessary; and/or
- The ability to defer discretionary operating and capital expenditure in relation to exploration activities; and /or
- The successful exploration of the Company's tenements

Notwithstanding the fact that the Group incurred an operating loss of \$3,281,093 for the period ended 31 December 2023 and a net cash outflow from operating activities amounting to \$864,121, the Directors are of the opinion that the Group is a going concern for the following reasons:

- The Company has cash reserves of \$1.3 million on hand as at 31 December 2023;
- The Directors are confident in their ability to raise the required funds as and when required; and
- Exploration expenditure will be deployed to targets that have the highest prospectivity for mineral discovery and this expenditure is discretionary.

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Notes to the Financial Statements

2. Capital Expenditure

2.1. Exploration & Evaluation Expenditure

	Note	31-Dec-23 \$	30-Jun-23 \$
Exploration and evaluation		7,282,714	7,795,606
Movement:			
Opening balance		7,795,606	5,176,994
Acquisition of tenements		-	107,391
Asset acquisition		914,014	-
Capitalised exploration expenditure		1,024,155	2,656,819
Impairment		(2,451,061)	(145,598)
Closing balance		7,282,714	7,795,606
Projects:			
Forrestania		4,399,859	5,279,087
Southern Cross		800,460	1,013,737
Leonora		1,355,408	1,445,390
Hydra Lithium Project, Canada		726,987	57,392
Closing balance		7,282,714	7,795,606

2.2. Property Plant and equipment

	31-Dec-23 \$	30-Jun-23 \$
Computer Equipment - Cost	38,893	38,893
Accumulated depreciation – Computer Equipment	(33,557)	(27,950)
Motor Vehicle	96,335	96,335
Accumulated depreciation – Motor Vehicle	(90,620)	(76,091)
Low Value Pool	4,238	3,853
Accumulated depreciation – Low Value Pool	(3,827)	(3,111)
Plant & Equipment	3,045	2,482
Accumulated depreciation – Plant & Equipment	(865)	(370)
Net carrying amount	13,642	34,041

3. Financial Performance

3.1. Other Income

	31-Dec-23 \$	31-Dec-22 \$
Revenue from continuing operations		
Interest	3,973	2,664
Motor Vehicle hire	-	5,819
Gain on extinguishment of liability	62,934	-
	66,907	8,482

Notes to the Financial Statements

3.2. Expenses

	31-Dec-23	31-Dec-22
	\$	\$
Administration services		
Compliance	115,517	99,068
Consulting	90,439	63,268
Contracted services	31,560	70,271
Legal fees	71,588	21,046
Insurance	24,925	20,846
Marketing	73,009	39,948
Motor Vehicle	2,571	35,797
Occupancy	41,379	33,645
Depreciation	21,346	22,621
ATO Refund	-	(16,693)
Subscriptions	13,458	-
Travel	27,906	-
Other	14,607	40,529
	528,305	430,346

3.3. Employee expenses

	31-Dec-23	31-Dec-22
	\$	\$
Salaries and wages	583,969	450,304
Less allocated to projects	(280,892)	(321,227)
Superannuation	61,365	45,824
Less allocated to projects	(30,898)	(33,719)
Other	21,930	26,783
	355,474	167,964

4. Working Capital Management

4.1. Cash and Cash Equivalents

“Cash and cash equivalents” include cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

	31-Dec-23	30-Jun-23
	\$	\$
Cash at bank and in hand	1,278,571	2,117,054
	1,278,571	2,117,054

4.2. Trade and Other Receivables

	31-Dec-23	30-Jun-23
	\$	\$
GST receivable	62,350	76,394
Total trade and other receivables	62,350	76,394

Notes to the Financial Statements

4.3. Trade and Other Payables

Trade and other payables are carried at amortised cost and represent liabilities for the goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

	31-Dec-23	30-Jun-23
	\$	\$
Trade payables	80,477	509,538
Accrued expenses	19,500	214,859
Other	44,424	30,034
Total trade and other payables	144,401	754,432

5. Funding and risk management

5.1. Share capital

	Date	Number of shares	Issue price \$	Value \$
Opening Balance at 1 July 2022		51,048,804		7,229,344
Issue of Shares - Placement	18/10/2022	7,608,517	0.15	1,141,278
Issue of Shares - Placement	2/12/2022	10,391,483	0.15	1,558,722
Issue of Shares - Services	14/12/2022	80,000	0.15	12,000
Issue of shares - Pro-rata Entitlement	26/06/2023	24,122,235	0.07	1,688,556
Cost of Capital Raising				(473,315)
Balance at 30 June 2023		93,251,039		11,156,587
Opening Balance at 1 July 2023		93,251,039		11,156,587
Issue of shares - Pro-rata Entitlement	3/07/2023	3,529,285	0.07	247,050
Issue of Shares - Acquisition	7/07/2023	4,579,589	0.11	503,720
Issue of Shares - Services	31/08/2023	627,298	0.064	42,952
Issue of Shares - Services	6/10/2023	314,396	0.039	12,276
Issue of shares - Pro-rata Entitlement	16/11/2023	37,181,000	0.03	1,115,430
Issue of Shares - Placement	21/11/2023	22,303,136	0.03	669,094
Cost of Capital Raising				(205,611)
Closing Balance at 31 December 2023		161,785,743		13,540,498

6. Related Parties

6.1. Related Parties

Details relating to key management personnel, including remuneration paid are included in the 2023 annual report. The aggregated compensation made to directors of the consolidated entity is set out below:

	31-Dec-23	31-Dec-22
	\$	\$
Short term employee benefits	296,746	158,601
Share based payments	(75,145)	(35,943)
Total compensation	221,601	122,658

Notes to the Financial Statements

6.2. Other transactions with related parties

During the period \$65,847 was invoiced by Rockford Partners Pty Ltd, of which Mr David Izzard and John Hannaford are directors, for provision of office space, accounting, administrative and marketing services.

During the period \$8,079 was invoiced by Fordrock Property Trust Pty Ltd, of which Mr David Izzard and John Hannaford are directors, for commercial unit rent.

During the period \$15,840 was invoiced by Riverview Corporation Pty Ltd, of which Mr John Hannaford is a director, for interim CEO and corporate advisory fees.

6.3. Share Based Payments

6.3.1. Options

	Broker Options	Broker options
Date of issue	07/07/23	16/11/23
Number of options	2,000,000	1,784,534
Dividend yield (%)	-	-
Expected volatility (%)	129.1%	100%
Risk free interest rate (%)	4.17%	4.53%
Expected life of the option (years)	3.0	2.0
Option exercise price (\$)	0.15	0.075
Share price at grant date (\$)	0.115	0.029
Expected Vesting Date	07/07/2023	16/11/23
Fair value per option (\$)	\$0.0825	0.0092
Total value at grant date (\$)	\$165,041	\$16,398
Expiry Date	30/06/26	20/11/25

6.3.2. Recognised share-based payments expense in profit or loss

	31-Dec-23 \$	31-Dec-22 \$
Expense arising from employee options issued and cancelled	-	3,997
Expense arising from performance rights issued	87,415	-
Expense arising from cancellation of Performance Rights	(75,145)	
Total share-based payments expensed in profit or loss	12,270	3,997

Notes to the Financial Statements

6.3.3. Reserves

	31-Dec-23 \$	Number of Options/Perfor mance shares
Founder options	-	7,000,000
Employee options	560,012	3,000,000
Broker options – 2022	438,155	3,500,000
Broker options – 2023	165,043	2,000,000
Broker options – 2023	16,398	1,784,534
Board member options	620,903	5,000,000
Vendor options	279,405	2,250,000
Shareholder entitlement issue	172,622	34,524,319
Total options held in reserve	2,252,538	59,058,853
Issued to vendors – performance shares	25,000	2,500,000
Issued to employees	87,415	5,000,000
Total performance shared held in reserve	112,415	7,500,000
Total Reserves	2,364,953	66,528,853

7. Key assumptions regarding Performance Rights

Tranche	Milestone	Probability
A	Delineation of a JORC inferred resource of >10MT @ >1.0% Li2O; or 500,000 oz JORC inferred resource of Au @ > 2.0 g/t; or commercial deal with NPV>\$250m	10%
B	Delineation of a JORC inferred resource of >20MT @ >1.0% Li2O; or 1,000,000 oz JORC inferred resource of Au @ > 2.0 g/t; or commercial deal with NPV > \$500m.	5%
C	Share price being > \$0.30 for more than 5 consecutive trading days ¹	N/A
D	Share price being > \$0.60 for more than 5 consecutive trading days ¹	N/A
E	Continuous employment with the Company (or a related body corporate) or otherwise engaged by the Company (or a related body corporate) at all times for a period of 12 months from the date of issue of the Performance Rights.	100%
F	Continuous employment with the Company (or a related body corporate) or otherwise engaged by the Company (or a related body corporate) at all times for a period of 24 months from the date of issue of the Performance Rights.	90%

¹The key inputs for the Parisian Barrier1 Model are as follows:

Spot price - \$0.115 (or 11.5 cents) as at the grant date, 17 July 2023

Exercise price - nil (as provided in the terms of the Performance Rights)

Share price target - (as provided in the terms of the Performance Rights) Tranche C vests upon the company achieving a share price greater than \$0.30 for more than 5 consecutive trading days. Tranche D vests upon the company achieving a share price greater than \$0.60 for more than 5 consecutive trading days

Implied barrier price – (calculated from Hoadley’s Parisian Model based on the share price target of the Performance Rights and the equivalent of 7 calendar days based on the ‘5 consecutive trading days’ requirement)

- approximately \$0.3642 for Tranche C
- approximately \$0.7284 for Tranche D

Days to vesting/expiry: 1843 days (being five years from issue date, 2 August 2028)

Volatility – approximately 112% (estimated using the average five-year historical period volatilities from share price data of 33 comparable companies listed on the ASX as a proxy for the forecast five-year volatility of the Company; since the share price of Forrestania had been unusually volatile due to specific events and short period share trading history during the period analysed)

Risk free rate – 3.79% per annum (continuously compounded interpolated rates based on the discrete five-year and ten-year Australian Government bond yields on 17 July 2023)

Dividend yield - nil

Notes to the Financial Statements

8. Commitments and Contingencies

As at 31 December 2023 the Company held 35 granted tenements with a combined minimum expenditure commitment of \$1,155,600 for the next 12 months.

9. Other

Events occurring after the reporting period

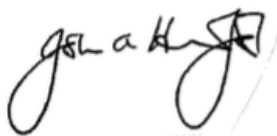
There were no events after the reporting period.

Directors Declaration

In accordance with a resolution of the directors of Forrestania Resources Limited, I state that:

- (1) In the opinion of the directors:
 - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 – interim Financial Reporting, and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2023.

On behalf of the Board,



John Hannaford
Chairman
15 March 2024

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

Conclusion

We have reviewed the accompanying half-year financial report of Forrestania Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") 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, condensed consolidated statement of changes in equity and condensed consolidated 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 Forrestania Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity'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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.5 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$3,281,093 during the half year ended 31 December 2023. As stated in Note 1.5, these events or conditions, along with other matters as set forth in Note 1.5, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 Consolidated Entity'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
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 15th day of March 2024
Perth, Western Australia

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 Forresteria 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
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 15th day of March 2024
Perth, Western Australia