BROKEN HILL MINES

Broken Hill Mines Proprietary Limited

ABN 65 677 120 384

Interim Financial Report for the half year ended 31 December 2024

Table of contents

Corporate directory

Sole Director	Mr Patrick Walta
Company Secretary	Mr Michael Worcester
Registered and Principal Office	Suite 1501 470 Collins Street, Melbourne, Vic 3000
Telephone	+61 (3) 9005 6030
Website	https://brokenhillmines.com
Auditors	Hall Chadwick WA Audit Pty Ltd 283 Rokeby Road, Subiaco, Western Australia 6008
Bankers	Westpac Banking Corporation Limited 520 Collins Street, Melbourne, Vic 3000

Director's Report

The Sole Director presents their report together with the financial statements on the consolidated entity (referred to hereafter as the **Group**) consisting of Broken Hill Mines Proprietary Limited (referred to hereafter as the **Company**) and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

Directors

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

Mr Patrick Walta – Sole Director (appointed 6 May 2024)

Mr Walta is a qualified metallurgist, mineral economist and board executive with experience across both technical and commercial roles within the mining and water treatment industries.

Graduating from Melbourne University with degrees in Chemical Engineering and Science, Mr Walta has gone on to complete postgraduate studies including an MBA, Master of Science (Mineral Economics) and a Diploma of Project Management. In addition, Patrick is a graduate of the AICD's Company Directors Course.

Mr Walta has also been awarded the MNN Emerging Leader of the Year Award (2018) and the Young Achiever of the Year award (2015) at the Australian Mining Prospect Awards.

In 2017, Mr Walta founded New Century Resources and became Managing Director following the successful negotiation and acquisition of the Century Zinc Mine in Queensland. Over the proceeding five years, Mr Walta led the growth of New Century Resources through feasibility, mine restart, commissioning and eventually steady state operations. Through this process, the Century Mine became the 13th largest zinc producer in the world, has produced over 1,500,000t of zinc concentrate and was also a finalist for Mine of the Year at the 2021 Australian Mining Prospect Awards. The company now exports zinc concentrate globally to over 12 smelters on 3 different continents. In 2023, New Century Resources was acquired by Sibanye Stillwater Ltd.

Mr Walta has previously held roles as Managing Director of Carbine Resources Limited, Executive Director of Primary Gold Limited and CEO of Cradle Resources Limited. He also has a broad level of resource industry experience through management roles with Rio Tinto, Citic Pacific Mining, and Clean TeQ.

Interests in the Shares of the Company

As at the date of this report, the interests of the Directors in the securities of Broken Hill Mines Pty Ltd were -

Director	Ordinary shares held	Options held
Patrick Walta	1,700,000	1,700,000

Dividends

The Sole Director does not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Principal Activities

The Group's principal continuing activities during the period consisted of –

- development, mining and processing of ore and sale of metals derived from the Rasp Mine located in Broken Hill, NSW; and,
- exploration and development of the Pinnacles deposit located 15km from the Rasp Mine in Broken Hill, NSW.

Operating Results for the Period

On 25 July 2024, the Company signed a Share Sale Agreement (SSA) with CBH Resources Limited. The SSA included the sale of both outstanding shares in Broken Hill Operations Pty Ltd (BHO). BHO owns and operates the Rasp Mine in Broken Hill. The SSA completed on 31 October 2024.

On 10 August 2024, the Company signed a Securities Sale and Purchase Agreement with Coolabah Metals Limited (Coolabah). Under the terms of the agreement, The Company will list on the ASX via the reverse takeover of Coolabah. As at the reporting date, the transaction remained incomplete.

On 31 October 2024, the Company entered into a Transitional Services Agreement (TSA) with CBH Resources Limited. The TSA set out the terms on which CBH Resources Limited would continue to provide, or procure the provision of, certain transitional services to assist in a smooth transition of BHO to the Company. The transitional services include payroll, IT and other administrative services and extends for six months.

On 14 November 2024, BHO signed a contract with renowned mining services company Byrnecut to restart underground development activities at the Rasp Mine.

Since the Company assumed ownership of BHO on 31 October 2024, 55,458 tonnes of ore were milled at Rasp Mine at a weighted average grade of 4% zinc, 2.4% lead and 29.9 g/t silver. Resultant production for the period was 4,134 tonnes of zinc concentrate (containing 2,012 tonnes of zinc metal) and 1,765 tonnes of lead concentrate (containing 1,172 tonnes of lead metal and 1,266 kgs of silver).

The operating result of the consolidated Group for the period was a loss of $7,000.

Events occurring after the reporting period

Subsequent to the period ended 31 December 2024, the following matters have arisen that are likely to significantly affect the operations of the Group –

- On 7 February 2025, Coolabah issued a re-compliance prospectus detailing the terms of the reverse takeover;
- On 5 March 2025, the Company entered into a binding conditional term sheet to replace the existing cash backed environmental rehabilitation bond with a surety bond, thereby releasing approximately 80% of the cash value of the environmental bond;
- On 7 March 2025, the Company entered into a binding conditional term sheet with Hartree Metals LLC (Hartree) for a US$25,000,000 secured offtake financing facility;
- On 10 March 2025, Coolabah issued a supplementary prospectus withdrawing the offers as set out in the 7 February 2025 prospectus; and,
- On 26 March 2025 the Group exercised the option to formally enter into the binding joint venture agreement for mining operations at the Pinnacles Mine. The option was exercised via the payment of the second option fee of $600,000.

Other than those identified above, no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company for the time the Director held office during the period are as follows:

Director	Number eligible to attend	Number attended
Patrick Walta	-	-

Indemnification of Officers

The Group currently has in place insurance cover indemnifying officers against certain liabilities arising out of their conduct whilst acting for the Group.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the period, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group or any part of those proceedings.

Share Options

At the date of this report, Broken Hill Mines Pty Ltd had the following ordinary shares under option.

Tranche	Number	Terms
Founder	6,000,000	• Exercise price - $0.12 • Expiry – five years from date of issue

Environmental Regulation

The Sole Director is mindful of the regulatory regime in relation to the impact of the organisation's activities on the environment. There have been no known breaches of any environmental regulation by the Group during the period.

Future Developments

Further information, other than as disclosed in this report, about likely developments in the operations of the Group and the expected results of those operations in future years, has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Group.

Non-Audit Services

No fees were paid to Hall Chadwick for non-audit services during the period.

The Sole Director is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Sole Director is satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor Independence

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

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Signed in accordance with a resolution of the Sole Director:

Patrick Walta

Mr Patrick Walta

Sole Director

Dated this 30th day of April 2025

Auditor's independence declaration

HALL CHADWICK

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 Broken Hill Mines Proprietary Limited and its controlled entities for the period ended 31 December 2024, 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

D M BELL FCA
Director

Dated this 30th day of April 2025
Perth, Western Australia

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Condensed consolidated statement of profit or loss and other comprehensive income

For the half year ended

	Notes	31 December 2024
		$'000
Revenue	Note 4	15,853
Cost of sales		(12,533)
Gross profit		**3,320**
Other income and expense	Note 5	70
Interest income		15
Interest expense		(376)
Administration expense		(2,994)
Exploration and evaluation expense		(2)
Depreciation and amortisation		(40)
Loss before income tax		**(7)**
Income tax expense		**-**
Loss for the period		**(7)**
Other comprehensive income, net of income tax		**-**
Total comprehensive loss for the period		**(7)**
		Cents
Basic loss per share	Note 22	(0.12)
Diluted loss per share	Note 22	(0.12)

The accompanying notes form part of these financial statements.

Condensed consolidated statement of financial position

	Notes	31 December 2024	30 June 2024
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents		8,062	-
Trade and other receivables	Note 6	3,561	-
Inventories	Note 7	9,507	-
Other current assets		239	-
Total current assets		**21,369**	**-**
Non-current assets			
Property, plant and equipment	Note 8	2,215	-
Exploration and evaluation assets	Note 9	2,051	-
Mine development assets	Note 10	5,298	-
Other non-current assets	Note 11	16,965	-
Total non-current assets		**26,530**	**-**
Total assets		**47,898**	**-**
Liabilities			
Current liabilities			
Trade and other payables	Note 12	12,681	4
Lease liabilities – current		21	-
Contract liabilities	Note 13	9,106	-
Provisions	Note 14	2,133	-
Convertible notes	Note 15	5,263	-
Total current liabilities		**29,203**	**4**
Non-current liabilities			
Provisions	Note 14	18,703	-
Total non-current liabilities		**18,703**	**-**
Total liabilities		**47,906**	**4**
Net assets / (liabilities)		**(7)**	**(4)**
Equity			
Share capital	Note 16	3	-
Reserves	Note 16	1	-
Retained earnings / (accumulated losses)		(11)	(4)
Total equity		**(7)**	**(4)**

The accompanying notes form part of these financial statements.

Condensed consolidated statement of changes in equity

	Notes	Issued capital	Reserves	Retained earnings / (accumulated losses)	Total
		$'000	$'000	$'000	$'000
Balance at 1 July 2024		-	-	(4)	**(4)**
Loss for the period		-	-	(7)	**(7)**
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		**-**	**-**	**(7)**	**(7)**
Transactions with equity holders in their capacity as owners					
Issue of ordinary shares (net of costs)		3	-	-	**3**
Issue of options (net of costs)		-	1	-	**1**
Share-based payments		-	-	-	-
Total transactions with equity holders in their capacity as owners		**3**	**1**	**-**	**4**
Balance at 31 December 2024		**3**	**1**	**(11)**	**(7)**

The accompanying notes form part of these financial statements.

Condensed consolidated statement of cash flows

For the half year ended

	Notes	31 December 2024 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		15,869
Payments to suppliers and employees (inclusive of GST)		(11,615)
Payments for exploration and evaluation expenditure		(2)
Interest received		15
Interest paid		(190)
Net cash flow from operating activities		**4,076**
Cash flows from investing activities		
Payments for property, plant and equipment		(105)
Payments for exploration and evaluation		(1,380)
Cash acquired in business combinations		685
Net cash flow used in investing activities		**(800)**
Cash flows from financing activities		
Proceeds from issuance of shares and other equity securities		2
Proceeds from borrowings, net of payments for transaction costs		4,797
Repayments of equipment financing and leases		(13)
Net cash flow from financing activities		**4,786**
Net increase in cash and cash equivalents		8,062
Cash and cash equivalents at the beginning of the period		-
Effects of exchange rate changes on cash and cash equivalents		-
Cash and cash equivalents at end of period		**8,062**

The accompanying notes form part of these financial statements.

Notes to the condensed consolidated financial statements

For the half year ended 31 December 2024.

Note 1. Corporate information

This condensed, consolidated financial report of Broken Hill Mines Proprietary Limited (referred to hereafter as ‘BHM’ or the ‘Company’) and its wholly owned subsidiary Broken Hill Operations Proprietary Limited (referred to hereafter as ‘the Group’) was authorised for issue in accordance with a resolution of the Sole Director on 30 April 2025.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

BHM is a private non-listed company, incorporated and domiciled in Australia. As the Company was incorporated on 6 May 2024 there are no comparatives for the period ending 31 December 2023.

Note 2. Summary of material accounting policies

a) Basis of preparation

The interim financial report is a ‘general purpose’ financial report prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 *Interim Financial Reporting* and other pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 *Interim Financial Reporting*.

The Material Accounting Policies adopted are consistent with those of the previous Financial Year ended 30 June 2024 unless otherwise stated.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Broken Hill Mines Proprietary Limited for the year ended 30 June 2024.

The financial statements have been approved by the Sole Director on the date of signing.

b) Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss during the period of $7,000 and generated net cash inflows of $8,062,000 including $4,076,000 from cash flow from operations. As at 31 December 2024, the Group has a working capital deficit of $7,834,000 (30 June 2024: $4,000).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to successfully manage the Rasp Mine. This is augmented by the Group’s ability to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Group may be required to raise funds for working capital from debt or equity sources.

The Sole Director has prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. This cash flow considers all salient aspects of the Group's operations as disclosed within this report.

Planning commenced for an initial public offering on the ASX in early 2025, with the Group proposing to raise between $15,000,000 and $20,000,000 (before costs) via a reverse takeover of an unrelated party, Coolabah Metals Ltd.

Based on the cash flow forecasts and other factors referred to above, the Sole Director is satisfied that the going concern basis of preparation is appropriate.

Should the Group be unable to continue as a going concern it may be required to 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 asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

c) **New and amended accounting policies adopted by the Group**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

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

d) **Segment reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision maker – being the Sole Director.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

e) **Exploration and evaluation assets**

Exploration and evaluation expenditure is capitalised and carried forward to the extent that rights to tenure of the area of interest are current and either -

- Costs are expected to be recouped through the successful development and exploitation of the area of interest or alternatively by sale; or,

- Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest. The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount. Any amounts in excess of the recoverable amount are derecognised in the financial year it is determined.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. No amortisation is charged during the exploration and evaluation phase.

f) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

g) **Inventories**

Mineral concentrate inventory holdings are measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts and consumables are valued at cost and regularly assessed for obsolescence.

h) **Trade and other payables**

Liabilities for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

i) **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 10 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been categorised based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

j) **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

k) **Contract liabilities**

Proceeds against which revenue has not been recognised are treated as contract liabilities. Such proceeds are recognised as revenue in the condensed consolidated statement of profit or loss and other comprehensive income in future periods only when revenue recognition criteria have been met. Contract liabilities are generally settled within three months.

l) **Mine development assets**

Mine development assets include expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

Expenditure incurred in constructing a mine is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, of gaining access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment of future revenue from the sale of production, or from the sale of the property, is reasonably assured.

When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Mine development costs (as transferred from exploration and evaluation and/or mines under construction) are amortised on a units-of-production basis over the life of mine to which they relate. For development expenditure undertaken during production, the amortisation rate is based on the ratio of total development expenditure (incurred and anticipated) over the expected total contained ore as estimated by the relevant life of mine plan to achieve a consistent amortisation rate per tonne. The rate per tonne is typically updated annually as the life of mine plans are revised.

m) **Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in *AASB 16 - Leases*.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently amortised using either straight line or units of production method as relevant to the type of asset. In addition, the right-of-use asset is periodically adjusted by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid at the commencement date, discounted using an incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured when there is a modification in the lease contract, which can include a change in future lease payments or other lease terms. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group presents the right-of-use assets and lease liabilities separately in the condensed consolidated statement of financial position.

The Group has elected to apply the recognition exemption under AASB 16 *Leases* for short term leases for those contracts which have a non-cancellable term of 12 months or less.

n) **Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o) **Revenue Recognition**

The Group recognises revenue as follows:

i. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from the sale of zinc concentrate is recognised when the Group satisfies its performance obligations under its contract with the customer by transferring such goods to the customer's control. The customer is generally deemed to have control when risk and title to the zinc concentrate passes to the customer.

Revenue from the sale of zinc and lead concentrates is generally recognised upon receipt of the bill of lading when the goods are delivered for shipment under Cost, Insurance and Freight (CIF) Incoterms. The Group typically sells concentrates under sales contracts that contain provisional pricing arrangements whereby the final sales price is based on the prevailing prices over a specified future period sometime after shipment to the customer. This quotational period (QP) typically averages prices over a given calendar month. The period between provisional invoicing and final settlement is typically between one and three months.

Prior to invoice finalisation and settlement, adjustments are made to the weight, grade, and sales price of the concentrate. The estimated fair value of the total consideration receivable (or payable) is recognised in revenue with corresponding entries to trade receivables and/or trade payables. These estimates are made each period until final settlement.

Revenue is recognised net of deductions related to treatment and refining charges. Payment terms are typically less than 3 business days.

ii. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii. Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

p) **Income tax**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

q) **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

i. Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either –

- held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or,
- designated as such upon initial recognition where permitted.

Fair value movements are recognised in profit or loss.

ii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

iii. Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

r) **Impairment of Assets**

At the end of each reporting period, the Sole Director assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard.

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

s) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except –

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and,

- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

t) **Employee Benefits**

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

u) **Critical Accounting Estimates and Judgments**

The Sole Director evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. In the opinion of the Sole Director, there are no critical accounting estimates or judgments in this financial report. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

v) **Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group; fair value of any asset or liability resulting from a contingent consideration arrangement; and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The application of acquisition accounting requires significant judgement and estimates to be made, which are discussed below. The Group engages independent third parties to assist with the determination of the fair value of assets acquired, liabilities assumed, non-controlling interest, if any, and goodwill, based on recognised business valuation methodologies.

The income valuation method represents the present value of future cash flows over the life of the asset using:

- financial forecasts, which rely on Management's estimates of reserve quantities and exploration potential, costs to produce and develop reserves, revenues, and operating expenses,
- long-term growth rates;
- appropriate discount rates; and,
- expected future capital requirements.

The market valuation method uses prices paid for similar assets by other purchasers in the market, normalised for any differences between the assets.

The cost valuation method is based on the replacement cost of a comparable asset at the time of the acquisition adjusted for depreciation and economic and functional obsolescence of the asset and estimates of residual values.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the acquisition date fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If the initial accounting for the business combination is not complete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, but not later than one year from the acquisition date, the Group will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition.

Note 3. Segment information

The Group has identified its operating segments based on the internal reports that are used by the Sole Director, being the chief operating decision makers, in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Sole Director based on the phase of operation within the mining industry. For management purposes, the Group has organised its operations into two reportable segments on the basis of life cycle as follows:

- Operating assets (the Rasp Mine); and,
- Development assets (the Pinnacles JV).

The Sole Director will regularly review the identified segments in order to allocate resources and assess performance.

Segment information that is evaluated by key management is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group which are reported under Australian Accounting Standards, and includes EBITDA (earnings before interest, tax, depreciation and amortisation) that is used to measure segment performance. EBITDA is a non-IFRS measure used internally by management to assess performance of the business, make decisions on allocating resources and assess operational management.

Operational information is reported to the Sole Director on a monthly basis.

31 December 2024	**Rasp Mine $'000**	**Pinnacles JV $'000**	**Total $'000**
Segment operating loss before income tax	**(7)**	**-**	**(7)**
Depreciation and amortisation	40	-	40
Interest income	(15)		(15)
Interest expense	376	-	376
Segment EBITDA	**396**	**-**	**396**
Segment assets	**45,484**	**1,380**	**46,864**
Unallocated -			
Cash and cash equivalents			1,025
Trade and other receivables			9
Inventories			-
Property, plant and equipment			-
Total assets			**47,898**
Segment liabilities	**40,913**	**-**	**40,913**
Unallocated -			
Trade and other payables			1,731
Convertible notes			5,263
Total liabilities			**47,906**

Note 4. Revenue

	31 December 2024 $'000
Revenue from contracts with customers	
Zinc	11,048
Lead	3,026
Silver	1,777
Other	2
Total Revenue	**15,853**

Note 5. Other income and expense

	31 December 2024 $'000
Rental income	14
Foreign exchange losses	(1,230)
Gain on settlement of contract liability	1,282
Other	4
Total other income and expense	**70**

Note 6. Trade and other receivables

	31 December 2024 $'000	30 June 2024 $'000
Trade receivables	2,720	-
GST receivables	841	-
Total trade and other receivables	**3,561**	**-**

Note 7. Inventories

Inventories are carried at the lower of cost and net realisable value.

	31 December 2024 $'000	30 June 2024 $'000
Consumables	2,511	-
Finished goods - mineral concentrates	6,996	-
Total inventories	**9,507**	**-**

Note 8. Property, plant and equipment

	$'000
Opening balance 6 May 2024	**-**
Additions	-
Depreciation	-
Balance 30 June 2024	-
Amounts acquired in business combinations (acquisition of BHO)	1,961
Additions	295
Depreciation	(40)
Closing balance 31 December 2024	**2,215**

Note 9. Exploration and evaluation assets

	$'000
Opening balance 6 May 2024	**-**
Additions (Pinnacles)	-
Additions (Rasp Mine)	-
Balance 30 June 2024	-
Additions (Pinnacles)	1,380
Additions (Rasp Mine)	671
Closing balance 31 December 2024	**2,051**

Note 10. Mine development assets

	$'000
Opening balance 6 May 2024	-
Additions (Rasp Mine)	-
Balance 30 June 2024	-
Additions (Rasp Mine)	5,298
Closing balance 31 December 2024	**5,298**

Note 11. Other non-current assets

Other non-current assets relate to the cash environmental bond lodged with the New South Wales Government as a security deposit for the Rasp Mine to secure funding for the fulfilment of obligations under the mining leases covered by the group security deposit, including obligations under each mining lease that may arise in the future.

	31 December 2024 $'000	30 June 2024 $'000
Other non-current assets	16,965	-
Total other non-current assets	**16,965**	**-**

Note 12. Trade and other payables

All trade creditors are unsecured, non-interest bearing and are due and payable within 12 months.

	31 December 2024 $'000	30 June 2024 $'000
Trade and other payables	12,681	4
Total trade and other payables	**12,681**	**4**

Note 13. Contract liabilities

Contract liabilities include proceeds against which revenue has yet to be recognised and are generally settled within three months.

	31 December 2024 $'000	30 June 2024 $'000
Contract liabilities	9,106	-
Total contract liabilities	**9,106**	**-**

Note 14. Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are recognised at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money.

a) **Rehabilitation**

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits and social expectations. Such costs are determined using estimates of future costs, current regulatory requirements and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. The provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost. Any changes in the estimates for the costs or other assumptions are accounted for on a prospective basis.

The Group assesses its mine rehabilitation provision periodically using internal management resources and external experts. Significant judgement is required in determining the provision as there are many factors that will affect the ultimate liability payable to rehabilitate the Rasp Mine, including future disturbances caused by further development, changes in technology and methodology, changes in regulations, price fluctuations, changes in social expectations, changes in project execution expectations and timing and changes in discount rates.

b) **Employee benefits**

The liability for long service leave and other employee benefits is measured at the present value of the estimated future cash outflows to be made by the Group for all employees at the reporting date. Long-term benefits that are not expected to be settled within 12 months are discounted using the rates attaching to Government bonds at the reporting date which most closely match the terms of maturity of the related liability. In determining the liability for these long-term employee benefits, consideration has been given to expected future increases in wage and salary rates, the Group's experience with staff retention and lengths of service. Expected on-costs are included in the liability.

	31 December 2024 $'000	30 June 2024 $'000
Current liabilities		
Employee benefits	2,133	-
Non-current liabilities		
Employee benefits	2,568	-
Rehabilitation	16,136	-
Total provisions	**20,836**	**-**

Note 15. Convertible notes

During the period, the Company raised $5,000,000 (before costs) via the issuance of 200 convertible notes. Each convertible note has a face value of $25,000. Upon receiving a conditional admission letter from the ASX on terms acceptable to the Company, each convertible note will convert into shares of the listed entity on or before admission to the ASX.

On 1 December 2024, the convertible notes were amended and the noteholders were issued with one free option for every 10 shares issuable under the converting note deed.

	31 December 2024 $'000	30 June 2024 $'000
Principal	5,000	-
Option value	263	-
Convertible notes	**5,263**	**-**

Note 16. Contributed equity

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

a) **Balances**

	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	Shares	Shares	$	$
Ordinary shares – fully paid	6,000,000	3,850,000	2,535	385
Options – fully paid	6,000,000	-	600	-
Total	**12,000,000**	**3,850,000**	**3,135**	**385**

b) **Movement in balances**

	Number of shares	Total $
Ordinary shares		
Opening balance 6 May 2024	**-**	**-**
Issue of founder shares	3,850,000	385
Opening balance 30 June 2024	**3,850,000**	**385**
Issue of founder shares	2,150,000	2,150
Closing balance 31 December 2024	**6,000,000**	**2,535**
Options		
Opening balance 6 May 2024	**-**	**-**
Issue of founder options	-	-
Opening balance 30 June 2024	**-**	**-**
Issue of founder options	6,000,000	600
Closing balance 31 December 2024	**6,000,000**	**600**

Note 17. Share-based payments

There were no share-based payments during the period.

Note 18. Related party transactions

a) **Key management personnel compensation**

	31 December 2024 $'000
Short-term benefits	**248**

b) **Transactions with other related parties**

During the period there were neither purchases from, nor sales to, entities controlled by key management personnel.

Note 19. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2024.

Note 20. Commitments

The Group had the following commitments as at 31 December 2024. These obligations are not provided for in the financial report.

	31 December 2024 $'000
Mine development	4,500
Total	**4,500**

Note 21. Events occurring after the reporting period

Subsequent to the period ended 31 December 2024, the following matters have arisen that are likely to significantly affect the operations of the Group –

- On 7 February 2025, Coolabah issued a re-compliance prospectus detailing the terms of the reverse takeover;
- On 5 March 2025, the Company entered into a binding conditional term sheet to replace the existing cash backed environmental rehabilitation bond with a surety bond, thereby releasing approximately 80% of the cash value of the environmental bond;
- On 7 March 2025, the Company entered into a binding conditional term sheet with Hartree Metals LLC (Hartree) for a US$25,000,000 senior secured offtake financing facility;
- On 10 March 2025, Coolabah issued a supplementary prospectus withdrawing the offers as set out in the 7 February 2025 prospectus; and,
- on 26 March 2025 the Group exercised the option to formally enter into the binding joint venture agreement for mining operations at the Pinnacles Mine. The option was exercised via the payment of the second option fee of $600,000.

Other than those identified above, no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 22. Earnings per share

	31 December 2024
	$'000
Loss after income tax attributable to the owners of Broken Hill Mines Pty Limited	(7)
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	5,495,082
Adjustments	
Weighted average number of options over ordinary shares used in calculating diluted earnings per share	N/A
Weighted average number of ordinary shares used in calculating diluted earnings per share	**5,495,082**
	Cents
Basic earnings per share	(0.12)
Diluted earnings per share	(0.12)

As the Company made a loss for the period, diluted earnings per share are equal to basic earnings per share.

Note 23. Business combinations

On 31 October 2024, the Company acquired 100% of the outstanding shares in BHO for $1. The transaction was funded from cash reserves and under the terms of the Share Sale Agreement, the Company assumed all assets and obligations of BHO from the date of acquisition.

Details of the purchase consideration for the net assets acquired are as follows.

	31 October 2024
	$
Purchase consideration	1
Total purchase consideration	**1**

The business combination has been accounted for on a provisional basis in accordance with AASB 3 Business Combinations and will be required to be finalised by 31 October 2025.

Provisional fair values of assets and liabilities acquired are as follows.

	31 October 2024
	$'000
Cash and cash equivalents	685
Trade and other receivables	4,662
Inventories	12,435
Other current assets	312
Property, plant and equipment	1,961
Other non-current assets	16,963
Trade and other payables	(6,166)
Contract liabilities	(9,589)
Lease liabilities – current	(38)
Employee benefits – current	(2,139)
Employee benefits – non-current	(2,546)
Provision for rehabilitation	(16,540)
Net assets	**-**

Director's declaration

In accordance with a resolution of the Sole Director of Broken Hill Mines Pty Ltd, I state that –

a) The financial statements and notes of Broken Hill Mines Pty Ltd for the half-year ended 31 December 2024 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 consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.

b) In the Director's 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.

Signed in accordance with a resolution of the Sole Director.

Patrick Walta

Mr Patrick Walta

Sole Director

Dated this 30th day of April 2025

HALL CHADWICK

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BROKEN HILL MINES PROPRIETARY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Broken Hill Mines Proprietary Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, 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 Broken Hill Mines Proprietary 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 2024 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 2(b) in the financial report, which indicates that the Consolidated Entity incurred a loss of $7,000 during the half year ended 31 December 2024. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), 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.

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HALL CHADWICK

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 2024 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

D M BELL FCA
Director

Dated this 30th day of April 2025
Perth, Western Australia