



# **BROKEN HILL MINES**

Broken Hill Mines Holdings Proprietary Limited

(Formerly known as Broken Hill Mines Proprietary Limited)

ABN 65 677 120 384

Financial Report for the year ended 30 June 2025



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## Corporate directory

<b>Sole Director</b>	Mr Patrick Walta
<b>Company Secretary</b>	Mr Alan Armstrong
<b>Officers</b>	Mr Mick Worcester (Chief Financial Officer)
<b>Registered and Principal Office</b>	Level 8, London House, 216 St Georges Terrace Perth WA 6000
<b>Telephone</b>	+61 (0)8 9481 0389
<b>Website</b>	<a href="https://brokenhillmines.com">https://brokenhillmines.com</a>
<b>Auditors</b>	Hall Chadwick WA Audit Proprietary Limited 283 Rokeby Road, Subiaco, Western Australia 6008
<b>Bankers</b>	Westpac Banking Corporation Limited 520 Collins Street, Melbourne, Vic 3000



## Director's Report

The Sole Director presents their report together with the consolidated financial statements on the consolidated entity (referred to hereafter as the **Group**) consisting of Broken Hill Mines Holdings Proprietary Limited (referred to hereafter as the **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2025.

### 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 Holdings Proprietary Limited 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.



### **Corporate Activities 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 Proprietary Limited (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 Broken Hill Mines Limited (formerly Coolabah Metals Limited) (BHM). Under the terms of the agreement, The Company will list on the ASX via the reverse takeover of BHM. 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 included payroll, IT and other administrative services and extended for six months. As at the reporting date, this contract has expired.

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

On 7 February 2025, BHM 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, BHM issued a supplementary prospectus withdrawing the offers as set out in the 7 February 2025 prospectus.

On 13 March 2025, the Group announced that it had executed a binding conditional term sheet with DUAL/AXIS, a major North American insurer, for the replacement of the Rasp Mine's \$16,944,000 cash-backed environmental bond.

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.

On 27 May 2025, BHM issued a re-compliance prospectus detailing the revised terms of the reverse takeover.

On 2 June 2025, BHM issued a replacement prospectus detailing the revised terms of the reverse takeover.

### **Operating results for the Period**

Since the Company assumed ownership of BHO on 31 October 2024, 262kt of ore were mined at Rasp Mine at a weighted average grade of 4% zinc, 2% lead and 25g/t silver. Resultant production for the period was 19kt of zinc concentrate (containing 9kt of zinc metal) and 7kt of lead concentrate (containing 4kt of lead metal and 5 tonnes of silver).

The operating result of the consolidated Group for the period was a profit of \$3,183,000.

### **Events occurring after the reporting period**

Subsequent to the period ended 30 June 2025, the following matters have arisen that are likely to significantly affect the operations of the Group:



- On 10 July 2025, the Company changed its name from Broken Hill Mines Proprietary Limited to Broken Hill Mines Holdings Proprietary Limited.
- On 10 July 2025, Coolabah Metals Limited changed its name to Broken Hill Mines Limited (BHM).
- On 14 July 2025, BHM announced that it had completed the acquisition of the entire share capital of the Company. The date of change of control was 9 July 2025. This resulted in a reverse acquisition whereby the Company was deemed to be the acquired of BHM.
- On 21 July 2025, the shares of BHM relisted on the ASX under the ticker 'BHM'.
- 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.

## **Risk Management**

The Sole Director reviews the key risks associated with conducting exploration and evaluation and steps to manage those risks. The key material risks faced by the Group include:

### *Future capital requirements*

The Group has sufficient current capital, at the issue date of this report, to carry out its planned objectives and to satisfy the anticipated current working capital and other capital requirements. However, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

Should the Group require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Group's business, financial condition and results of operations. In the event the Group is required to raise additional funding through equity raisings, it is likely that Shareholders' interests will be diluted. If further funding is obtained through debt financing, it is likely to be accompanied by restrictive debt covenants and the granting of a security interest over the assets of the Group.

### *Operating risk*

The acquisition of 100% of the issued capital of Broken Hill Operations Pty Ltd constitutes a significant change in the nature and scale of the Group's activities. Upon completion of the acquisition, the nature and scale of the Group's activities changed to mineral producer. There are significant risks in operating a mine and there is no guarantee that the Group will be able to achieve profitable production. In addition, the operations of the Group may be affected by various factors, including failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### *Product sales and commodity price risk*

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for zinc, lead and silver that may be mined commercially in the future from the Group's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Group's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Group's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Group's operations, financial position (including revenue and



profitability) and performance. The Group may undertake measures, where deemed necessary by the Sole Director, to mitigate such risks.

#### *Resource estimation risk*

Mineral resource estimates (inferred, indicated and measured) have been reported at the Rasp Mine and Pinnacles Mine. Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates of mineral resources that were valid when originally made may alter significantly when new information or techniques become available or when commodity prices change.

In addition, by their very nature, mineral resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Group employs industry-standard techniques including compliance with the JORC Code 2012 to reduce the resource estimation risk, there is no assurance that this approach will alter the risk.

As further information becomes available through additional fieldwork and analysis, mineral resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Group.

Whilst the Group intends to undertake further exploration and development activities with the aim of expanding the existing mineral resources and converting them to ore reserves, no assurances can be given that this will be successfully achieved. Notwithstanding that mineral resources have been identified, no assurance can be provided that these can be economically extracted. Failure to convert mineral resources into ore reserves or maintain or enhance existing mineral resources could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As mining is ongoing at the Rasp Mine, investors are cautioned that the Rasp MRE does not capture immaterial depletion caused through mining operations carried out since the completion of the Rasp MRE.

#### *Offtake and offtake financing risk*

The Group may seek to enter into offtake financing in the near future. The Group may also seek interest from global trading houses to acquire offtake as part of an offtake financing package. The Group's ability to enter into such agreements is not guaranteed and is dependent on several extrinsic and uncontrollable factors, namely the state of global commodity prices and markets.

#### *Regulatory and environmental risks*

The operations and proposed activities of the Group are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments in such



respect which could have a material adverse effect on the Group's business, financial condition and results of operations.

#### *Historical Liabilities*

Due to the acquisition of Broken Hill Operations Pty Ltd, the Group is liable for any liabilities that its subsidiary has incurred in the past, including liabilities which may not have been identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which the Group may not have post-closing recourse under the relevant transaction agreements. These could include liabilities relating to environmental claims or breaches, Aboriginal heritage breaches and/or native title compensation claims, contamination, regulatory actions and health and safety claims. Such liabilities may adversely affect the financial performance or position of the Group.

#### *Title and grant risk*

Interests in all tenements in Australia are governed by state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it work program, annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Group could be exposed to additional costs, have its ability to explore or mine reduced or lose title to or its interest in the Tenements if licence conditions are not met or if sufficient funds are unavailable to meet expenditure commitments.

If in the future, the term of any of the Tenements are not renewed or extended, the Group may suffer damage through loss of the opportunity to discover and/or develop any mineral resources on these Tenements. In particular, CML7 (a consolidation of Mining Purpose Leases 183 to 186 (inclusive)) is set to expire on 31 December 2026.

An application for renewal of CML7 has not yet been lodged but must be lodged no later than 31 December 2025 and must include details of the operations carried out on CML7 during the term, a summary of the resources located on the lease, a statement giving reasons for which the applicant considers a renewal is justified and a work program for the proposed term of the renewal. Upon receipt of a renewal application, the Minister may refuse the application, provided one of the grounds of refusal is made out. The grounds for refusal include unsatisfactory compliance history, failure to meet minimum technical and financial capabilities and failure to pay fees.

While the Group has no reason to believe that the renewal of CML7 will not be granted, there is no guarantee that it will be. Failure to renew CML7 would significantly impair the Group's operational capabilities at the Rasp Mine.

#### *Economic Conditions*

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Group's projects, the profit margins from any potential development and the Company's share price.

#### *Reliance on key personnel*

The Group's success is to a large extent dependent upon the retention of key personnel and the competencies of its director, senior management, and personnel. The loss of one or more of the director or senior management could have an adverse effect on the Group. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available.





#### *Unforeseen expenditure risk*

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Group is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Group and its proposed business plans.

#### *Environmental, weather & climate change*

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

#### *Cyber Security and IT*

The Group relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

#### **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:

<b>Director</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Patrick Walta	-	-

#### **Indemnification of Officers**

The Group has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Group agrees to indemnify each Director against certain liabilities arising out of their conduct whilst acting for the Group.

The Group paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Group. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

#### **Indemnity and Insurance of Auditor**

The Group has not, during or since the end of the period, indemnified or agreed to indemnify the auditor of the Group 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 Holdings Proprietary Limited had the following ordinary shares under option.

Tranche	Number	Terms
Founder	6,000,000	<ul style="list-style-type: none"><li>• Exercise price - \$0.12</li><li>• Expiry – five years from date of issue</li></ul>

### Environmental Regulation

The Sole Director is mindful of the regulatory regime in relation to the impact of the Group'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.

### Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support, and adhere to, good corporate governance practices. Refer to the Group's Corporate Governance Statement at: <https://brokenhillmines.com>

### 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.

Signed in accordance with a resolution of the Sole Director:

Mr Patrick Walta

Sole Director

Dated this 28<sup>th</sup> day of August 2025

To the Director,

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

As lead audit director for the audit of the financial statements of Broken Hill Mines Holdings Proprietary Limited and its controlled entities for the year ended 30 June 2025, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL FCA**  
**Director**

Dated this 28<sup>th</sup> day of August 2025  
Perth, Western Australia



## Consolidated statement of profit or loss and other comprehensive income

For the year ended

	Notes	30 June 2025	30 June 2024
		\$'000	\$'000
Revenue	Note 3	58,091	-
Cost of sales		(54,117)	-
<b>Gross profit</b>		<b>3,974</b>	-
Other income and expense	Note 4	12,558	-
Interest income		77	-
Finance expense	Note 5	(5,829)	-
Administration expense		(4,984)	(4)
Exploration and evaluation expense		(2)	-
Depreciation and amortisation		(2,610)	-
<b>Profit/(loss) before income tax</b>		<b>3,183</b>	<b>(4)</b>
Income tax expense	Note 6	-	-
<b>Profit/(loss) for the period</b>		<b>3,183</b>	<b>(4)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>3,183</b>	<b>(4)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	Note 28	55.44	(0.10)
Diluted earnings per share	Note 28	27.66	(0.10)

The accompanying notes form part of these consolidated financial statements.



## Consolidated statement of financial position

	Notes	30 June 2025 \$'000	30 June 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,359	-
Trade and other receivables	Note 7	15,638	-
Inventories	Note 8	8,177	-
Other current assets		994	-
<b>Total current assets</b>		<b>27,168</b>	<b>-</b>
<b>Non-current assets</b>			
Property, plant and equipment	Note 9	15,839	-
Exploration and evaluation assets	Note 10	3,138	-
Mine development assets	Note 11	25,850	-
Other non-current assets	Note 12	3,411	-
Right of use assets	Note 13	4,797	-
<b>Total non-current assets</b>		<b>53,037</b>	<b>-</b>
<b>Total assets</b>		<b>80,204</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	Note 14	26,574	4
Lease liabilities – current	Note 15	602	-
Contract liabilities	Note 16	15,206	-
Employee benefits provision - current	Note 17	2,387	-
Convertible notes	Note 18	9,196	-
<b>Total current liabilities</b>		<b>53,965</b>	<b>4</b>
<b>Non-current liabilities</b>			
Lease liabilities – non-current	Note 15	4,240	-
Employee benefits provision – non-current	Note 17	2,677	-
Environmental rehabilitation provisions	Note 19	15,876	-
<b>Total non-current liabilities</b>		<b>22,793</b>	<b>-</b>
<b>Total liabilities</b>		<b>76,759</b>	<b>4</b>
<b>Net assets/(liabilities)</b>		<b>3,445</b>	<b>(4)</b>
<b>Equity</b>			
Share capital	Note 20	3	-
Reserves	Note 20	263	-
Retained earnings/(accumulated losses)		3,180	(4)
<b>Total equity</b>		<b>3,445</b>	<b>(4)</b>

The accompanying notes form part of these consolidated financial statements.



## Consolidated statement of changes in equity

	Share capital	Reserves	Retained earnings /(accumulated losses)	Total
	\$'000	\$'000	\$'000	\$'000
<b>Incorporated on 6 May 2024</b>				
Loss for the year	-	-	(4)	(4)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(4)	(4)
Transactions with equity holders in their capacity as owners				
Issue of ordinary shares (net of costs)	-	-	-	-
<b>Total transactions with equity holders in their capacity as owners</b>	-	-	-	-
<b>Balance at 30 June 2024</b>	-	-	(4)	(4)
<b>Balance at 1 July 2024</b>	-	-	(4)	(4)
Profit for the period	-	-	3,183	3,183
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	3,183	3,183
Transactions with equity holders in their capacity as owners				
Issue of ordinary shares (net of costs)	3	-	-	3
Issue of options (net of costs)	-	263	-	263
Share-based payments	-	-	-	-
<b>Total transactions with equity holders in their capacity as owners</b>	3	263	-	266
<b>Balance at 30 June 2025</b>	3	263	3,180	3,445

The accompanying notes form part of these consolidated financial statements.



## Consolidated statement of cash flows

For the year ended

	Notes	30 June 2025 \$'000	30 June 2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		58,609	-
Payments to suppliers and employees (inclusive of GST)		(48,229)	-
Payments for exploration and evaluation expenditure		(2)	-
Interest received		78	-
Interest paid including leases		(1,679)	-
<b>Net cash flow from operating activities</b>	30	<b>8,777</b>	-
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(5,669)	-
Payments for exploration and evaluation		(3,139)	-
Payments for mine development		(18,619)	-
Cash acquired in business combinations	29	685	-
<b>Net cash flow used in investing activities</b>		<b>(26,742)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares and other equity securities		2	-
Proceeds from borrowings, net of payments for transaction costs		20,469	-
Repayments of equipment financing and leases		(148)	-
<b>Net cash flow from financing activities</b>		<b>20,324</b>	-
Net increase in cash and cash equivalents		2,358	-
Cash and cash equivalents at the beginning of the period		-	-
Effects of exchange rate changes on cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of period</b>		<b>2,359</b>	-

The accompanying notes form part of these consolidated financial statements.



## Notes to the consolidated financial statements

For the year ended 30 June 2025.

### **Note 1. Summary of material accounting policies**

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they are not disclosed in the other notes. These consolidated financial statements of Broken Hill Mines Holdings Proprietary Limited (referred to hereafter as BHMH or the Company) and its wholly owned subsidiary Broken Hill Operations Proprietary Limited (referred to hereafter as 'the Group') were authorised for issue in accordance with a resolution of the Sole Director on 28 August 2025.

BHMH is a private non-listed company, incorporated and domiciled in Australia.

#### **a) Basis of preparation**

##### *Statement of compliance*

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

Except for cash flow information, the consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

##### *Historical cost convention*

These consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments.

##### *Functional and presentation currency*

The consolidated financial statements are presented in Australian dollars, which is BHMH's functional and presentation currency.

##### *Rounding of Amounts*

The Company 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.

#### **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 generated a profit during the period of \$3,183,000 (30 June 2024: loss of \$4,000) and generated net cash inflows of \$2,358,000 (30 June 2024: \$0) including \$8,777,000 from cash flow from operations (30 June 2024: \$0). As at 30 June 2025, the Group has a working capital deficit of \$26,797,000 (30 June 2024: \$4,000).

Subsequent to the period ended 30 June 2025, the Company completed a reverse takeover of an entity that simultaneously raised \$20,000,000 (before costs). Further, the reverse takeover triggered the conversion of the





Convertible Notes (30 June 2025 carrying amount of \$9,196,000) which converted to equity. These events significantly improved the Group's working capital.

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 and/or debt markets and managing cashflow in line with available funds.

The Company has entered a binding conditional term sheet with Hartree Metals LLC for a US\$25 million financing facility and 200,000t of lead concentrate offtake (Hartree Offtake Financing Facility). The Hartree Offtake Financing Facility is subject to certain conditions precedent. The outcome of the above Hartree Offtake Financing Facility is contingent upon the satisfaction of various condition precedent which as at the date of this report are yet to be achieved.

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 forecast considers all salient aspects of the Group's operations as disclosed within this report.

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 consolidated financial statements. The consolidated 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) Accounting Standards issued but not yet effective**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

**e) Critical accounting estimates and judgments**

The Sole Director evaluates estimates and judgments incorporated into the consolidated 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. Critical accounting judgements, estimates and assumptions are discussed in the following sections -



- i. *Unit of production method of depreciation (note 1k)*
- ii. *Impairment of assets (note 1l)*
- iii. *Mine development assets (note 1q)*
- iv. *Employee benefit provisions (note 1x)*
- v. *Determining whether an acquisition is an asset acquisition or a business combination (note 1y)*
- vi. *Environmental rehabilitation provision (note 1z)*

**f) 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".

**g) 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.

**h) Cash and cash equivalents**

Cash and cash equivalents include 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 consolidated statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities within the consolidated statement of financial position.



**i) 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 the lower of cost and net realisable value and are regularly assessed for obsolescence. The cost of spare parts and consumables are on a weighted average basis.

**j) 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.

**k) Plant and equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

*Depreciation and Amortisation*

The depreciable amount of all fixed assets including buildings is calculated using the units-of-production method, over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit or loss.

**l) 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.

**m) 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.

**n) 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.

**o) Contract liabilities**

Proceeds against which revenue has not been recognised are treated as contract liabilities. Such proceeds are recognised as revenue in the 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.

**p) Convertible notes**

*Recognition and Classification*

Convertible notes are financial instruments that can contain both liability and equity features. The classification of a convertible note depends on the contractual terms and the application of AASB 132:

- If the instrument includes a contractual obligation to deliver cash or another financial asset, the note is classified as a financial liability.
- Where the note includes a conversion feature that provides the holder with the right to convert into a fixed number of equity instruments of the Company for a fixed amount of cash, that component is classified as equity.
- If the conversion feature fails the "fixed-for-fixed" test, the conversion option is classified as a derivative liability measured at fair value through profit or loss.

*Initial Measurement*

At initial recognition, the liability component of the convertible note is measured at the fair value of a similar liability without the conversion feature. The equity component (if any) is recognised as the residual between the proceeds of issue and the fair value of the liability component. Where a derivative liability is identified, the entire instrument is initially measured at fair value, with subsequent changes recognised in profit or loss.

*Subsequent Measurement*

The liability component is carried at amortised cost using the effective interest method, with interest expense recognised in profit or loss. The equity component is not remeasured after initial recognition. Any derivative liability component is remeasured at fair value at each reporting date, with gains and losses recognised in profit or loss.



### *Conversion or Settlement*

On conversion, the carrying amount of the liability is transferred to equity, together with any related equity component previously recognised. No gain or loss is recognised on conversion. If the note is redeemed for cash prior to conversion, the liability is derecognised and any difference between the carrying amount and the consideration paid is recognised in profit or loss.

### **q) 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.

### **r) 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 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.

**s) 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.

**t) Revenue recognition**

The Group recognises revenue as follows:

*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.

*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.

*Other revenue*

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



#### u) **Income tax**

The Group is subject to income taxation in Australia. The application of tax legislation to certain transactions and circumstances can be complex and subject to differing interpretations. Management is required to make significant judgements when assessing uncertain tax positions to determine whether it is probable that the taxation authority will accept the chosen tax treatment.

In making these assessments, management considers:

- the technical merits of each position, including relevant legislation, case law and tax rulings;
- advice obtained from external tax advisers; and
- the status of any current or expected discussions with the Australian Taxation Office.

Where it is considered probable that the taxation authority will accept the uncertain tax treatment, the Group accounts for income taxes consistently with that position. Where it is not probable, the Group reflects the effect of uncertainty in determining its taxable profit, tax bases, unused tax losses and credits, or tax rates.

Given the complexity of tax legislation, there is a risk that upon review by the taxation authority, the final outcome could differ from management's assessment. Such differences may have a material impact on the Group's current and deferred tax balances in future periods.

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.



#### v) **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.

##### *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.

##### *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.

##### *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.

#### w) **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 consolidated statement of financial position.

Cash flows are included in the consolidated 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.

**x) 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 consolidated statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the consolidated statement of financial position.

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.

**y) 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.

#### **z) Environmental rehabilitation provisions**

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.

#### **aa) Foreign exchange gain/(losses)**

The Group is exposed to foreign currency risk primarily through US dollar (USD) denominated transactions under its concentrate offtake agreements. Advance payments, provisional payments, final payments, trade receivables, and payables invoiced in USD are initially recorded using the spot rate at the transaction date. At the balance date, monetary items are remeasured (except for advance payments which are not remeasured) at the closing AUD/USD exchange rate, with resulting foreign exchange differences recognised in profit or loss in accordance with AASB 121.

Foreign exchange gains and losses are included within "Other income/(expenses)" in the consolidated statement of profit or loss.



## Note 2. 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 consolidated 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.

30 June 2025	Rasp Mine \$'000	Pinnacles JV \$'000	Total \$'000
<b>Segment operating</b>			
<b>profit before income tax</b>	<b>3,183</b>	-	<b>3,183</b>
Depreciation and amortisation	2,610	-	2,610
Interest income	(77)	-	(77)
Interest expense	5,829	-	5,829
<b>Segment EBITDA</b>	<b>11,545</b>	-	<b>11,545</b>
<b>Segment assets</b>	<b>72,492</b>	<b>7,617</b>	<b>80,109</b>
<i>Unallocated</i>			
Cash and cash equivalents			44
Trade and other receivables			50
<b>Total assets</b>			<b>80,204</b>
<b>Segment liabilities</b>	<b>61,051</b>	<b>4,840</b>	<b>65,891</b>
<i>Unallocated</i>			
Trade and other payables			1,672
Convertible notes			9,196
<b>Total liabilities</b>			<b>76,759</b>



**30 June 2024**

**Segment operating**

**loss before income tax**

*Unallocated*

Administrative expenses

**Segment EBITDA**

**Segment assets**

*Unallocated*

Assets

**Total assets**

Segment liabilities

*Unallocated*

Trade and other payables

**Total liabilities**

**Rasp Mine  
\$'000**

**Pinnacles JV  
\$'000**

**Total  
\$'000**

-	-	-
		(4)
-	-	(4)
-	-	-
		-
		-
-	-	-
		4
		4

**Note 3. Revenue**

**30 June 2025  
\$'000**

**30 June 2024  
\$'000**

Revenue from contracts with customers

Zinc

Lead

Silver

Other

**Total revenue**

36,756	-
13,294	-
8,094	-
(54)	-
58,091	-

**Note 4. Other income and expense**

**30 June 2025  
\$'000**

**30 June 2024  
\$'000**

Rental income

Foreign exchange losses

Gain on settlement of contract liability

Rehabilitation provision change in estimates

Gain on bargain purchase (refer note 29)

Other

**Total other income and expense**

88	-
(1,353)	-
1,282	-
1,052	-
11,483	-
7	-
12,558	-



#### Note 5. Finance expense

	30 June 2025 \$'000	30 June 2024 \$'000
Interest expense	(1,417)	-
Movement in value of convertible notes embedded derivative	(3,761)	-
Rehabilitation provision interest unwind	(388)	-
<b>Total finance expense</b>	<b>(5,829)</b>	<b>-</b>

#### Note 6. Income tax expense

The Company and each of its controlled entities are not part of a tax consolidated group at period end. Each entity has incurred a tax loss in the period. Deferred tax assets of approximately \$48 million in respect of these losses and timing differences have not been recognised, as it is not established that future taxable profits will be available against which the losses can be utilised.

<b>Income tax expense (consolidated Group)</b>	<b>30 June 2025 \$'000</b>	<b>30 June 2024 \$'000</b>
Current tax expense	-	-
Deferred tax expense/(benefit)	-	-
Income tax expense/(benefit) reported in the consolidated statement of profit or loss	-	-
<b>Reconciliation between tax expense and accounting loss</b>		
Profit/(loss) for the period	3,183	(4)
Prima facie tax at 30%	955	(1)
Less tax effect of bargain purchase	(3,445)	-
Less non-recognition of tax losses	2,490	-
<b>Total income tax expense/(benefit)</b>	<b>-</b>	<b>-</b>

#### Note 7. Trade and other receivables

	30 June 2025 \$'000	30 June 2024 \$'000
Trade receivables	1,061	-
GST receivables	1,022	-
Environmental security deposit release	13,555	-
<b>Total trade and other receivables</b>	<b>15,638</b>	<b>-</b>

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. This amount is recognised within Trade and other receivables.

On 10 July 2025, the Group received the environmental security deposit.



#### Note 8. Inventories

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

	30 June 2025 \$'000	30 June 2024 \$'000
Consumables	3,202	-
Work in progress – mineral ores	700	-
Finished goods - mineral concentrates	4,275	-
<b>Total inventories</b>	<b>8,177</b>	<b>-</b>

#### Note 9. Property, plant and equipment

	\$'000
<b>Opening balance 6 May 2024</b>	-
Additions	-
Depreciation	-
<b>Closing balance 30 June 2024</b>	-
Amounts acquired in business combinations (refer note 29)	13,650
Additions	3,504
Disposals	(54)
Depreciation	(1,260)
<b>Closing balance 30 June 2025</b>	<b>15,839</b>

#### Note 10. Exploration and evaluation assets

	\$'000
<b>Opening balance 6 May 2024</b>	-
Additions	-
<b>Closing balance 30 June 2024</b>	-
Additions (Pinnacles)	762
Additions (Rasp Mine)	2,376
<b>Closing balance 30 June 2025</b>	<b>3,138</b>

#### Note 11. Mine development assets

	\$'000
<b>Opening balance 6 May 2024</b>	-
Additions	-
<b>Closing balance 30 June 2024</b>	-
Additions (Rasp Mine)	25,850
<b>Closing balance 30 June 2025</b>	<b>25,850</b>



**Note 12. Other non-current assets**

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

On 10 July 2025, the Group received the environmental security deposit. However, under the terms of the environmental surety facility, 20% of this amount was required to be lodged as cash security. Accordingly, \$3,388,800 was placed into an escrow account on 23 July 2025.

	30 June 2025 \$'000	30 June 2024 \$'000
Other non-current assets	3,411	-
<b>Total other non-current assets</b>	<b>3,411</b>	<b>-</b>

**Note 13. Right of use assets**

	30 June 2025 \$'000	30 June 2024 \$'000
Right of use assets	4,797	-
<b>Total Right of use assets</b>	<b>4,797</b>	<b>-</b>

**Note 14. Trade and other payables**

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

	30 June 2025 \$'000	30 June 2024 \$'000
Trade and other payables	26,574	4
<b>Total trade and other payables</b>	<b>26,574</b>	<b>4</b>

**Note 15. Lease liabilities**

	30 June 2025 \$'000	30 June 2024 \$'000
Current lease liabilities	602	-
Non-current lease liabilities	4,240	-
<b>Total lease liabilities</b>	<b>4,842</b>	<b>-</b>



#### Note 16. Contract liabilities

Contract liabilities include proceeds against which revenue has yet to be recognised and are generally settled within three months. The Group expects to recognise the closing balance as revenue within 12 months.

<b>Opening balance 6 May 2024</b>	-
Income received in advance	-
Subsequently recognised as revenue	-
<b>Closing balance 30 June 2024</b>	-
Amounts acquired in business combinations (refer note 29)	9,589
Income received in advance	42,407
Subsequently recognised as revenue	(35,508)
Subsequently recognised as other income	(1,282)
<b>Closing balance 30 June 2025</b>	<b>15,206</b>

#### Note 17. Employee benefits provision

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current liabilities</b>		
Employee benefits	2,387	-
<b>Non-current liabilities</b>		
Employee benefits	2,677	-
<b>Total employee benefits provision</b>	<b>5,065</b>	-

#### Note 18. Convertible notes

During the period, the Company raised \$5,000,000 (before costs) via the issuance of 200 convertible notes, each with 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. This letter was received after the period, on 4 July 2025.

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.

On 14 July 2025, the convertible notes converted into ordinary equity of BHM Limited.

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Principal	5,000	-
Embedded derivative	3,761	-
Accrued interest	435	-
<b>Total convertible notes</b>	<b>9,196</b>	-





**Note 19. Environmental rehabilitation provision**

	\$'000
<b>Opening balance 6 May 2024</b>	-
Additions	-
<b>Closing balance 30 June 2024</b>	-
Amounts acquired in business combinations (refer note 29)	16,540
Interest unwind	388
Impact of change in estimates	(1,052)
<b>Closing balance 30 June 2025</b>	<b>15,876</b>

AASB108 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 5 defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. An entity may need to change an accounting estimate if changes occur in the circumstances on which the accounting estimate was based or as a result of new information, new developments or more experience.

Due to the Group's investment in extending the life of the Rasp Mine, revisions were required to the estimated timing used in the rehabilitation provision calculation. Further, changes in the discount rate were observed.

The reduction in the environmental rehabilitation provision arising from these changes in estimates was recognised as follows:

	30 June 2025 \$'000	30 June 2024 \$'000
Other income	1,052	-
<b>Total</b>	<b>1,052</b>	-



## Note 20. Issued capital & reserves

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

	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares – fully paid	6,000,000	3,850,000	2,535	385
Options – fully paid	6,000,000	-	263,100	-
<b>Total</b>	<b>12,000,000</b>	<b>3,850,000</b>	<b>265,635</b>	<b>385</b>

### b) Movement in balances

	Number of shares/options	Total \$
<b>Ordinary shares</b>		
<b>Opening balance 6 May 2024</b>	-	-
Issue of founder shares	3,850,000	385
<b>Closing balance 30 June 2024</b>	<b>3,850,000</b>	<b>385</b>
Issue of founder shares	2,150,000	2,150
<b>Closing balance 30 June 2025</b>	<b>6,000,000</b>	<b>2,535</b>
<b>Options</b>		
<b>Opening balance 6 May 2024</b>	-	-
Issue of founder shares	-	-
<b>Closing balance 30 June 2024</b>	-	-
Issue of founder options	6,000,000	600
Issue of convertible note options	-	262,500
<b>Closing balance 30 June 2025</b>	<b>6,000,000</b>	<b>263,100</b>

## Note 21. Share-based payments

There were no share-based payments during the period.



**Note 22. Related party transactions**

**a) Key management personnel compensation**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term benefits	519	-
Post-employment benefits	7	-
<b>Total related party transactions</b>	<b>527</b>	<b>-</b>

**b) Transactions with other related parties**

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

**Note 23. Contingent liabilities**

The Group had no contingent liabilities as at 30 June 2025.

**Note 24. Deed of cross guarantee**

The following information is given in order to comply with paragraph 6(v) of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (the Instrument) and in relation to a Deed of Cross Guarantee dated 30 April 2025 (the Deed) that exists for the purposes of the Instrument, under which certain wholly owned entities may seek relief from financial reporting obligations under the Corporations Act 2001 (Cth) (the Act).

The nature of the Deed is that each entity which is a party to the Deed guarantees to creditors of each party to the Deed that any debt will be paid in full in accordance with the Deed. The Deed becomes enforceable in respect of such a debt on the winding up of a party to the Deed under subsection 459A or paragraph 461(a) or (h) of the Act or a creditor's voluntary winding up under Division 3 of Part 5.5 of the Act, or otherwise if six months after a resolution or order for winding up a creditor has not been paid in full.

As at 30 June 2025 the parties to the Deed are:

- the members of the closed group within the meaning of the Instrument, being Broken Hill Mines Holdings Proprietary Limited (ACN 677 120 384), and Broken Hill Operations Proprietary Limited (ACN 054 920 893); and
- the other members of the extended closed group within the meaning of the Instrument, being Broken Hill Mines Limited (ACN 652 352 228).



## Note 25. Parent entity financial information

### Controlled entities

	Country of incorporation	30 June 2025 %	30 June 2024 %
Broken Hill Mines Holdings Proprietary Limited	Australia	N/A	N/A
Broken Hill Operations Proprietary Limited	Australia	100%	0%

The financial results of Broken Hill Mines Holdings Proprietary Limited, the parent entity, are summarised below.

	30 June 2025 \$'000	30 June 2024 \$'000
<b>Financial position</b>		
Current assets	3,226	-
Non-current assets	15,927	-
<b>Total assets</b>	<b>19,153</b>	<b>-</b>
Current liabilities	11,468	4
Non-current liabilities	4,240	-
<b>Total liabilities</b>	<b>15,708</b>	<b>4</b>
Issued capital	3	-
Reserves	263	-
Retained earnings/(accumulated losses)	3,179	(4)
<b>Total equity</b>	<b>3,445</b>	<b>(4)</b>
<b>Financial performance</b>		
Profit/(loss) for the period	3,183	(4)
Other comprehensive profit/(loss) for the period	-	-
<b>Total comprehensive profit/(loss)</b>	<b>3,183</b>	<b>(4)</b>

## Note 26. Commitments

The Group had the following commitments as at 30 June 2025. These obligations are not provided for in the financial report.

	30 June 2025 \$'000	30 June 2024 \$'000
Mine development commitments	3,900	-
<b>Total commitments</b>	<b>3,900</b>	<b>-</b>



## **Note 27. Events occurring after the reporting period**

Subsequent to the period ended 30 June 2025, the following matters have arisen that are likely to significantly affect the operations of the Group –

On 10 July 2025, the Company changed its name from Broken Hill Mines Proprietary Limited to Broken Hill Mines Holdings Proprietary Limited.

On 10 July 2025, Coolabah Metals Limited changed its name to Broken Hill Mines Limited (BHM).

On 14 July 2025, BHM announced that it had completed the acquisition of the entire share capital of the Company. The date of change of control was 9 July 2025. This resulted in a reverse acquisition whereby the Company was deemed to be the acquired of BHM.

On 21 July 2025, the shares of BHM relisted on the ASX under the ticker 'BHM'.

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 28. Earnings per share**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after income tax attributable to the owners of Broken Hill Mines Holdings Proprietary Limited	3,183	(4)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	5,740,959	3,850,000
Weighted average number of ordinary shares and options over ordinary shares used in calculating diluted earnings per share	11,508,950	-
	<b>Cents</b>	<b>Cents</b>
<b>Basic earnings per share</b>	<b>55.44</b>	<b>(0.10)</b>
<b>Diluted earnings per share</b>	<b>27.66</b>	<b>(0.10)</b>



## Note 29. Business combinations

On 31 October 2024, the Company acquired 100% of the outstanding shares in Broken Hill Operations Proprietary Limited (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 paid as cash	1
<b>Total purchase consideration</b>	<b>1</b>

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	4,368
Inventories	12,435
Other current assets	312
Property, plant and equipment	13,650
Other non-current assets	16,963
Trade and other payables	(6,079)
Contract liabilities	(9,589)
Lease liabilities – current	(38)
Employee benefits – current	(2,139)
Employee benefits – non-current	(2,546)
Provision for rehabilitation	(16,540)
<b>Net assets acquired</b>	<b>11,483</b>

Provisional gain on bargain purchase is disclosed as follows.

	31 October 2024
	\$
Net assets acquired	11,482,793
Less purchase consideration paid	(1)
<b>Gain on bargain purchase</b>	<b>11,482,792</b>

The bargain purchase arose as a result of the vendor's ultimate parent making a strategic decision to reduce their exposure to mining and their presence in the Australian market as part of a review of their global operations. Acquisition-related costs of \$2,005,000 have been expensed. BHO contributed \$58,091,000 of revenue and (\$6,905,000) to the Group's profit during the period.



**Note 30. Cash flow from operations reconciliation**

Total comprehensive income/(loss) for the period reconciles to cash flow from operations as follows.

	30 June 2025 \$'000	30 June 2024 \$'000
<b>Total comprehensive income/(loss) for the period</b>	<b>3,183</b>	<b>(4)</b>
<i>Reverse non-cash items</i>		
Depreciation and amortisation	2,610	-
Movement in value of convertible notes embedded derivative	3,761	-
Rehabilitation provision interest unwind	388	-
Impact of change in estimates – environmental rehabilitation provision	(1,052)	-
Gain on bargain purchase	(11,483)	-
Other non-cash items	452	-
<i>Changes in assets and liabilities</i>		
Decrease/(Increase) in trade and other receivables	(11,270)	-
Decrease/(Increase) in inventories	4,259	-
Decrease/(Increase) in prepayments	(681)	-
(Decrease)/Increase in trade and other payables	11,995	4
(Decrease)/Increase in contract liabilities	6,899	-
(Decrease)/Increase in employee benefits provision	380	-
(Decrease)/Increase in environmental rehabilitation provisions	(664)	-
<b>Cash flow from/(used) in operations</b>	<b>8,777</b>	<b>-</b>



## Director's declaration

In accordance with a resolution of the Sole Director of Broken Hill Mines Holdings Proprietary Limited, I state that –

- a) the consolidated financial statements and notes of Broken Hill Mines Holdings Proprietary Limited for the year ended 30 June 2025 are in accordance with the Corporations Act 2001, including:
  - i. *complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and*
  - ii. *giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date.*
- b) in the Director's opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- c) a statement that the attached consolidated financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the consolidated financial statements; and
- d) in the Director's opinion, the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the Sole Director.

Mr Patrick Walta

Sole Director

Dated this 28<sup>th</sup> day of August 2025



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

### Opinion

We have audited the financial report of Broken Hill Mines Holdings Proprietary Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report which indicates that the Consolidated Entity had a net working capital deficit of \$26,797,000 as at 30 June 2025. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(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 opinion is not modified in this respect of this matter.

### Other Information

The director is responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Director for the Financial Report

The director of the Company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the director determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the director also states in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the director is responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL** FCA  
**Director**

Dated this 28<sup>th</sup> day of August 2025  
Perth, Western Australia