Australian Critical Minerals Limited (Previously: Australian Critical Pty Ltd) and its controlled entities
ABN 15 658 906 159

Financial report
For the half-year ended 31 December 2022

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AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

DIRECTORS' REPORT

The directors of Australian Critical Minerals Limited (previously: Australian Critical Minerals Pty Ltd) (the "Company") present their report together with the financial report of Australian Critical Minerals Limited and its controlled entities ("the Group"), for the half-year ended 31 December 2022, and auditor's review report thereon. The Company was incorporated on 21 April 2022 hence there is no comparative information for the reporting period. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

Michael Shaw Taylor (appointed on 21 April 2022, on incorporation of the Company, resigned 15 March 2023)
Gary Robert Brabham (appointed on 24 February 2023)
Dean De Largie (appointed on 24 February 2023)
Steve Boston (appointed 15 March 2023, resigned 30 March 2023)
Johnathon Busing (appointed 30 March 2023)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company Secretaries

The name of the company secretaries in office at any time during or since the end of the financial period are:

Michael Shaw Taylor (resigned 15 March 2023)
Johnathon Busing (appointed 24 February 2023)

Results

The loss of the Group for the half-year after providing for income tax amounted to $463,338.

Review of operations

The Group progressed its search for suitable mining exploration assets to acquire.

Significant changes in state of affairs

On 8 August 2022, the Company entered into a farm-in agreement with Kula Gold Limited (ASX: KGD) to acquire the exclusive right to earn up to 51% interest in the Rankin Dome Project. The Group is to spend $200,000 and complete 2,000m of RC drilling within 24 months of satisfying all the conditions precedent (including the completion of mutual due diligence, undertaking a capital raising of at least $4,500,000 and successfully being quoted on the Australian Securities Exchange ('ASX') by 30 June 2023).

On 7 November 2022 the Company entered into three heads of agreement, which completed on 2 December 2022, to acquire 100% of the fully ordinary paid shares in Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd. Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd are the beneficial owners of mining and exploration tenements located in Western Australia. In consideration for the acquisition, the Company issued a total of 6,750,000 fully paid ordinary shares at a deemed issue price of $0.16 per share for a total of $1,080,000 and will issue 2,100,000 performance rights vesting upon ASX approval and achieving the milestones.

On 2 December 2022, the Company repaid a $100,000 loan to a shareholder by issuing 1,000,000 fully paid ordinary shares at an issue price of $0.10 per share with a 1-for-1 attaching option exercisable at $0.30 per share on or before the date that is 3 years from the date of listing of the Company on the ASX.

On 2 December 2022 the Company also issued the following shares:

- 3,281,250 fully paid ordinary shares at an issue price of $0.16 per share with a 1-for-1 attaching option exercisable at $0.30 per share on or before the date that is 3 years from the date of listing of the Company on the ASX, pursuant to a Pre-IPO round of capital raising.
- 2,500,000 fully paid ordinary shares at an issue price of $0.02 per share with a 1-for-1 attaching option exercisable at $0.30 per share on or before the date that is 3 years from the date of listing of the Company on the ASX, pursuant to a Pre-IPO round of capital raising.
- 1,000,000 fully paid ordinary shares at an issue price of $0.01 per share, in lieu of consultant fees for the services provided in facilitating the Kula Gold Farm-in Agreement.

Principal activities

The principal activities of the Group were to explore for, discover and then proceed to develop mineral deposits.

No significant change in the nature of these activities occurred during the period.

After balance sheet date events

On 24 February 2023, Gary Robert Brabham and Dean De Largie were appointed as directors of the Company. On the same date, the Company converted from a proprietary to a public company and changed its name from Australian Critical Minerals Pty Ltd to Australian Critical Minerals Limited.

On 15 March 2023, Michael Shaw Taylor resigned from his position of director and company secretary, and Steve Boston was appointed as director of the Company. On 30 March 2023, Steve Boston resigned from his position of director, and Johnathon Busing was appointed as director of the Company.

On 21 February 2023, the Company entered into a Share sale agreement, which completed on 27 March 2023, to acquire 100% of the fully ordinary paid shares in Proterozoic Gold Pty Ltd, a beneficial owner of mining and exploration tenements located in Western Australia. The Company paid a non-refundable deposit of $35,000. In consideration for the acquisition, the Company issued 3,250,000 fully paid ordinary shares at an issue price of $0.20 per share for a total of $650,000. The acquisition and the share issue are subject to the Company successfully listing on the Australian Securities Exchange (ASX).

Other than the above, no other 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 years.

Likely developments

The Company wishes to conduct an initial public offer (IPO) on the Australian Securities Exchange (ASX) either through making an application to list itself, or through it being acquired by another company that will apply to list or is listed on the ASX.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends paid, recommended and declared

There were no dividends paid or declared during the current period or previous financial year.

Options and performance rights

Details of the Company's unissued shares or interests under options as at the date of this report are:

Grant date	Number of option	Class of shares	Issue Price	Exercise price of option	Vesting date	Expiry date of options
02 Dec 2022	1,000,000	Ordinary	NIL	$0.30	Listing date	3 years from listing
02 Dec 2022	3,281,250	Ordinary	NIL	$0.30	Listing date	3 years from listing
02 Dec 2022	2,500,000	Ordinary	NIL	$0.30	Listing date	3 years from listing

The options will vest on the date of listing of the Company on the Australian Securities Exchange (ASX).

Grant date	Number of Performance Rights	Class of Performance Rights	Vesting date	Expiry date of Performance Rights
02 Dec 2022	700,005	Class A Vendor	Listing date	15 months from listing
02 Dec 2022	700,002	Class B Vendor	Listing date	27 months from listing
02 Dec 2022	699,993	Class C Vendor	Listing date	51 months from listing

The performance rights vest subject to ASX approval and on the date that the performance milestone relating to each class has been satisfied.

No other options over unissued shares or interests in the Company were granted during or since the end of the financial year.

Each Performance Right is a right of the holder to acquire one fully paid ordinary share in the capital of the Company subject to the below terms and conditions:

Class of Performance Rights	Number of Performance Rights to be issued	Milestone	Achievement Probability	Milestone Satisfaction Date	Expiry Date
Vendor Performance Rights					
Class A	700,005	Vesting upon reporting of an inferred mineral resource of 30,000,000 tonnes Al2O3 at one or more of the Beverley kaolin Project, Kojonup kaolin Project and Kondinin kaolin Project (Projects) at a cut-off grade of >30% and with less than 1% Fe, less than 1% Ti, greater than 75% whiteness and greater than 80% brightness.	55%	The date which is 12 months from the day the Company's securities are admitted to the official list of the ASX (Admission Date).	The date which is 15 months from the Admission Date
Class B	700,002	Vesting upon completion of a scoping study in respect of kaolin production at one or more of the Projects that represents a >30% IRR and >200tpa production over 15 years.	70%	The date which is 24 months from the Admission Date	The date which is 27 months from the Admission Date
Class C	699,993	Vesting upon grant of a mining lease in respect of one or more of the Projects for kaolin.	75%	The date which is 48 months from the Admission Date	The date which is 51 months from the Admission Date
Total	2,100,000				

Meetings of directors

During the period no meeting of Directors was held.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been a director of the Group.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an auditor of the Group.

DIRECTORS' REPORT

Proceedings on behalf of the Group

No person has applied for leave of Court to being proceeding 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 for all or any part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial period is provided with this report.

Signed in accordance with a resolution of the directors.

Director: ______________________________

Gary Robert Brabham

Dated this: 21 April 2023

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Australian Critical Minerals Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated 21st day of April 2023
Perth, Western Australia

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 16 658 906 159

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 $
Revenue		-
Less: Expenses		
Administration Expenses		(2,776)
Consulting Expenses		(135,139)
Compliance costs		(12,000)
Professional Fees		(17,746)
Share-based payments	9	(295,677)
Loss before income tax		(463,338)
Income tax expense		-
Loss after income tax		(463,338)
Other comprehensive income		-
Total comprehensive loss		(463,338)
Loss per share:		
Basic and diluted (cents per share)		(19.556)
Weighted average number of shares		2,369,236

The accompanying notes form part of these financial statements.

AUSTRALIAN CRITICAL MINERALS LTD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	31 December 2022 $	30 June 2022 $
Current assets			
Cash and cash equivalents	4	248,293	100,002
Other receivables		44,666	-
Other assets		34,194	-
Total current assets		327,153	100,002
Non-current assets			
Exploration and evaluation expenditure	5	1,653,615	-
Total non-current assets		1,653,615	100,002
Total assets		1,980,768	100,002
Current liabilities			
Trade and other payables	6	75,335	12,949
Borrowings	7	-	101,051
Total current liabilities		75,335	114,000
Non-Current liabilities			
Borrowings	7	147,005	-
Total Non-Current liabilities		147,005	-
Total liabilities		222,340	114,000
Net assets		1,758,428	(13,998)
Equity			
Issued capital	8	1,710,647	2
Reserves	10	525,119	-
Accumulated losses		(477,338)	(14,000)
Total equity		1,758,428	(13,998)

The accompanying notes form part of these financial statements.

AUSTRALIAN CRITICAL MINERALS LTD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued capital $	Reserve $	Accumulated losses $	Total equity $
Balance as at 1 July 2022	2	-	(14,000)	(13,998)
Loss for the period	-	-	(463,338)	(463,338)
Total comprehensive loss	-	-	(463,338)	(463,338)
Issue of fully paid ordinary shares	2,325,000	-	-	2,325,000
Share issue costs	(614,355)	-	-	(614,355)
Share based payments	-	525,119	-	525,119
Balance at 31 December 2022	1,710,647	525,119	(477,338)	1,758,428

The accompanying notes form part of these financial statements.

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 $
Cash flow from operating activities		
Payments to suppliers		(105,923)
Net cash (used in) operating activities	11	(105,923)
Cash flow from investing activities		
Acquisitions, net of cash acquired		6,376
Payment for explorations, evaluations and development		(151,598)
Loan to third party		(34,194)
Net cash (used in) investing activities		(179,416)
Cash flow from financing activities		
Proceeds from issue of shares		575,000
Payments for share issue costs		(50,050)
Proceeds from borrowings		40,280
Repayment of borrowings		(131,600)
Net cash provided by financing activities		433,630
Net increase in cash and cash equivalents		148,291
Cash and cash equivalents at beginning of the financial year		100,002
Cash at end of the period	4	248,293

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Australian Critical Minerals Limited and its controlled entities ("the Group"). Australian Critical Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting'*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board. No comparative information is provided for the half-year ended 31 December 2022 as the company was not incorporated until 21 April 2022.

The financial report was approved by the director as at the date of the directors' report.

The following specific accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

The financial report has been prepared on an accrual basis and are based on historical cost convention.

(b) Going concern

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

The Group incurred a loss for the period ended 31 December 2022 of $463,338 and net cash outflows from operating activities of $105,923. At 31 December 2022, the Group had working capital of $251,818 and cash resources of $248,293.

The ability of the Group to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast a significant doubt over the Group's ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The Group has prepared a cash flow forecast, which has allowances for further capital to be raised and indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis:

- The group plans to undertake a capital raising via the issue of shares in an initial public offering in conjunction with a proposed listing on the Australian Securities Exchange.

(b) Going concern (cont'd)

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

(c) Principle of Consolidation

The consolidated financial statements incorporate all assets, liabilities, and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(d) Adoption of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(f) Financial instruments

(i) Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (cont'd)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial

liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value that are recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (cont'd)

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Other financial liabilities comprise trade and other payables and loan from a director.

(g) Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(h) Trade and other payables

Trade and other payables are carried at amortised cost and represent unpaid liabilities for goods and services provided to the Group prior to the end of the period.

(i) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity on or before the end of the financial period but not distributed at the end of the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Share capital

Ordinary Shares

Share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Exploration and evaluation expenditure

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the costs of acquiring rights to explore areas of interest, as all other exploration expenditure, are capitalised. The costs of acquisition are carried forward where the rights of tenure are current and:

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or

(ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources.

Exploration and evaluation assets are assessed annually for impairment in accordance with AASB 6 and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income where the carrying values of exploration and evaluation assets exceed their recoverable amounts.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Share-based payments

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is measured by using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

(n) Segment

The nature of operations and principal activities of the group are exploration in Australia. Given, the nature of the group, its size and current operations, management does not treat any part of the group as a separate operating segment.

Internal financial information used by the Group's chief operating decision maker is presented as a group without dissemination to any separate identifiable segment. Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

(o) Earnings per share ('EPS')

Basic EPS is calculated by dividing the net profit/(loss) attributable to members of the Group for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings/(loss), adjusted by the after-tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive ordinary shares adjusted for any bonus issue.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE

(a) Standards and Interpretations applicable to 31 December 2022

In the half-year ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2022. As a result of this the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

(b) Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2022. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculatings which incorporate various key assumptions.

Impairment of capitalised development costs

Capitalised development costs is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

The directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as development continues and more information becomes available. Where it is evident that the value of development costs cannot be recovered, the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

	31 December 2022 $	30 June 2022 $

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	2	2
Cash at bank	248,291	100,000
	248,293	100,002

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE

Carried forward exploration and evaluation expenditure	-	-
Acquisition of tenements	1,318,033	-
Expenditure incurred during the period	335,582	-
Carrying value at end of the period	1,653,615	-

Exploration expenditure per subsidiary

Bayzephyr Pty Ltd (i)	420,235	-
Evextra Pty Ltd (i)	402,930	-
Newnation Holdings Pty Ltd (i)	830,450	-
	1,653,615	-

(i) On 02 December 2022, the Company entered into three heads of agreement which completed on 2 December 2022, to acquire Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd. The total consideration for these acquisitions was the issue of 6,750,000 fully paid ordinary shares at a deemed issue price of $0.16 per share, for a total of $1,080,000 and 2,100,000 performance rights valued at $224,000. Also Refer to note 8 and 10.

In accordance with the Group's Accounting Policy the acquired exploration and evaluation expenditure has been capitalised in the Consolidated Statement of Financial Position.

NOTE 6: TRADE AND OTHER PAYABLES

Accounts Payable	28,637	-
Accruals	46,698	12,949
	75,335	12,949

NOTE 7: BORROWINGS

	31 December 2022 $	30 June 2022 $
a) Movement in borrowings		
Balance at beginning of year	101,051	-
Acquired [(i)]	237,275	-
Additional Loans	40,280	101,051
Non-cash Repayments (Shares) [(ii)]	(100,000)	-
Cash Repayment	(131,601)	-
Balance at end of period/year	147,005	101,051
Current Liabilities	-	101,051
Non-Current Liabilities	147,005	-
Balance at end of period/year	147,005	101,051

(i) Through its newly acquired subsidiaries, the Group acquired unsecured and interest-free loans from H S Majteles Family Trust and Sandton Family Trust. The loans are not payable within twelve months and will be repaid once the Group has the financial capability to repay them after the Group is listed on the ASX. The balance of the loan with Sandton Family Trust, an entity related to director Michael Shaw-Taylor, is $123,315 at the end of the period.

(ii) The Company repaid an unsecured and interest-free loan from Kobi Ben Shabat, a shareholder of the Company. The balance of the loan was converted to 1,000,000 fully paid ordinary shares of the Company with 1-for-1 attaching option, on 2 December 2022. Also refer to note 8.

The Company also repaid a loan from company director Michael Shaw-Taylor of $1,051. The funding was in relation to the payment of consulting fees. The loan was unsecured and interest-free.

	31 December 2022 $	30 June 2022 $
NOTE 8: ISSUED CAPITAL		
a) Issued and fully paid 14,531,260 ordinary shares (2022: 10 ordinary shares)	1,710,647	2

	31 December 2022		30 June 2022	
	No.	$	No.	$
(b) Movement in ordinary shares				
Balance at beginning of year	10	2	-	-
Founder shares	-	-	10	2
Consulting fees shares (i)	1,000,000	160,000	-	-
Pre-IPO Brokers shares (ii)	2,500,000	400,000	-	-
Pre-IPO Seed capital shares(ii)	3,281,250	525,000	-	-
Loan conversion shares(iii)	1,000,000	160,000	-	-
Tenement Acquisition shares (iv)	6,750,000	1,080,000	-	-
Share issue costs(v)	-	(614,355)	-	-
Balance at end of period	**14,531,260**	**1,710,647**	**10**	**2**

(i) In lieu of consultant fees for the services provided in facilitating the Kula Gold Farm-in Agreement. Fees included a $8,000 fee from Sandton Capital Advisory Pty Ltd, an entity related to company director Michael Shaw-Taylor.
(ii) Issue of Pre-IPO Broker shares with a 1 for 1 option exercisable at $0.30 per share within 3 years of listing. Also refer to note 10.
(iii) Issue of 1,000,000 shares following the conversion of a loan with a shareholder, with a 1 for 1 option exercisable at $0.30 per share within 3 years of listing. Also refer to Notes 9 and 10.
(iv) Acquisition of Evextra Pty Ltd, Bayzephyr Pty Ltd and NewNation Holdings Pty Ltd. Also refer to Note 5.
(v) Share issue costs include a $43,950 fee paid to Sandton Capital Advisory Pty Ltd, an entity related to company director Michael Shaw-Taylor, as per the lead manager and corporate adviser mandate signed 05 September 2022.

The Group does not have authorised capital or par value in respect of its shares. All issued shares are fully paid.

	31 December 2022 $

NOTE 9: SHARE-BASED PAYMENTS

Issue of options to lender on loan conversion (i)	85,677
Issue of shares to lender on loan conversion (i)	60,000
Issue of shares to consultants (ii)	150,000
Share based payments expense in the profit and loss	295,677

(i) Issue of 1,000,000 shares at a deemed issue price of $0.16 following the conversion of a loan with a shareholder, with a 1 for 1 option exercisable at $0.30 per share within 3 years of listing. Also refer to note 10.

(ii) issue of 1,000,000 shares In lieu of consultant fees for the services provided in facilitating the Kula Gold Farm-in Agreement. Also refer to note 8.

NOTE 10: RESERVES

Balance at the beginning of the year	-
Issue of options to lender on loan conversion (i)	85,677
Issue of pre-IPO broker options (ii)	215,442
Issue of performance rights to vendors (iii)	224,000
Carrying value at end of the period	525,119

The share option reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options.

(i) Issue of 1,000,000 unlisted options exercisable at $0.30 per share within 3 years of listing, following the conversion of a loan with a shareholder. The options have been valued using the Black Scholes option pricing model.

(ii) Issue of 2,500,000 unlisted Broker options exercisable at $0.30 per share within 3 years of listing, following the Pre-IPO round of capital raising. The options have been valued using the Black Scholes option pricing model.

(iii) Issue of 2,100,000 performance rights to vendors of Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd, in three different classes each with its own specific vesting milestone.

NOTE 10: RESERVES (cont'd)

The following input were used for the valuation of the options and performance rights:

	Options to shareholder	Options to brokers	Class A Vendor Performance Rights	Class B Vendor Performance Rights	Class C Vendor Performance Rights
Grant date	02/12/2022	02/12/2022	02/12/2022	02/12/2022	02/12/2022
Spot price	$0.160	$0.160	$0.160	$0.160	$0.160
Exercise price	$0.300	$0.300	-	-	-
Life of Options/Rights (Months)	36	36	15	27	51
Volatility %	100%	100%	-	-	-
Risk free rate	2.95%	3.49%	-	-	-
Dividend yield	Nil	Nil	Nil	Nil	Nil
Probability of achievement	-	-	55%	70%	75%
Number of Options / Rights	1,000,000	2,500,000	700,005	700,002	699,993
Valuation per Option / Right	$0.08568	$0.08618	$0.08800	$0.11200	$0.12000
Total Valuation	$85,677	$215,442	$61,600	$78,400	$84,000

Performance rights with a non-market-based milestones have been valued based on the spot price of $0.16 per share at grant date and management's best estimate of the probability of achievement of the performance milestones. Management estimates that it is more than likely that performance milestones for Class A, B and C will be achieved. For the period, the total fair value of $224,000 has been recognised as exploration and evaluation expenditure.

Each Performance Right is a right of the holder to acquire one fully paid ordinary share in the capital of the Company subject to the below terms and conditions:

Class of Performance Rights	Number of Performance Rights to be issued	Milestone	Achievement Probability	Milestone Satisfaction Date	Expiry Date
Vendor Performance Rights					
Class A	700,005	Vesting upon reporting of an inferred mineral resource of 30,000,000 tonnes Al2O3 at one or more of the Beverley kaolin Project, Kojonup kaolin Project and Kondinin kaolin Project (Projects) at a cut-off grade of >30% and with less than 1% Fe, less than 1% Ti, greater than 75% whiteness and greater than 80% brightness.	55%	The date which is 12 months from the day the Company's securities are admitted to the official list of the ASX (Admission Date).	The date which is 15 months from the Admission Date

Class of Performance Rights	Number of Performance Rights to be issued	Milestone	Achievement Probability	Milestone Satisfaction Date	Expiry Date
Class B	700,002	Vesting upon completion of a scoping study in respect of kaolin production at one or more of the Projects that represents a >30% IRR and >200tpa production over 15 years.	70%	The date which is 24 months from the Admission Date	The date which is 27 months from the Admission Date
Class C	699,993	Vesting upon grant of a mining lease in respect of one or more of the Projects for kaolin.	75%	The date which is 48 months from the Admission Date	The date which is 51 months from the Admission Date
Total	2,100,000				

NOTE 11: CASH FLOW INFORMATION

	31 December 2022 $
Reconciliation of cash flow from operations with loss after income tax	
Loss from ordinary activities after income tax	(463,338)
Non-cash flows in loss after income tax	
Share-based payment	295,677
Consulting expenses settled by shares	10,000
Changes in assets and liabilities	
(Increase)Decrease in trade and other receivables	(9,098)
Increase(Decrease) in trade and other payable	60,836
Cash flows (used in) operating activities	(105,923)

NOTE 12: DIVIDENDS

There were no dividends paid during the current period or previous financial year.

NOTE 13: COMMITMENTS AND CONTINGENT LIABILITIES

On 8 August 2022, the Company entered into a farm-in agreement with Kula Gold Limited (ASX: KGD) to acquire the exclusive right to earn up to 51% interest in the Rankin Dome Project ('Stage 1').

The Group can earn 'Stage 1' through undertaking exploration and incurring exploration expenditure of $200,000, which shall include at least 2000m of RC drilling, within 24 months of satisfying all the conditions precedent (including the completion of mutual due diligence, undertaking a capital raising of at least $4,500,000 and successfully being quoted on the Australian Securities Exchange ('ASX') by 30 June 2023).

The directors are not aware of any other contingencies at the reporting date.

NOTE 14: COMMITMENTS FOR EXPLORATION

In order to maintain current rights of tenure to tenements the Group is required to incur minimum expenditures to meet the requirements specified by the Western Australian State Government. These obligations may change depending on the age and type of the tenements. The Group has a minimum expenditure commitment on tenures under its control. The Group can apply for exemption from compliance with minimum tenement expenditure requirements.

	31 December 2022 $
The Group's minimum expenditure commitments in relation to its tenements are as follows:	
Within 1 year	616,000
Between 1 and 5 years	1,530,005
	2,146,005

Other than the above, the Directors of the Group consider that there are no other material commitments outstanding as at 31 December 2022

NOTE 15: AUDITOR'S REMUNERATION

Remuneration of the auditors of the Group (Hall Chadwick):

Audit and review of financial reports	7,000
Assistance with In Principal Application	3,000
Preparation of Investigating Accountant's Report	5,000
	15,000

NOTE 16: RELATED PARTIES

The Group signed a lead manager and corporate adviser mandate on 05 September 2022 with Sandton Capital Advisory Pty Ltd, an entity related to company director Michael Shaw-Taylor.

During the reporting period, the Group paid $30,000 corporate advisory fees and $43,950 lead manager fees to Sandton Capital Advisory Pty Ltd as per the agreement. The Group also paid $12,000 accounting and administrative support fees and $8,000 consulting fees to Sandton Capital Advisory Pty Ltd during the reporting period.

	31 December 2022 $
Loans with Sandton Family Trust	
Total loans during the period	30,000
Total loans outstanding. Also refer note 7	123,315

There were no other transactions with related parties during the current reporting period, other than those already disclosed elsewhere in this financial report.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 24 February 2023, Gary Robert Brabham and Dean De Largie were appointed as directors of the Company. On the same date, the Company converted from a proprietary to a public company and changed its name from Australian Critical Minerals Pty Ltd to Australian Critical Minerals Limited.

On 15 March 2023, Michael Shaw Taylor resigned from his position of director and company secretary, and Steve Boston was appointed as director of the Company. On 30 March 2023, Steve Boston resigned from his position of director, and Johnathon Busing was appointed as director of the Company.

On 21 February 2023, the Company entered into a Share sale agreement, which completed on 27 March 2023, to acquire 100% of the fully ordinary paid shares in Proterozoic Gold Pty Ltd, a beneficial owner of mining and exploration tenements located in Western Australia. The Company paid a non-refundable deposit of $35,000. In consideration for the acquisition, the Company issued 3,250,000 fully paid ordinary shares at an issue price of $0.20 per share for a total of $650,000. The acquisition and the share issue are subject to the Company successfully listing on the Australian Securities Exchange (ASX).

Apart from the above, there has been no other matter or circumstance, which has arisen since 31 December 2022 that has significantly affected or may significantly affect:

(a) the operations, in half year subsequent to 31 December 2022, of the Group, or
(b) the results of those operations, or
(c) the state of affairs, in half year subsequent to 31 December 2022, of the Group

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the attached financial statements and notes thereto comply with the *Corporations Act 2001,* including compliance with accounting standard *AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

(b) the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date;

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(d) the attached financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Gary Robert Brabham
Director

Dated this: 21 April 2023

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN CRITICAL MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Australian Critical Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the Consolidated Entity incurred a net loss of $463,338 during the half year ended 31 December 2022. 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 conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated 21st day of April 2023
Perth, Western Australia