



31 DECEMBER 2022 HALF-YEAR REPORT

**Interim consolidated financial statements
for the half-year ended 31 December 2022**

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This Interim Report covers iTech Minerals Ltd ("iTech" or the "Company") as a Group consisting of iTech Minerals Ltd and its subsidiaries, collectively referred to as the "Group". The financial report is presented in the Australian currency.

iTech is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, 170 Greenhill Road
PARKSIDE, SA 5063

DIRECTORS' REPORT

iTech Minerals Ltd (iTech or Company) Directors present their Report together with the financial statements of the consolidated entity, being iTech Minerals Ltd (**"iTech" or "the Company"**) and its controlled entities (**"the Group"**) for the half year ended 31 December 2022 and the Independent Review Report thereon.

DIRECTORS

The names of the directors in office at any time during the reporting period and since the end of the period are:

Glenn Davis
Michael Schwarz
Gary Ferris

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

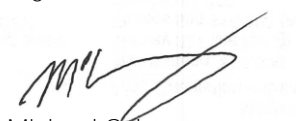
iTech Minerals Ltd holds exploration projects primarily comprising tenements in highly prospective geology for battery minerals (graphite) and industrial minerals (kaolin and halloysite) in South Australia.

In the half year to 31 December 2022, the Group progressed mineral exploration on assets acquired from Archer Materials Limited (Archer, ASX:AXE), prospective for graphite, rare earths and kaolin. iTech further raised net \$6.5 million from a share placement and share purchase plan primarily to progress its graphite assets on the Eyre Peninsula.

The net loss of the Company, from the six months to 31 December 2022 was \$581,382 (2021: \$616,983). The main factors contributing to the reduced loss are expensed IPO costs of \$283,147 in the comparative period as well as interest income and gain on sale of a NSW tenement. The reduced loss is partly offset by increased employee benefit expenses of \$111,389 and administration due to a full six months of operations (iTech listed in October 2021).

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* (Cth) is included on page 3 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors.



Michael Schwarz
Managing Director

Adelaide
21 February 2023

AUDITOR'S INDEPENDENCE DECLARATION



Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of iTech Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of iTech Minerals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J. L. Humphrey
Partner – Audit & Assurance

Adelaide, 21 February 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2022

	Notes	31 December 2022 \$	31 December 2021 \$
Interest income		41,654	793
Other income		69,462	-
Broker and investor relations		(78,750)	(20,000)
Employee benefits expense		(209,512)	(98,123)
Exploration expense		-	(2,195)
Impairment expense		(69,932)	-
Depreciation		(53,397)	(6,885)
IPO costs expensed		-	(283,147)
Other expenses		(250,907)	(207,426)
Loss before tax		(551,382)	(616,983)
Income tax (expense) / benefit		-	-
Loss for the period from continuing operations attributable to owners of the parent		(551,382)	(616,983)
Other Comprehensive income attributable to owners of the parent		(30,000)	-
Total Comprehensive loss for the period attributable to owners of the parent		(581,382)	(616,983)
Earnings Per Share from Continuing Operations			
Basic and diluted loss – cents per share	2	(0.55)	(1.30)

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 \$	30 June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		8,477,217	4,564,313
Other current assets		54,674	100,589
Non-current assets held for sale		-	19,361
Total current assets		8,531,891	4,684,263
Non-current assets			
Exploration and evaluation expenditure	3	13,133,382	11,609,839
Plant and equipment		64,094	66,021
Right of use lease asset		132,490	170,924
Financial assets - FVOCI	4	60,000	-
Total non-current assets		13,389,966	11,846,784
TOTAL ASSETS		21,921,857	16,531,047
LIABILITIES			
Current liabilities			
Trade and other payables		279,896	459,924
Employee provisions		24,391	27,528
Lease liability		74,094	73,610
Total current liabilities		378,381	561,062
Non-current liabilities			
Lease liability		62,853	99,165
Employee provisions		1,690	-
Total non-current liabilities		64,543	99,165
TOTAL LIABILITIES		442,924	660,227
NET ASSETS		21,478,933	15,870,820
EQUITY			
Issued capital	5	23,091,013	16,951,351
Reserves		19,833	-
Accumulated losses		(1,631,913)	(1,080,531)
TOTAL EQUITY		21,478,933	15,870,820

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

2022

	Share capital	Financial assets Reserve	Share based payment Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	16,951,351	-	-	(1,080,531)	15,870,820
Placement shares	4,500,000	-	-	-	4,500,000
SPP shares	2,000,057	-	-	-	2,000,057
Share issue expenses	(360,395)	-	-	-	(360,395)
Fair value of employee performance rights	-	-	49,833	-	49,833
Transactions with owners	6,139,662	-	49,833	-	6,189,495
<i>Comprehensive income:</i>					
Total profit or loss for the reporting period	-	-	-	(551,382)	(551,382)
Total other comprehensive income for the reporting period	-	(30,000)	-	-	-
Balance 31 December 2022	23,091,013	(30,000)	49,833	(1,631,913)	21,478,933

2021

	Share capital	Accumulated losses	Total equity
	\$	\$	\$
Balance at 1 July 2021	649,275	(29,507)	619,768
IPO shares	7,000,000	-	7,000,000
IPO vendor shares	10,000,000	-	10,000,000
IPO broker shares	50,000	-	50,000
Share issue expenses	(744,280)	-	(744,280)
Transactions with owners	16,305,720	-	16,305,720
<i>Comprehensive income:</i>			
Total profit or loss for the reporting period	-	(616,983)	(616,983)
Total other comprehensive income for the reporting period	-	-	-
Balance 31 December 2021	16,954,995	(646,490)	16,308,505

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2022

	31 December 2022 \$	31 December 2021 \$
Operating activities		
Interest received	13,153	793
Payments to suppliers and employees	(509,301)	(283,747)
Payments for expensed exploration expenditure	-	(2,195)
Net cash used in operating activities	(496,148)	(285,149)
Investing activities		
Payments for capitalised exploration expenditure	(1,730,544)	(362,213)
Payments for plant and equipment	(15,365)	(61,173)
Net cash used in investing activities	(1,745,909)	(423,386)
Financing activities		
Proceeds from issue of shares	6,500,057	7,000,000
Share Issue expenses	(345,096)	(923,927)
Net cash from financing activities	6,154,961	6,076,073
Net change in cash and cash equivalents	3,912,904	5,367,538
Cash and cash equivalents, beginning of reporting period	4,564,313	579,945
Cash and cash equivalents, end of period	8,477,217	5,947,483

This statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of operations

The Group's principal activities are the exploration for industrial minerals (graphite, kaolin and halloysite) and battery minerals in South Australia.

b) General information and basis of preparation

The interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2022 and are presented in Australian dollars (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 (Cth) and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with AIFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001 (Cth). The Company is a for profit entity for the purposes of preparing its financial statements.

The interim financial statements have been approved and authorised for issue by the board of directors on 21 February 2023.

c) Significant accounting policies

The Group has adopted all the amendments to the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the period beginning 1 July 2022. The adoption of all of the relevant new and/or revised Australian Accounting Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on either the amounts reported for the current or previous financial years.

d) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

i. Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

ii. Key judgements – exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

iii. Share-based payment transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by the Board of Directors with reference to quoted market prices or using the Black-Scholes valuation method, where required, taking into account the terms and conditions upon which the equity instruments were granted. The fair value of performance rights is calculated using **the Company's share price at the time of issue**. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

iv. 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 consolidated entity 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 other comprehensive income

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

Impairment of financial assets

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

2. EARNINGS PER SHARE

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31 December 2022 #	6 months to 31 December 2021 #
Weighted average number of shares used in basic earnings per share	101,065,980	47,435,236
Weighted average number of shares used in diluted earnings per share	101,065,980	47,435,236
Profit / (loss) per share – basic and basic (cents)	(0.55)	(1.30)

There were 3,300,000 options and performance rights outstanding at the end of the period that have not been taken into account in calculating diluted EPS due to their effect being anti-dilutive.

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 \$	30 June 2022 \$
Opening balance	11,609,839	-
Expenditure on exploration during the period	1,594,652	1,643,176
Acquisition of projects – IPO	-	10,000,000
Impairment of exploration expenditure	(69,932)	(13,976)
Transfer to assets held for re-sale / disposed	(1,177)	(19,362)
Total exploration and evaluation	13,133,382	11,609,839

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2022 \$	30 June 2022 \$
Unlisted ordinary shares	60,000	-

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:

Opening fair value	-	-
Additions – consideration for the sale of NSW licence EPM8894	90,000	-
Disposals	-	-
Revaluation increments	(30,000)	-
Closing fair value	60,000	-

The 1,500,000 shares in Stanaurum Limited were acquired following the transfer of the tenement under an agreement with Ruby Creek Resources Pty Ltd at a price \$0.06 per share. The shares were revalued to \$0.04 per share following confirmation that the most recent issue of Stanaurum shares was at that price, **on arm's length terms**.

5. SHARE CAPITAL

31 December 2022	Number of shares	31 December 2022 \$
(a) Issued and paid up capital		
Fully paid ordinary shares	122,083,562	23,091,013
	122,083,562	23,091,013
(b) Movements in fully paid shares		
Balance as at 1 July 2022	96,083,334	16,951,351
Share placements	18,000,000	4,500,000
Share purchase plan	8,000,228	2,000,057
Capital raising costs	-	(360,395)
Balance as at 31 December 2022	122,083,562	23,091,013

31 December 2021	Number of shares	31 December 2021 \$
(a) Issued and paid up capital		
Fully paid ordinary shares	96,083,334	16,954,995
	<hr/>	<hr/>
	96,083,334	16,954,995
(b) Movements in fully paid shares		
Balance as at 1 July 2021	10,833,334	649,275
IPO shares	35,000,000	7,000,000
IPO vendor shares	50,000,000	10,000,000
IPO broker shares	250,000	50,000
Capital raising costs	-	(747,924)
Balance as at 31 December 2021	<hr/>	<hr/>
	96,083,334	16,951,351

6. OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded that at this time there are no separately identifiable segments.

7. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

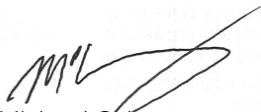
No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of iTech Minerals Ltd, the Directors of the Company declare that:

- a) the consolidated financial statements and notes of iTech Minerals Ltd are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the financial period ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 (Cth); and
- b) there are reasonable grounds to believe that iTech Minerals Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Michael Schwarz
Managing Director

Adelaide
21 February 2023

Independent Audit Report



Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Independent Auditor's Review Report

To the Members of iTech Minerals Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of iTech Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, 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 accompanying half-year financial report of iTech Minerals Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the iTech Minerals Limited 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 the 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 Group 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 (including Independence Standards)* (the Code) 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.

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Directors' responsibility for the half-year 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 internal 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Group'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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 21 February 2023



ASX: ITM