

CAPRICE RESOURCES LTD

ABN 96 624 970 725

AND CONTROLLED ENTITY

INTERIM CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2022



CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

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CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

DIRECTORS' REPORT

The Directors present their report together with the interim consolidated financial report of Caprice Resources Ltd and its controlled entity (the Group) for the half year ended 31 December 2022 and the independent auditor's review report thereon.

Directors

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

David Church (Non-Executive Chairman)
Andrew Muir (Managing Director)
Michael Caruso (Non-Executive Director)
Adam Miethke (Non-Executive Director)

Principal Activities

The principal activities of the Group are mining and mineral exploration. There were no significant changes in these activities during the half year.

Review of Operations

During the half year, the Group:

- completed a Tranche 1 placement raising \$1m (before costs) with Tranche 2 to raise \$0.3m subject to shareholder approval at a meeting to be held 16 March 2023;
- signed an agreement to acquire the Mukinbudin Rare Earth Element Project consisting of one Exploration Licence E70/5939 for 7,780,000 ordinary shares and 22,000,000 unquoted options subject to shareholder approval at a meeting to be held 16 March 2023;
- completed the first aeromagnetic survey for imminent drilling at the Northampton Project;
- completed a follow up drill program producing better results at The Island Gold Project;
- completed a high-level targeting study at the Wild Horse Hill Project;
- continues to await Heritage response to enable ground access at the Cuddingwarra and Big Bell South Projects.

Financial Results

The loss of the Group for the period ending 31 December 2022 was \$655,054 (31 December 2021: \$727,161). During the half year, total expenses amounted to \$659,455 (31 December 2021: \$727,269).

Cash and cash equivalents amounted to \$1,804,139 as at 31 December 2022 (30 June 2022: \$1,958,751).

Significant Changes in the State of Affairs

There were no other significant changes in the State of Affairs of the Group during the financial half year.

Events Subsequent to the End of the Reporting Period

The Group has proposed to issue 6,000,000 unquoted options, exercisable at \$0.10 each with a 3-year term to Directors and complete Tranche 2 placement to raise an additional \$0.3m being subject to shareholder approval at a meeting to be held 16 March 2023.

There were no other matters or circumstances occurred since the end of the financial half year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the situation of the Group in future financial years.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Andrew Muir', is positioned above the printed name and title.

Andrew Muir
Managing Director

Dated this 14th day of March 2023

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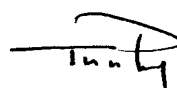
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Caprice Resources 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:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2023

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

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

	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Income			
Interest income		4,401	108
Total income		4,401	108
Expenses			
Administration expenses		(236,290)	(177,182)
Consultants and management expenses		(250,119)	(339,551)
Depreciation and amortisation		(19,861)	(19,464)
Financial costs		(2,045)	(3,058)
Share based payments expense	4	(145,940)	(111,712)
Exploration costs expensed or written off		(5,200)	(54,226)
Transaction costs		-	(22,076)
Total expenses		(659,455)	(727,269)
Loss before income tax for the half year		(655,054)	(727,161)
Income tax expense		-	-
Loss after income tax expense for the half year		(655,054)	(727,161)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Total other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss for the half year		(655,054)	(727,161)
Attributable to:			
Members of the Caprice Resources Ltd		(655,054)	(727,161)
Basic and diluted loss per share (cents per share)		(0.79)	(1.06)

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31 Dec 2022	30 Jun 2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,804,139	1,958,751
Trade and other receivables		23,798	50,750
Other assets		80,206	63,372
TOTAL CURRENT ASSETS		1,908,143	2,072,873
NON-CURRENT ASSETS			
Exploration and evaluation costs	2	12,187,843	11,455,373
Property, plant and equipment		16,357	18,463
Right of use asset	6(b)	53,690	71,445
TOTAL NON-CURRENT ASSETS		12,257,890	11,545,281
TOTAL ASSETS		14,166,033	13,618,154
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		358,019	232,716
Provisions		36,346	34,299
Lease liability	6(c)	37,839	35,471
TOTAL CURRENT LIABILITIES		432,204	302,486
NON-CURRENT LIABILITIES			
Lease liability	6(c)	19,335	39,269
TOTAL NON-CURRENT LIABILITIES		19,335	39,269
TOTAL LIABILITIES		451,539	341,755
NET ASSETS		13,714,494	13,276,399
EQUITY			
Contributed equity	3(a)	17,435,138	16,487,929
Reserve	4	2,031,215	1,885,275
Accumulated losses		(5,751,859)	(5,096,805)
TOTAL EQUITY		13,714,494	13,276,399

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Contributed Equity \$	Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021		13,914,054	1,602,251	(3,730,753)	11,785,552
Loss after income tax expense for the half year		-	-	(727,161)	(727,161)
Other comprehensive income for the half year, net of tax		-	-	-	-
Total comprehensive loss for the half year		-	-	(727,161)	(727,161)
Transactions with owners, in their capacity as owners					
Shares issued as consideration for acquisition of tenements	3(b)	710,000	-	-	710,000
Transactions costs		-	-	-	-
Share-based payments		-	111,712	-	111,712
Options issued as consideration for acquisition of tenements		-	27,750	-	27,750
		710,000	139,462	-	849,462
Balance at 31 December 2021		14,624,054	1,741,713	(4,457,914)	11,907,853
Balance at 1 July 2022		16,487,929	1,885,275	(5,096,805)	13,276,399
Loss after income tax expense for the half year		-	-	(655,054)	(655,054)
Other comprehensive income for the half year, net of tax		-	-	-	-
Total comprehensive loss for the half year		-	-	(655,054)	(655,054)
Transactions with owners, in their capacity as owners					
Shares issued	3(b)	1,027,784	-	-	1,027,784
Proceeds from exercise of options		-	-	-	-
Transactions costs	3(b)	(80,575)	-	-	(80,575)
Share-based payments	4	-	145,940	-	145,940
Options issued as consideration for acquisition of tenements		-	-	-	-
		947,209	145,940	-	1,093,149
Balance at 31 December 2022		17,435,138	2,031,215	(5,751,859)	13,714,494

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

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

	Note	31 Dec 2022	31 Dec 2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(640,238)	(431,441)
Interest paid		(2,045)	(3,058)
Interest received		4,312	108
Net cash used in operating activities		(637,971)	(434,391)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(520,743)	(1,254,047)
Payments for acquisition of mining tenements		-	(246,403)
Payments for property, plant and equipment		-	(13,995)
Net cash used in investing activities		(520,743)	(1,514,445)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	3(b)	1,027,784	-
Share issue costs paid		(6,116)	-
Reduction in finance lease liabilities	6(c)	(17,566)	(15,648)
Net cash generated from/(used in) financing activities		1,004,102	(15,648)
Net increase/(decrease) in cash held		(154,612)	(1,964,484)
Opening cash and cash equivalents		1,958,751	3,315,439
Cash and cash equivalents at end of half year		1,804,139	1,350,955

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

The consolidated financial statements and notes represent those of Caprice Resources Ltd (**the Company**) and its controlled entity (together, **the Group**), which are companies limited by shares, incorporated, and domiciled in Australia.

The consolidated financial statements were authorised for issue on 13 March 2023 by the Directors of the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The general purpose consolidated financial statements for the interim half year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for 'for-profit' orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This interim consolidated financial report does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New Standards and Interpretations

In the half year ended 31 December 2022, the Directors have reviewed all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Group's operations and effective for annual reporting periods commencing on or after 1 July 2022.

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to accounting policies.

Future effects of the implementation of these standards will depend on future details.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 2: EXPLORATION AND EVALUATION ASSETS

	Note	31 Dec 2022 \$	30 Jun 2022 \$
Tenement acquisition costs		6,666,604	6,690,416
Capitalised exploration expenditure		5,521,239	4,764,957
		12,187,843	11,455,373
<i>Movements in carrying value</i>			
Balance at the beginning of the year		11,455,373	8,353,592
Tenement acquisition costs		(23,812) ⁽¹⁾	1,147,978
Capitalised exploration expenditure at acquisition		-	-
Exploration expenditure capitalised		756,282	1,953,803
Balance at the end of the year		12,187,843	11,455,373

⁽¹⁾ Reduction in stamp duty payable.

The balance carried forward represents the acquisition costs and capitalised exploration expenditure of the Western Australian and Northern Territory tenements which are in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, the sale of respective areas.

NOTE 3: CONTRIBUTED EQUITY

(a) Share capital

	31 Dec 2022 \$	30 Jun 2022 \$
Fully paid ordinary shares	17,435,138	16,487,929
	17,435,138	16,487,929

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
1 July 2021	Balance at 1 July 2021	66,088,337		13,914,054
2 August 2021	Shares issued as part consideration for the acquisition of Cuddingwarra & Big Bell South Projects	2,500,000	0.20 ⁽¹⁾	500,000
10 December 2021	Shares issued as part consideration for the acquisition of Yungaro Project	1,135,136	0.185 ⁽²⁾	210,000
11 February 2022	Shares issued via placement	12,500,000	0.16	2,000,000
	Less: Transaction costs	-		(136,125)
30 June 2022	Balance at 30 June 2022	82,223,473		16,487,929
22 December 2022	Shares issued via placement	20,555,680	0.05	1,027,784
	Less: Transaction costs	-		(80,575)
31 December 2022	Balance at 31 December 2022	102,779,153		17,435,138

⁽¹⁾ Fair value of shares issued at 2 August 2021.

⁽²⁾ Fair value of shares issued at 10 December 2021

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 4: RESERVES

	31 Dec 2022	30 Jun 2022
	\$	\$
(a) Reserves		
Options	2,031,215	1,885,275
Movements:		
<i>Options</i>		
Opening balance	1,885,275	1,602,251
Share based payments	145,940	283,024
Closing balance	2,031,215	1,885,275

NOTE 5: SHARE-BASED PAYMENTS

During the period ended 31 December 2022, share-based payments being performance rights issued in 2021 and vesting over a 5 year period totaling \$145,940 (2021: \$139,462) were expensed to the Statement of Profit or Loss and Other Comprehensive Income.

During the period ended 31 December 2021, share-based payments totaling \$139,462 were made, consisting of \$111,712 expensed to the Statement of Profit or Loss and Other Comprehensive Income and \$27,750 capitalised as tenement acquisition costs.

The options/performance rights have been valued by the Directors using the Black-Scholes option pricing mode based on the following;

	Consideration Options	Employee Incentive Options #1	Employee Incentive Options #2
Underlying value of the security	\$0.200	\$0.185	\$0.185
Exercise price	\$0.250	\$0.400	\$0.600
Grant date	02/08/2021	20/12/2021	20/12/2021
Expiry date	02/08/2024	20/12/2024	20/12/2024
Life of options/performance rights in years	3.00	3.00	3.00
Volatility	97%	97%	97%
Risk free rate	0.14%	0.96%	0.96%
Number of options/performance rights	250,000	50,000	33,333
Valuation per options/performance rights	\$0.1110	\$0.0823	\$0.0669
Valuation	\$27,750	\$4,115	\$2,230
Share-based payment expense for half year 31/12/21	\$27,750	\$4,115	\$2,230
Share based payment expense for half year 31/12/22	-	-	-

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 5: SHARE-BASED PAYMENTS continued

	Employee Incentive Options #3	Class A Performance Rights	Class B Performance Rights
Underlying value of the security	\$0.185	\$0.250	\$0.250
Exercise price	\$0.800	n/a	n/a
Grant date	20/12/2021	27/04/2021	27/04/2021
Expiry date	20/12/2024	27/04/2024	27/04/2024
Life of options/performance rights in years	3.00	3.00	3.00
Volatility	97%	90.42%	90.42%
Risk free rate	0.96%	0.11%	0.11%
Number of options/performance rights	25,000	150,000	250,000
Valuation per options/performance rights	\$0.0564	\$0.1726	\$0.1496
Valuation	\$1,410	\$25,890	\$37,400
Share-based payment expense for half year 31/12/21	\$1,410	\$4,346	\$6,280
Share based payment expense for half year 31/12/22	-	\$4,346	\$6,280

	Class C Performance Rights	Class D Performance Rights	Class E Performance Rights
Underlying value of the security	\$0.250	\$0.250	\$0.250
Exercise price	n/a	n/a	n/a
Grant date	27/04/2021	27/04/2021	27/04/2021
Expiry date	27/04/2024	27/04/2024	27/04/2025
Life of options/performance rights in years	3.00	3.00	4.00
Volatility	90.42%	90.42%	90.42%
Risk free rate	0.11%	0.11%	0.11%
Number of options/performance rights	350,000	250,000	500,000
Valuation per options/performance rights	\$0.1318	\$0.2500	\$0.2500
Valuation	\$46,130	\$62,500	\$125,000
Share-based payment expense for half year 31/12/21	\$7,746	\$10,494	\$15,742
Share-based payment expense for half year 31/12/22	\$7,746	\$10,494	\$15,742

	Class F Performance Rights	Class G Performance Rights	Class H Performance Rights
Underlying value of the security	\$0.250	\$0.250	\$0.185
Exercise price	n/a	n/a	n/a
Grant date	27/04/2021	27/04/2021	20/12/2021
Expiry date	27/04/2026	27/04/2026	20/12/2024
Life of options/performance rights in years	5.00	5.00	3.00
Volatility	90.42%	90.42%	97.00%
Risk free rate	0.11%	0.11%	0.96%
Number of options/performance rights	750,000	1,500,000	250,000
Valuation per options/performance rights	\$0.2500	\$0.2500	\$0.1850
Valuation	\$187,500	\$375,000	\$46,250
Share-based payment expense for half year 31/12/21	\$18,894	\$37,786	\$464
Share-based payment expense for half year 31/12/22	\$18,894	\$37,786	\$7,764

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 5: SHARE-BASED PAYMENTS continued

	Class I Performance Rights	Class J Performance Rights	Class K Performance Rights
Underlying value of the security	\$0.185	\$0.185	\$0.185
Exercise price	n/a	n/a	n/a
Grant date	20/12/2021	20/12/2021	20/12/2021
Expiry date	20/12/2025	20/12/2025	20/12/2024
Life of options/performance rights in years	4.00	4.00	3.00
Volatility	97.00%	97.00%	97.00%
Risk free rate	0.96%	0.96%	0.96%
Number of options/performance rights	500,000	750,000	250,000
Valuation per options/performance rights	\$0.1850	\$0.1850	\$0.1850
Valuation	\$92,500	\$138,750	\$46,250
Share-based payment expense for half year 31/12/21	\$696	\$1,045	\$464
Share-based payment expense for half year 31/12/22	\$11,650	\$17,474	\$7,764

NOTE 6: CAPITAL COMMITMENTS AND LEASES

(a) Mineral exploration expenditure

The Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments are not provided for in the consolidated financial statements and are:

	31 Dec 2022 \$	30 Jun 2022 \$
Not later than one year	668,190	720,100
After one year but less than five years	1,640,970	1,930,090
	2,309,160	2,650,190

(b) Right of use asset

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 6: CAPITAL AND LEASING COMMITMENTS continued

	31 Dec 2022 \$	30 Jun 2022 \$
Opening balance	71,445	106,742
Additions	-	-
Amortisation	(17,755)	(35,297)
	53,690	71,445

The Company commenced an office lease on 1 July 2021 and commenced an office equipment lease on 27 August 2021, both leases are for a 3-year term.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	31 Dec 2022 \$	30 Jun 2022 \$
Current liability	37,839	35,471
Non-current liability	19,335	39,269
	57,174	74,740

	31 Dec 2022 \$	30 Jun 2022 \$
Opening balance	74,740	106,742
Additions	-	-
Interest	(2,045)	5,639
Principal	(15,521)	(37,641)
	57,174	74,740

(c) Other commitments due within 1 year

The Directors are not aware of any other commitments that have not been recognised as liabilities in the accounts as of 31 December 2022 (30 June 2022: Nil).

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The following components of the consideration of Goldview Metals Pty Ltd are disclosed as contingent liabilities:

- Royalty: Goldview's major shareholder, Michael Caruso, will retain a 1.5% Net Profit After Tax (NPAT) royalty over material processed from the Island Gold Project. The Company has the right to purchase the 1.5% NPAT royalty for \$1,500,000 at any time before the commencement of production; and
- Milestone payment: 5,000,000 shares in the Company to be issued to shareholders of Goldview or their nominees upon reporting to the ASX a mineral resource in accordance with the JORC 2012 Edition Guidelines of a minimum of 250,000 ounces of gold at a minimum grade of 2.0 g/t of gold.

The following components of the consideration for the acquisition of the Yungara Project from Belres Pty Ltd are disclosed as contingent liabilities:

- Royalty: Belres Pty Ltd will retain a 2.5% Net Profit After Tax (NPAT) smelter royalty over any product extracted and sold, removed or disposed of from the Yungara Project; and
- Cash Payment: Belres Pty Ltd will receive a cash payment of \$250,000 on completion of a positive Pre-Feasibility Study.

The following components of the consideration for the acquisition of the Mukinbudin Rare Earth Element Project from Curiosity Exploration Pty Ltd and Syndicate Minerals Pty Ltd (subject to shareholder approval) are disclosed as contingent liabilities:

- Shares: 7,780,000 CRS ordinary fully paid shares; and
- Options: 7,000,000 with a \$0.10 exercise price and 3-year expiry, and 15,000,000 with a \$0.20 exercise price and 3-year expiry.

The Group has no other contingent liabilities or contingent assets as at 31 December 2022.

NOTE 8: SEGMENT INFORMATION

The Group's operations are in one reportable business segment, being the exploration for gold, lead, zinc and copper. The Company operates in one geographical segment, being Australia.

NOTE 9: EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial half year that significantly affect 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, other than;

- The proposed issue of 6,000,000 unquoted options, exercisable at \$0.10 each with a 3-year term to Directors subject to shareholder approval at a meeting to be held 16 March 2023.
- The completion of Tranche 2 placement subject to shareholder approval at a meeting to be held 16 March 2023.

CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. The consolidated financial statements and notes, as set out within this financial report, are in accordance with the Corporations Act 2001 Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of the performance for the half year ended on that date; and
3. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001 on behalf of the Directors.



Andrew Muir
Managing Director

Dated this 14th day of March 2023

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Caprice Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2022, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 Caprice Resources Limited is not in accordance 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 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 (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.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Caprice Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of Caprice Resources Limited 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 is free from material misstatement, whether due to fraud or error.

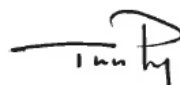
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. 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 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.

A stylized, handwritten-style signature of the letters 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2023