



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2023

CORPORATE DIRECTORY

Directors

Mr Peter Batten	(Non-Executive Director)
Mr Brett Grosvenor	(Non-Executive Director)
Mr James Pearse	(Non-Executive Director)
Mr Glenn Whiddon	(Non-Executive Director)

Company Secretary

Ms Oonagh Malone

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CRB

CONTENTS

DIRECTORS' REPORT	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9
DIRECTORS' DECLARATION	17
AUDITOR'S INDEPENDENCE DECLARATION	18
INDEPENDENT AUDITOR'S REVIEW REPORT	19

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited ("the Company") and the entities it controlled ("the Group") for the half-year ended 30 June 2023.

DIRECTORS

The names of Directors who held office during or since the end of the half-year and until the date of this report period is set out below. Directors were in office for the entire period unless otherwise stated.

Mr Peter Batten	Non-Executive Director (resigned as Managing Director 30 August 2023)
Mr Brett Grosvenor	Non-Executive Director (appointed 7 September 2023)
Mr James Pearse	Non-Executive Director (appointed 27 June 2023)
Mr Glenn Whiddon	Non-Executive Director (appointed 27 June 2023)
Mr Evan Cranston	Non-Executive Director (ceased 31 May 2023)
Ms Oonagh Malone	Non-Executive Director (ceased 31 May 2023 but continues as Company Secretary)

REVIEW OF OPERATIONS

The loss for the half-year after income tax was \$890,191 (30 June 2022: loss of \$884,282). This loss was mostly due to recognition of share-based payments and ongoing costs of exploration at the Muchea West Silica Sand Project.

During the half year ended 30 June 2023:

- James Pearse and Glenn Whiddon were appointed Non-Executive Directors of the Company on 27 June 2023 following the non-re-elections of former directors Evan Cranston and Oonagh Malone at the Annual General Meeting on 31 May 2023.
- Mining lease application MLA70/1422 at the Muchea West Silica Sand Project was recommended to the minister for grant by DMIRS on 18 April 2023.
- Ongoing work at the Muchea West Silica Sand Project included hand auger drilling, sample analysis, and completed environmental studies.
- The Company acquired 100% of the Bunbury Silica Sands Project, which comprises exploration licenses E70/5823, E70/6414 and E70/6415.
- Tenement E70/4905 at the Muchea West Silica Sand Project was renewed to 23 April 2027 following the surrender of 14 blocks out of the original 35 blocks in this tenement. The Company received dispute notices from royalty holders over this tenement asserting breeches of royalty deeds following this surrender. The Company responded to the disputes notices, repudiating their claims, and has received no further correspondence from the royalty holders since providing this response.

SUBSEQUENT EVENTS

Subsequent to the reporting period:

- Peter Batten transitioned from role of managing director to Non-Executive Director effective 30 August 2023.
- Brett Grosvenor was appointed as Non-Executive Director effective 7 September 2023.

There were no other events subsequent to the end of the half-year ended 30 June 2023 that would have a material effect on these financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this half-year financial report.

Dated at Perth this 13th day of September 2023.

Signed in accordance with a resolution of the Directors.



James Pearce
Non-Executive Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	Notes	CONSOLIDATED	
		30 June 2023	30 June 2022
		\$	\$
Revenue from continuing operations		31,500	3,737
Other Income		-	-
Exploration and evaluation costs	2	(245,453)	(528,163)
Depreciation	4	(1,540)	(1,541)
Employee, director and consultant expenses		(200,275)	(193,960)
General and administration expenses		(252,731)	(160,611)
Share-based payments expense	8	(221,692)	-
Loss on disposal of plant and equipment		-	(3,744)
(Loss)/ profit before income tax		(890,191)	(884,282)
Income Tax		-	-
(Loss)/ profit after income tax from continuing operations attributable to members of Carbine Resources Limited		(890,191)	(884,282)
(Loss)/ profit for the half year		(890,191)	(884,282)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Total other comprehensive (loss) / income		-	-
Total comprehensive (loss)/ profit attributable to members of Carbine Resources Limited		(890,191)	(884,282)
Loss per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic (loss)/ profit per share		(0.18)	(0.18)
Diluted (loss)/ profit per share		(0.18)	(0.18)
Loss per share from continuing operations attributable to the ordinary equity holders of the company		Cents	Cents
Basic (loss)/ profit per share		(0.18)	(0.18)
Diluted (loss)/ profit per share		(0.18)	(0.18)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

CARBINE RESOURCES LIMITED
HALF-YEAR FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		CONSOLIDATED	
	Notes	30 June 2023	31 December 2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,642,587	2,343,305
Trade and other receivables	3	28,125	8,968
Current financial assets	5	-	-
Other current assets		8,013	13,578
TOTAL CURRENT ASSETS		1,678,725	2,365,851
NON-CURRENT ASSETS			
Plant and equipment	4	3,017	4,557
Non-current financial assets	5	50,000	50,000
Exploration and evaluation expenditure	2	8,421,350	7,413,829
TOTAL NON-CURRENT ASSETS		8,474,367	7,468,386
TOTAL ASSETS		10,153,092	9,834,237
CURRENT LIABILITIES			
Trade and other payables	6	66,208	80,254
Provisions		19,639	25,760
TOTAL CURRENT LIABILITIES		85,847	106,014
TOTAL LIABILITIES		85,847	106,014
NET ASSETS		10,067,245	9,728,223
EQUITY			
Issued Capital	7	40,929,558	39,922,037
Reserves	8	4,823,250	4,601,558
Accumulated losses		(35,685,563)	(34,795,372)
TOTAL EQUITY		10,067,245	9,728,223

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	CONSOLIDATED			
	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2023	39,922,037	(34,795,372)	4,601,558	9,728,223
Loss for the half year from continuing operations	-	(890,191)	-	(890,191)
Total comprehensive income for the half year	-	(890,191)	-	(890,191)
Transactions with owners in their capacity as owners:				
Capital raising	-	-	-	-
Capital raising costs	-	-	-	-
Share based payments - expensed	-	-	221,692	221,692
Share based payments – acquisition of mineral exploration interests	1,007,521	-	-	1,007,521
	1,007,521	-	221,692	1,229,213
Balance at 30 June 2023	40,929,558	(35,685,563)	4,823,250	10,067,245

	CONSOLIDATED			
	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2022	39,922,037	(33,307,277)	4,601,558	11,216,318
Loss for the half year from continuing operations	-	(884,282)	-	(884,282)
Total comprehensive income for the half year	-	(884,282)	-	(884,282)
Transactions with owners in their capacity as owners:				
Capital raising	-	-	-	-
Capital raising costs	-	-	-	-
Share based payments	-	-	-	-
	-	-	-	-
Balance at 30 June 2022	39,922,037	(34,191,559)	4,601,558	10,332,036

This Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	CONSOLIDATED	
	30 June 2023	30 June 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(447,522)	(327,607)
Exploration expenditure, prospects, management fees	(284,082)	(154,063)
Interest received	30,886	2,373
Net cash (outflow) from operating activities	(700,718)	(479,297)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	-	3,682
Stamp duty on Muchea West Project acquisition	-	(302,915)
Net cash (outflow) from investing activities	-	(299,233)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received for shares to be issued	-	-
Capital raising costs	-	(1,281)
Net cash inflow/ (outflow) from financing activities	-	(1,281)
Net (decrease) in cash and cash equivalents held	(700,718)	(779,811)
Cash and cash equivalents at the beginning of the period	2,343,305	3,652,046
Cash and cash equivalents at the end of the period	1,642,587	2,872,235

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

These general purpose interim financial statements of Carbine Resources Limited (the Group) for the half-year reporting period ended 30 June 2023 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Carbine Resources Limited (the Company) is a listed public company, incorporated and domiciled in Australia. The consolidated financial report of the Company for the half-year ended 30 June 2023 comprises the Company and its subsidiary (together referred to as the Group)

This half-year report was authorised for issue in accordance with a resolution of the Board of Directors. Carbine Resources Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

The interim financial statements do not include all notes of the type normally included within the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by Carbine Resources Limited during the interim financial reporting period in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

For the purpose of preparing these half-year financial statements, the half-year has been treated as a discrete reporting period.

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements except in relation to the matters discussed below. Some balances for 30 June 2022 have been reclassified to use the same classifications as 31 December 2022 balances.

Going Concern

The interim financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the half year ended 30 June 2023 of \$890,191 (30 June 2022: \$884,282) and experienced net cash outflows from operating activities of \$700,718 (30 June 2022: \$479,297). As at 30 June 2023, the Company had net current assets of \$1,592,878 (31 December 2022: \$2,259,837).

The Directors recognise that additional funding either through the issue of further shares, the sale of assets, or a combination of these activities will be required for the Group to continue to actively develop and explore its mineral exploration interests and fund corporate administration. The Directors are also aware that the Group can relinquish or defer expenditure on projects in order to maintain cash at appropriate levels.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate, as the Directors believe the Group will be able to pay its debts when they fall due.

In forming this view, the Directors have taken into consideration:

- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds;
- Assets sales; and
- The ability to raise additional capital.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Should the Group be unsuccessful with the initiatives detailed above then, there is a material uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with amounts realised being different from those shown in the financial statement.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION (CONTINUED)

New and Amended Accounting Standards

None of the new standards, amendments to standards or interpretations that are mandatory for the first time for the financial year beginning 1 January 2023 affected any of the amounts recognised in the current period or any comparative period.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends various accounting standards from 1 January 2023 to remove requirements for disclosure of immaterial accounting policies and clarify treatment of accounting estimates. This will have no effect on reported balances but will remove immaterial accounting policy disclosures and change disclosures for material estimates.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrows the initial recognition exemption for deferred tax balances and clarifies that the exemption does not apply to leases or decommissioning obligations. This standard is mandatorily effective from 1 January 2023 but will have no effect on reported balances unless the Group recognises deferred tax assets or liabilities.

The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

2. EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure – costs carried forward in respect of areas of interest in:

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Carrying amount at beginning of period	7,413,829	7,413,829
Acquisition of Bunbury Silica Sands Project	1,007,521	-
Carrying amount at the end of period	8,421,350	7,413,829
Exploration and evaluation incurred	245,453	715,313
Exploration costs expensed	(245,453)	(715,313)
	-	-

On 26 May 2023, the Group completed the acquisition of Down South Silica Pty Ltd (DSS), which owns the Bunbury Silica Sands Project, with the following transactions and judgements:

- Issue of 71,965,794 fully paid ordinary shares to former DSS shareholders whom are all unrelated parties of the Group. The shares are valued at a total of \$1,007,521 based on an agreed value of \$0.014 per share in the acquisition agreement. No other acquisition costs have been capitalised because the Group's accounting policy is to capitalise acquisition values less any subsequent impairment, as described in the annual report for the year ended 31 December 2022. The acquisition was accounted for as an asset acquisition.
- A 1% net smelter royalty over all minerals extracted from the Down South Silica Sands Project.
- Following completion, the Company 100% owns and controls DSS which 100% owns and controls the Bunbury Silica Sands Project.

No impairment has been recognised for either project held, the Bunbury Silica Sands Project or the Muchea West Silica Sands Project, because the Group has ongoing rights to explore both projects, with ongoing planned substantive expenditure on exploration and evaluation, with no intention to discontinue either project, and evidence exists that indicates development is likely to proceed but with less value than the book value of either project.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Current		
Net GST refundable	25,358	6,817
Other receivable	2,767	2,151
Total trade and other receivables	28,125	8,968

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is interest receivable on term deposits held with Australian banks.

4. PLANT AND EQUIPMENT

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Opening net book value	4,557	15,090
Depreciation charge for the period	(1,540)	(3,107)
Disposals	-	(7,426)
Closing net book value	3,017	4,557
Cost	9,247	9,247
Accumulated depreciation and impairment	(6,230)	(4,690)
Net book value	3,017	4,557

5. FINANCIAL ASSETS

Non-current financial assets

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Term deposit held as a security bond	50,000	50,000
Total non-current financial assets at fair value	50,000	50,000

All term deposits have been valued based on quoted (unadjusted) market values and are therefore Tier 1 measured financial assets.

There have been no transfers between measurement levels during the half-year and there are currently no other assets in any other categories.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

6. TRADE AND OTHER PAYABLES - CURRENT

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Trade payables - unsecured	17,457	29,112
Other payables and accruals – unsecured	48,751	51,142
Total trade and other payables	66,208	80,254

The Group had no foreign currency transactions or balances during the half-year.

7. ISSUED CAPITAL

	30 June 2023		31 December 2022	
	No. of Shares	\$	No. of Shares	\$
(a) Ordinary shares fully paid				
Balance at beginning of period	479,771,962	39,922,037	479,771,962	39,922,037
Issue of shares in capital raising	-	-	-	-
Issue of shares in shares in consideration for the DSS acquisition (see note 2)	71,965,794	1,007,521	-	-
Costs of capital raising	-	-	-	-
Balance at end of year	551,737,756	40,929,558	479,771,962	39,922,037

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share.

(b) Options on issue

Options granted during 2021 and on issue at balance dates are as follows. No options were issued, exercised or forfeited during the half-year or 2022.

Date and details of grant/exercise/forfeit	No. of Options	Weighted Average Exercise Price
Issued options opening balance 1 January 2023	75,000,003	\$0.06
Options granted	-	-
Balance at 30 June 2023	75,000,003	\$0.06

The options issued in prior years have an exercise price of \$0.06 and expire 14 July 2026. The weighted average remaining contractual life is 3 years (3.5 years at 31 December 2022).

(c) Performance rights on issue

Date and details of grant/exercise/forfeit	No. of Performance rights	Weighted Average Exercise Price
Issued performance rights opening balance 1 January 2023	5,000,000	-
Performance rights granted	-	-
Balance at 30 June 2023	5,000,000	-

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

7. ISSUED CAPITAL (CONTINUED)

Performance rights issued in prior years all expire on 14 July 2026. 5,000,000 Director Performance Rights were issued to each of directors Peter Main and Peter Batten, for a total of 10,000,000 Performance Rights issued with the following tranches and market based vesting conditions. They each received 1,000,000 of each of the below tranches. The weighted average remaining contractual life is 4 years (4.5 years at 31 December 2021).

The Performance Rights will vest in five equal tranches, subject to meeting the applicable vesting condition relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

Tranche No.	Performance Rights	Vesting condition
1	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.06
2	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.09
3	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.15
4	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.25
5	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.35

No other performance rights were on issue, issued, or converted during the half-year or 2022. No performance rights lapsed or ceased during the half-year or 2022 other than the 5,000,000 Performance Rights issued to Peter Main that ceased on 9 December 2022. There was no accounting adjustment following this cessation because these performance rights only had market based vesting conditions when granted.

8. SHARE-BASED PAYMENTS AND RESERVE

(a) Share-based payments reserve

The following share-based payments have been recognised in the share-based payments reserve during the period. These amounts have been fully expensed, for a total share-based payments expense recognised of \$221,692, with \$110,846 expensed for share-based payments to director James Pearse and \$110,846 expensed for share-based payments to director Glenn Whiddon. These share-based payments are detailed in note 8(b). The share-based payments reserve is the only reserve recognised in equity.

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Balance at beginning of period	4,601,558	4,601,558
10,000,000 performance rights vesting on directors' appointments*	110,000	-
10,000,000 performance rights vesting on 12 months of service*	902	-
15,000,000 options vesting immediately with \$0.02 exercise price*	67,290	-
15,000,000 options vesting immediately with \$0.04 exercise price*	43,500	-
Balance at the end of period	4,823,250	4,601,558

* During the half year ended 30 June 2023, performance rights and options were agreed to be issued to each of new directors James Pearse and Glenn Whiddon, pending shareholder approval that is to be sought at the next annual general meeting. Refer Note 8(b) for their valuation.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

8. SHARE-BASED PAYMENTS AND RESERVE (CONTINUED)

(b) Share-based payments

The following performance rights and options were agreed to be issued to each of the new directors James Pearse and Glenn Whiddon, pending shareholder approval that is to be sought at the next annual general meeting:

Class and Number	Issue Price	Vesting condition and exercise price
5,000,000 performance rights	Nil	Vesting on appointment as a Non-Executive Director
5,000,000 performance rights	Nil	Vesting on 12 months service as a Non-Executive Director
7,500,000 options expiring 14 July 2026	\$0.001	No vesting conditions and an exercise price of \$0.02 each
7,500,000 options expiring 14 July 2026	\$0.001	No vesting conditions and an exercise price of \$0.04 each

If the above equity securities are not approved, the Company will make cash payments equal to the greater of the value of the equity securities (using standard valuation techniques) at the time of the preparation of the notice of meeting for the annual general meeting; or the average cash salary of the managing director / chief executive officer for the last two years, or in the event that there is no managing director / chief executive officer appointed at the time of shareholder approval, then the industry average for a full time managing director / chief executive officer of a similar peer group of ASX-listed companies as determined by an executive recruitment firm. These share-based payments were granted on 27 June 2023 when they commenced their directorships.

These are classified as equity-settled share-based payments under Australian Accounting Standards because the Company's shareholders will have the choice whether to settle in cash or equity instruments, the Company has no past practice of settling in cash, and the potential choice to settle in equity instruments has commercial substance. Consequently, there are no adjustments to the valuations after the grant dates unless a cash alternative is paid.

Both tranches of performance rights are valued at the share price of \$0.011 per share on the grant date of 27 June 2023. This gives total values of:

- \$110,000 for the total of 10,000,000 performance rights vesting on appointment as non-executive director.
- \$110,000 for the total of 10,000,000 performance rights vesting on 12 months service as non-executive director.

Expenses of \$110,000 and \$902 have been recognised respectively during the half-year for the performance rights vesting on appointment and the performance rights vesting on 12 months service.

The options to be issued have been valued using the Black-Scholes model, a \$0.001 per option future issue price, no expected dividends, and the following parameters. These options to be issued have been fully expensed during the half-year as they vested on appointment. The future issue prices of \$0.001 per option has been deducted from the Black-Scholes value per option to reduce the value for each option by \$0.001, and reduce the combined total value by \$30,000 for 30,000,000 options at \$0.001 per option.

Number of Options	Exercise Price (\$)	Share Price at Grant Date (\$)	Expiry Date	Expected Term (years)	Annual Interest Rate	Volatility	Value per Option (\$)	Total Value (\$)
15,000,000	0.02	0.011	14 July 2026	3.047	3.91%	96%	0.004486	\$67,290
15,000,000	0.04	0.011	14 July 2026	3.047	3.91%	96%	0.002900	\$43,500

At 30 June 2023, the options to be issued had a weighted average exercise price of \$0.03 and a weighted average remaining term of 3.04 years.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

9. SEGMENT INFORMATION

The Board of Directors, which is the chief operating decision maker, has determined the operating segment based on geographical location. The Group has one reportable segment: mineral exploration and evaluation in Australia.

The Australian segment incorporates the Group's mineral exploration and evaluation in Australia along with head office and treasury functions. Consequently, financial information for the sole operating segment is identical to the information presented in these financial reports.

10. COMMITMENTS

A total expense of \$18,000 (2022: \$27,000) was recognised during the period under serviced office agreements. The serviced office agreements do not lead to the recognition of any right-of-use asset or associated lease liability because the serviced office agreements do not specify or effectively require any identified assets.

The administrative services agreement contracted for but not recognised in the financial statements creates the following commitment.

	CONSOLIDATED	
	30 June 2023	31 December 2022
	\$	\$
Administrative services commitments		
Due within 1 year	60,000	120,000
Due greater than 1 year and less than 5	-	7,233
Total	60,000	127,233

Executive services agreements contracted for but not recognised in the financial statements create the following commitments.

Executive services commitments		
Due within 1 year	66,600	66,300
Due greater than 1 year and less than 5	-	-
Total	66,600	66,300

The Group has the following mineral exploration expenditure commitments for its tenements.

Mineral exploration expenditure commitments		
Due within 1 year	49,095	-
Due greater than 1 year and less than 5	-	-
Total	49,095	-

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

11. CONTINGENT LIABILITIES

The Group has royalties payable of \$0.75 per tonne of silica, other sand or minerals extracted from the Muchea West Silica Sands Project.

Tenement E70/4905 at the Muchea West Silica Sand Project was renewed and extended to 23 April 2027 following the surrender of 14 blocks out of the original 35 blocks in this tenement. It was a necessary consequence of the renewal and extension of the Tenement that the Group was obliged under s65(3) of the Mining Act 1978 (WA) to surrender 14 blocks within the Tenement on or by 23 April 2023. The Company received dispute notices from royalty holders over this tenement, asserting breaches of royalty deeds following this surrender. The Company responded to the dispute notices, repudiating their claims, and has received no further correspondence from the royalty holders since providing this response. The Company's view is that there is no material financial impact on the Company with respect to the issues raised in the Notices (other than incurring legal and other costs in defending such claims).

Access by the Group to parts of the Muchea West Silica Sands Project that encroach upon the Muchea Air Weapons Range is permitted pursuant to an Access Deed with the Commonwealth of Australia, Department of Defence. This Access Deed may be terminated by the Commonwealth for a variety of reasons. The Company is not aware of any specific reason for the Department of Defence to terminate the Access Deed.

The Group has a 1% net smelter royalty over all minerals extracted from the Down South Silica Sands Project.

The Group has no other contingent liabilities.

12. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting period:

- Peter Batten transitioned from role of managing director to Non-executive Director effective 30 August 2023.
- Brett Grosvenor was appointed as Non-Executive Director effective 7 September 2023.

There were no other events subsequent to the end of the half-year ended 30 June 2023 that would have a material effect on these financial statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 16 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Carbine Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



James Pearse
Non-executive Director

Dated at Perth this 13th day of September 2023



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13 September 2023

Board of Directors
Carbine Resources Limited
Suite 23, 513 Hay Street
Subiaco, WA 6008

Dear Sirs

RE: CARBINE RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Carbine Resources Limited.

As Audit Director for the review of the financial statements of Carbine Resources Limited for the half-year ended 30 June 2023, 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.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Eliya Mwale
Director



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CARBINE RESOURCES LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of Carbine Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, 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 Carbine Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Carbine Resources Limited's financial position as at 30 June 2023 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 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 (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* has been given to the directors of the Company on 13 September 2023.

Material Uncertainty Related to Going Concern

As referred to in Note 1 to the interim financial statements, the financial statements have been prepared on the going concern basis. On 30 June 2023 the consolidated entity had cash and cash equivalents totalling \$1,642,587, incurred a net loss after tax for the half year of \$890,191 and incurred net cash outflows from operating activities of \$700,718. These matters indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. The consolidated entity's ability to continue operations is dependent the directors raising additional funding either through the issue of further shares, the sale of assets, or developing the group's mineral assets.

Our conclusion is not modified.

Responsibility of the Directors for the Financial Report

The directors of Carbine 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 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 Company's financial position as at 30 June 23 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.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)**

Eliya Mwale
Director
West Perth, Western Australia
13 September 2023