



CLASSIC MINERALS LIMITED

ABN 77 119 484 016

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2023

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COMPANY DIRECTORY



DIRECTORS:
John Lester (Non-Executive Chairman)
Frederick Salkanovick (Non-Executive Director)
Lu Ning Yi (Non-Executive Director)
Stephen John O’Grady (Non-Executive Director)
Gillian Catherine King (Non-Executive Director)

KEY MANAGEMENT:
Dean Goodwin (Chief Executive Officer)

COMPANY SECRETARY:
Madhukar Bhalla

REGISTERED AND PRINCIPAL OFFICE:
71 Furniss Road
Landsdale, WA 6065

ABN:
77 119 484 016

AUDITOR:
Elderton Pty Ltd
Level 32, 152 St Georges Tce,
Perth WA 6000

SHARE REGISTRY:
Link Market Services
Level 12, 680 George Street
Sidney NSW 2000

ASX CODE:
CLZ

Your Directors submit their report for Classic Minerals Limited ("Classic or the Company") for the half-year ended 31 December 2023.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

John Lester
Frederick Salkanovick
Lu Ning Yi
Stephen John O'Grady
Gillian Catherine King

PRINCIPAL ACTIVITY

The principal activity of the Company during the financial year was the exploration of mineral resource projects, focusing on gold and nickel.

REVIEW OF OPERATIONS

The loss for the half-year ended 31 December 2023 was \$5,538,630 (2022: loss of \$10,971,695). As at 31 December 2023, the company had 12,442,339,299 shares on issue and 2,160,864,253 options on issue.

In the 2024 half year reporting, the following milestones were achieved:

- First Gold bar poured from the Kat Gap processing facility.
- Kat Gap processing facility produces further Doré gold bars from Bulk Sample ore.
- Sale of gold during the half year realised \$967,000.00.
- The SPP raising approximately \$2,079,500.00
- Classic Minerals purchases 100% of the Forrestania tenements from Hannans Resources.
- ESG Baseline study disclosure report submitted.
- IGO carried out only minor desktop work on the Fraser Range Nickel project.
- Major funding announced on 22 February 2024.

About Forrestania Gold Project and Kat Gap Gold Project

Classic Minerals Limited announced on 03 October 2023 the signing of a binding agreement with Reed Classic Minerals Limited (ASX: CLZ), a wholly owned subsidiary of ASX-listed Hannans Ltd, for the acquisition of mining tenements within the Forrestania Gold Project, excluding the Kat Gap tenements already owned by Classic. Initially, in 2017, Classic secured 80% of the gold rights on the FGP Tenements from a third party, with Reed Exploration retaining the remaining 20% interest in gold rights associated with the FGP Tenements. This transaction grants Classic complete exploration rights for all minerals across the FGP Tenements, including Lithium and Nickel.

REVIEW OF OPERATIONS (continued)

Although the FGP Tenements already host a substantial 300,000 ounces of gold, the exceptional exploration potential within this area provides a huge opportunity for the discovery of additional gold ounces outside of the existing indicated and inferred resource base. The historical success of the Forrestania region in hosting significant gold reserves, contributed by various successful mining companies, adds to the significant potential of the area. Classic's 100% control of its own processing facility in the area further positions the company to efficiently explore and process gold resources not only from Kat Gap but also from within the larger Forrestania tenement package. This strategic ownership of all assets grants Classic full autonomy and control over their mining operations, enabling streamlined processes and maximizing returns from their gold projects, reinforcing their position within our WA gold mining industry.

Classic Minerals owns a 100% interest in the gold rights on the Kat Gap Tenements and non-gold rights including but not limited to nickel and other metals. Classic no longer has the rights to Lithium on the tenement.

The main thrust of exploration at Forrestania has been the Kat Gap project along with the Lady Ada and Lady Magdalene tenements. These all have a JORC-defined gold resource outlined in the following table.

Classic has been working heavily on the 100% owned Kat Gap tenements about 50 km to the Southeast of the Ladies as it brings the project closer to production. It has received formal approvals from DMIRS to commence both mining and milling activities at Kat Gap.

Classic has a Global Mineral Resource of 8.24 Mt at 1.52 g/t for 403,906 ounces of gold, classified and reported in accordance with the JORC Code (2012), with a recent Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post-mining Mineral Resource for Lady Ada, Lady Magdalene and Kat Gap is tabulated below.

Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table 1 as attached to ASX announcements dated 18th December 2019, 21st January 2020, and 20 April 2020.

	Indicated			Inferred			Total		
Prospect	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au
Lady Ada	257,300	2.01	16,600	1,090,800	1.23	43,100	1,348,100	1.38	59,700
Lady Magdalene				5,922,700	1.32	251,350	5,922,700	1.32	251,350
Kat Gap	254,900	2.5	20,488	886,512	2.11	60,139	1,141,412	2.19	80,367
Total	512,200	2.25	37,088	7,900,012	1.40	354,589	8,412,212	1.45	391,417

REVIEW OF OPERATIONS (continued)

Notes:

1. *The Mineral Resource is classified in accordance with JORC, 2012 edition*
2. *The effective date of the mineral resource estimate is 14 June 2023.*
3. *The mineral resource is contained within FGP tenements*
4. *Estimates are rounded to reflect the level of confidence in these resources at the present time.*
5. *Mineral resources for Lady Ada and Lady Magdalene (Ladies) are reported at 0.5 g/t Au cut-off grade, Kat Gap at 0g/t Au.*
6. *Depletion of the resource from historic open pit mining has been considered for the Ladies deposits. Trial pit mining depletion at Kat Gap has not been accounted for in the block model due to the ore remaining unprocessed.*

1. Kat Gap Gold Project

The Kat Gap high-grade gold project is strategically located approximately 70km SSE of the Company's Forrestania Gold Project, containing the Lady Magdalene and Lady Ada gold resources.

The Company made applications to DMIRS for the proposed Kat Gap mine development and processing facility. These applications include the project management plan, mine closure plan and native vegetation clearing permit (NVCP). The Company received formal approvals from DMIRS to commence construction of the gold treatment plant along with the approvals for stage 1 mining at Kat Gap during the reporting period. The approvals include installation and operation of a gold gravity circuit, gold room, crushing circuit, tailings storage facility, processing control systems and high voltage power among others.

During the half year the Company completed processing of the bulk sample ore through the plant allowing for calibration and adjustments to crushing sizes, density and throughput. 5,321 tonnes were processed through the plant. All data is now being studied to enable the design of the extensions required to the plant including a chemical process that would ensure recovery of ~96% of gold contained in the ore.

During the financial year the Company received an upgrade to the gold resource at Kat Gap. It successfully converted 20,488oz of previous inferred resources to the indicated category. This allows the company to advance rapidly towards stage 1 extraction, processing, and monetisation of the Kat Gap gold asset.

2. Funding

Classic secured additional funding totalling A\$20.5M, in two parts, to allow for the execution of all its phase one project development. A A\$15M put option agreement with US institutional investment group LDA Capital and a A\$5.5M convertible note issue.

Classic may access the equity capital by exercising put options under the Agreement at the Company's election for a period of three years from the date of execution.

The Company may draw down an aggregate amount of up to A\$15 million under the Agreement. The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital.

In the period post end of this reporting period the Company successfully concluded a funding package from AuResources AG as announced on 22 February 2024. This funding will enable the Company to progress through the studies to enable it to achieve producer status and recommence mining and processing operations at Kat Gap.

REVIEW OF OPERATIONS (continued)**3. Fraser Range Project**

The Company has continued its Earn-in & Joint Venture Agreement with Independence Newsearch Pty Ltd, a 100%-owned subsidiary of Independence Group NL (ASX:IGO), allowing for free-carried exploration of the Fraser Range Project.

During the half year to 31 December 2023, IGO completed no field-based exploration activities on the project.

COMPETENT PERSON STATEMENT

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin a competent person who is a Member of the Australian Institute of Geoscientists (AIG). Mr Goodwin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Goodwin consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

SUBSEQUENT EVENTS

Please refer to Note 2 of the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s.307C of the Corporations Act 2001 is included on page 7 of the half-year financial report.

This report is signed in accordance with a resolution of the Board of Directors.



John Lester
Non-Executive Chairman

15 March 2024

Auditor's Independence Declaration


To those charged with the governance of Classic Minerals Limited

As auditor for the review of Classic Minerals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Classic Minerals Limited and the entities it controlled during the period.


Elderton Audit Pty Ltd


Rafay Nabeel
Director

15 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Classic Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Classic Minerals Limited (the 'Company'), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of profit or loss and comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, 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 the Company does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Classic Minerals Limited's financial position as at 31 December 2023 and of its financial 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* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty related to Going Concern

We draw attention to the Basis of Preparation note 1 of the financial report, which describes that the ability of the Company to continue as a going concern is dependent on the execution of the binding Terms Sheet with AuResources AG for facility to fund project development and repayment of the funds through profitable operations and/or by raising debt and equity finance through alternative sources. As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Financial Report

The directors of the Classic Minerals 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 31 December 2023 and its financial 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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel

Director

15 March 2024

Perth

**CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Note	Half-Year Ended 31 Dec 2023 \$	Half-Year Ended 31 Dec 2022 \$
Research & development rebate		773,778	729,315
Other income	4	1,127,839	4,018
Employee benefits and consultant expenses		(1,013,143)	(887,751)
Advertising and marketing expenses		(85,034)	(88,662)
Legal expenses and professional fees		(238,868)	(339,319)
Depreciation and amortisation expenses	5	(204,215)	(198,768)
Exploration expenses		(3,252,353)	(4,685,183)
Financing charges	5	(1,730,896)	(4,559,117)
Travel expenses		(94,302)	(54,710)
Occupancy expenses		(8,032)	(39,475)
Loss on asset disposal		(26,895)	-
Share based payment expense		(196,151)	(40,555)
Administration expenses	5	(590,358)	(811,488)
Loss before income tax expense		(5,538,630)	(10,971,695)
Income tax (expense) / benefit		-	-
Loss for the period		(5,538,630)	(10,971,695)
Other comprehensive income		-	-
Total comprehensive loss for the period		(5,538,630)	(10,971,695)
Basic and diluted loss per share (cents)		(0.09)	(2.34)

This condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023



	Note	31 Dec 2023 \$	30 Jun 2023 \$
Current Assets			
Cash and cash equivalents	6	3,460	16,863
Trade and other receivables	7	105,208	93,062
Other current assets	8	689,024	425,375
Total Current Assets		797,692	535,300
Non-Current Assets			
Exploration and evaluation	9	2,739,000	2,739,000
Right of use asset	10	360,950	439,920
Plant and equipment	11	6,119,515	6,353,696
Total Non-Current Assets		9,219,465	9,532,616
Total Assets		10,017,157	10,067,916
Current Liabilities			
Trade and other payables	12	7,249,788	6,416,887
Convertible notes	14	335,000	-
Provisions		149,111	129,208
Lease liability	10	165,436	153,595
Borrowings	13	9,016,206	8,464,534
Total Current Liabilities		16,915,541	15,164,224
Non-Current Liability			
Convertible notes	14	-	675,000
Lease liability	10	256,324	342,141
Provision for mine rehabilitation	15	1,222,920	1,222,920
Total Non-Current Liability		1,479,244	2,240,061
Total Liabilities		18,394,785	17,404,285
Net Assets/(Liabilities)		(8,377,628)	(7,336,369)
Equity			
Issued capital	16(a)	85,362,763	80,845,504
Reserves	16(b)	2,575,691	2,595,579
Accumulated losses		(96,316,082)	(90,777,452)
Total Equity		(8,377,628)	(7,336,369)

This condensed statement of financial position should be read in conjunction with the accompanying notes.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	61,024,284	3,382,192	(69,098,796)	(4,692,320)
Loss for the period	-	-	(10,971,695)	(10,971,695)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(10,971,695)	(10,971,695)
Transactions with owners recorded directly in equity				
Exercise of options/performance rights	94,396	(1,967,500)	1,967,500	94,396
Conversion of convertible notes	3,950,000	-	-	3,950,000
Share based payment	-	1,354,397	-	1,354,397
Shares to be issued	-	579,578	-	579,578
Shares issued (net of expenses)	6,139,153	-	-	6,139,153
Balance as at 31 December 2022	71,207,833	3,348,667	(78,102,991)	(3,546,491)
Balance at 1 July 2023	80,845,504	2,595,579	(90,777,452)	(7,336,369)
Loss for the period	-	-	(5,538,630)	(5,538,630)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(5,538,630)	(5,538,630)
Transactions with owners recorded directly in equity				
Exercise of options	-	112	-	112
Conversion of convertible notes	340,000	-	-	340,000
Shares issued (net of expenses)	4,177,259	(20,000)	-	4,157,259
Balance as at 31 December 2023	85,362,763	2,575,691	(96,316,082)	(8,377,628)

This condensed statement of changes in equity should be read in conjunction with the accompanying notes.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Half-Year Ended 31 Dec 2023 \$	Half-Year Ended 31 Dec 2022 \$
Cash flow from operating activities		
Receipt of research & development rebate	773,778	729,315
Other income	1,087,928	-
Payments to suppliers and employees	(3,127,784)	(8,229,818)
Interest paid	(423,015)	(235,923)
Interest received	66	4
Net cash outflow from operating activities	(1,689,027)	(7,736,422)
Cash flow from investing activities		
Purchase of plant and equipment	(194,351)	(631,238)
Purchase of prospects	(407,465)	-
Net cash outflow from investing activities	(601,816)	(631,238)
Cash flow from financing activities		
Proceeds from share capital	2,497,463	6,189,562
Proceeds from convertible notes	-	4,554,685
Capital raising costs	(26,400)	(1,254,173)
Proceeds from options entitlement	112	94,397
Repayment of borrowings and related expenses	(1,299,010)	(1,356,228)
Repayment of lease liability	(54,725)	(57,769)
Proceeds from short term borrowings	1,160,000	1,070,000
Net cash outflow from financing activities	2,277,440	9,240,474
Net increase / (decrease) in cash and cash equivalents	(13,403)	872,814
Cash and cash equivalents at beginning of period	16,863	420,980
Cash and cash equivalents at end of period	3,460	1,293,794

This condensed statement of cash flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

These condensed consolidated financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by Classic Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and amended standards adopted by the Company

Standards and Interpretations applicable in the period ended 31 December 2023

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Company and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to accounting policies.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company recognised a loss of \$5,538,630 for the half-year ended 31 December 2023 (31 December 2022: \$10,971,695).

The net working capital position of the Company at 31 December 2023 was a deficit of \$16,117,849 (30 June 2023: \$14,628,924). The Company has expenditure commitments relating to exploration expenditure obligations for their projects of \$865,423 which potentially could fall due in the next twelve months.

1. BASIS OF PREPARATION (continued)

Going Concern (continued)

As disclosed in Note 13, the Company has shareholders loans owing as at 31 December 2023 which are payable on various dates in January – September 2024 totalling \$6,523,921 plus accrued interest of \$2,092,285. Directors are confident that extensions can be obtained on the shareholders loans due within 1 year until the Company has capacity to repay the funds, as has been the case in prior periods.

As announced to the market on 22 February 2024, the Company executed a binding Terms Sheet with AuResources AG for facility to fund project development. AuResources will initially advance US\$10 million (A\$15.3 million) and will also provide advance of a further US\$50 million (A\$76.5 million) in 5 tranches of US\$10 million each (A\$15.3 million each) subject to previous advances having been repaid in accordance with the terms of the Terms Sheet.

Subject to satisfactory completion of due diligence, AuResources AG will advance US\$1,000,000 (A\$1.53 million)¹ within 30 days of execution of the Terms Sheet, with a further US\$9,000,000 (A\$13.8 million)² to be advanced within 90 days of execution of the Terms Sheet and following execution of definitive documentation. The repayment of the facility is to be made in six quarterly payments commencing on 30 October 2024. AuResources has agreed that, in the event Classic commences commercial production at its Kat Gap project during the facility period, repayments may be made in gold bullion at Classic's discretion. The binding Terms Sheet also provides for the advance of a further US\$50 million (A\$76.5 million)³ in 5 tranches of US\$10 million each (A\$15.3 million each)⁴ subject to previous advances having been repaid in accordance with the terms of the Terms Sheet. Each further tranche is repayable in six equal quarterly payments commencing six months after the relevant advance. Classic will grant a general security deed over Classic's personal property. All existing secured parties have long-standing commercial arrangements with Classic and the Company expects that they will execute a deed of priority in favour of AuResources.

The Company advises that the repayment of the funds to AuResources AG is dependent on the Company carrying out profitable operations and there is a risk that any production may not be achieved during the term of the first advance. Further, in the event the Company does not have the capacity to make any necessary cash repayment, AuResources AG will have rights under the security arrangement to control of the Company's assets to the extent required to secure repayment.

¹ Exchange rate - 21 Feb 2024

² Exchange rate - 21 Feb 2024

³ Exchange rate - 21 Feb 2024

⁴ Exchange rate - 21 Feb 2024

1. BASIS OF PREPARATION (continued)

Going Concern (continued)

The Company's ability to continue as a going concern is principally dependent upon its ability to secure funds through execution of the binding Terms Sheet with AuResources AG and repayment of the funds through profitable operations, as explained above and/or by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of its exploration assets.

Should the Company not be able to achieve the matters set out above, there is a significant uncertainty that the entity may not be able to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business, and at amounts that differ from those stated in the financial statements. 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 Company not be able to continue as a going concern.

2. SUBSEQUENT EVENTS

On 22 February 2024 the Company announced the execution of binding terms sheet with AuResources AG (AuResources), pursuant to which AuResources will initially advance US\$10 million (A\$15.3 million) (1st Tranche) to the Company (Term Sheet). Repayment of the facility is to be made in six quarterly payments commencing on 30 October 2024. AuResources has agreed that, in the event Classic commences commercial production at its Kat Gap project during the facility period, repayments may be made in gold bullion at the Company's discretion. The Terms Sheet also provides for the advance of a further US\$50 million (A\$76.5 million) in 5 tranches of US\$10 million each (A\$15.3 million each) subject to previous advances having been repaid in accordance with the terms of the Terms Sheet. Each further tranche is repayable in six equal quarterly payments commencing six months after the relevant advance.

On 27 February 2024, the Company announced that it has successfully lodged a Mining Lease Application MLA 77/1310 over the Lady Ada and Lady Magdalene project areas in the Forrestania gold project tenements. The Company had announced the purchase of these tenements from Reed Exploration Pty Ltd, a wholly owned subsidiary of ASX-listed Redivium Limited (ASX: RIL) (previously ASX: HNR Hannans) on 03 October 2023.

The Company extended repayment date of \$500,000 short-term loan from Beirne Trading Pty Ltd which was due on 12 March 2024. The latest loan extension is payable on 20 May 2024.

The Company extended repayment date of \$500,000 short-term loan from CTRC Pty Ltd which was due on 25 January 2024. The latest loan extension is payable on 25 March 2024.

The Company extended repayment date of \$250,000 short-term loan from CTRC Pty Ltd which was due on 18 February 2024. The latest loan extension is payable on 18 April 2024.

2. SUBSEQUENT EVENTS (continued)

The Company extended repayment date of \$250,000 short-term loan from CTRC Pty Ltd which was due on 26 February 2024. The latest loan extension is payable on 26 April 2024.

On 12 February 2024, the Company entered into agreement with CTRC Pty Ltd for the advance of \$300,000 short-term loan, which matures on 12 May 2024 and carries an interest rate of 3% per month. The loan is secured against the Company's assets under Personal Property Securities Register (PPSR).

The Company extended repayment date of \$320,000 short-term loan from Foskin Pty Ltd which was due on 29 January 2024. The latest loan extension is payable on 29 March 2024.

The Company extended repayment date of \$200,000 short-term loan from Greywood Holdings Pty Ltd which was due on 25 January 2024. The latest loan extension is payable on 25 March 2024.

The Company extended repayment date of \$500,000 short-term loan from Greywood Holdings Pty Ltd which was due on 3 February 2024. The latest loan extension is payable on 3 April 2024.

On 28 February 2024, the Company entered into agreement with Rotherwood Enterprises Pty Ltd for the advance of \$400,000 short-term loan. \$200,000 is repayable within 5 business days of Classic receiving the first US\$1 million from the AuResources Transaction which is anticipated to be on or around 20 March 2024. Another \$200,000 plus accrued interest is repayable within 5 business days of Classic receiving the balance of the first tranche of funds (US\$9 million) from the AuResources Transaction which is anticipated to be on or around 20 May 2024. This unsecured short-term loan carries an interest rate of 5% per month.

The Company extended repayment date of \$400,000 short-term loans from UFL Technology Pty Ltd which was due on 15 February 2024. The latest loan extension is payable on 15 April 2024.

No other circumstances or events have arisen subsequent to the end of the period, that have had, or are likely to have, a material impact on the financial statements.

3. OPERATING SEGMENTS

The Company has only one operating segment. This is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

The Company operates in one operating and geographic segment being mineral exploration and evaluation in Western Australia for the half-year periods ended 31 December 2023 and 31 December 2022.

4. OTHER INCOME

	31 Dec 2023	31 Dec 2022
	\$	\$
Selling of gold	988,293	-
Interest income	67	683
Other income	139,479	3,335
	<u>1,127,839</u>	<u>4,018</u>

For the period ended 31 December 2023, other income consisted of fuel tax credit.

For the period ended 31 December 2022, other income included rental and insurance claim proceed.

5. ADMINISTRATION EXPENSES, DEPRECIATION AND AMORTISATION EXPENSES AND FINANCING CHARGES

	31 Dec 2023	31 Dec 2022
	\$	\$
(a) Administration expenses		
Insurance expenses	118,231	105,245
Telephone expenses	7,304	8,054
Other administration expenses	464,823	698,189
	<u>590,358</u>	<u>811,488</u>
(b) Depreciation and amortisation expenses		
Amortisation related to right of use asset	78,970	73,423
Depreciation related to plant and equipment	125,245	125,345
	<u>204,215</u>	<u>198,768</u>
(c) Financing charges		
Interest expenses	1,205,236	910,713
Borrowing costs – borrowings	525,660	1,714,978
Borrowing costs – convertible notes	-	1,933,426
	<u>1,730,896</u>	<u>4,559,117</u>

6. CASH AND CASH EQUIVALENTS

	31 Dec 2023	30 June 2023
	\$	\$
Cash at bank	3,460	16,863
	<u>3,460</u>	<u>16,863</u>

7. TRADE AND OTHER RECEIVABLES

	31 Dec 2023 \$	30 June 2023 \$
Other receivables (i)	188,649	176,503
Bonds and security deposits	48,937	48,937
Less: Provision for doubtful debt	(132,378)	(132,378)
	<u>105,208</u>	<u>93,062</u>

(i) \$176,503 (30 June 2023: \$176,503) of this balance relates to receivable from Stock Assist Pty Ltd against which a provision for doubtful debt of \$132,378 (30 June 2023: \$132,378) is applied.

8. OTHER CURRENT ASSETS

	31 Dec 2023 \$	30 June 2023 \$
Prepaid expenses	84,024	199,776
Advanced payments	605,000	225,599
	<u>689,024</u>	<u>425,375</u>

The Company capitalised some prepaid expenses relating to tenements acquisition, insurance, investor relations and marketing expenses, software subscription and other subscriptions as at the reporting date. These prepaid expenses are expensed to the statement of profit or loss as goods received or services rendered.

Advanced payments mainly consist of advances for the purchase of vehicle.

9. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2023 \$	30 June 2023 \$
Forrestania Project	729,000	729,000
Kat Gap Project	2,010,000	2,010,000
	<u>2,739,000</u>	<u>2,739,000</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

	31 Dec 2023 \$	30 June 2023 \$
Movement in exploration and evaluation assets		
Opening balance	2,739,000	2,739,000
Addition	-	-
Written-off to exploration expenses	-	-
Ending balance	<u>2,739,000</u>	<u>2,739,000</u>

9. EXPLORATION AND EVALUATION ASSETS (continued)

On 25 October 2022, the Company entered into an agreement with Goldbridge SL Pty Ltd to acquire tenement G74/12 registered under Goldbridge SL Pty Ltd. The consideration for the sale and assignment of the tenement from Goldbridge SL Pty Ltd to the Company includes:

- Cash consideration of \$380,000 and
- Share consideration to the value of \$650,000.

As of 31 December 2023, the settlement of the sale and transfer of tenement under the agreement had not been completed.

On 3 October 2023, the Company announced that it had entered into a binding agreement with Reed Exploration Pty Ltd to purchase the mining tenement comprising the Forrestania Gold Project (other than the tenements comprising the Kat Gap discovery, which are already owned by the Company) (FGP Tenements).

In 2017, the Company acquired 80% of the gold rights on the FGP Tenements from a third party, with Reed Exploration Pty Ltd retaining its 20% interest in the gold rights associated with the FGP Tenements. The Company has now agreed to purchase the FGP Tenements with the following consideration:

- \$50,000 as non-refundable deposit payable on execution of the binding tenement sale agreement;
- \$200,000 as cash consideration; and
- 500,000,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.001 per share; and
- \$106,196 as reimbursement for amounts paid to maintain the FGP Tenements in good standing.

As a consequence of the acquisition of the FGP Tenements, the Company will have the rights to explore for gold and all other minerals, including lithium and nickel.

As of 31 December 2023, the settlement of the sale and transfer of tenements under the agreement had not been completed. As announced by the Company on 5 February 2024, the parties have agreed to extend the deadline for satisfaction of the conditions to 30 April 2024 or such other date as the parties may agree. Through the date of this half year report, the Company has paid \$50,000 non-refundable deposit.

10. RIGHT OF USE ASSET

	31 Dec 2023	30 June 2023
	\$	\$
Property	360,950	439,920
	360,950	439,920
Corresponding lease liability		
Lease liability – current	165,436	153,595
Lease liability – non-current	256,324	342,141
	421,760	495,736

The Company leased commercial property as their head office and premises for storage. In pursuant to AASB 16 *Leases*, these leases were recognised as a right-of-use asset and a corresponding lease liability in the financial statements. The right-of-use asset is depreciated over the lease period on a straight-line basis.

**CONDENSED NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



11. PLANT AND EQUIPMENT

Cost	Plant & Equipment \$	Motor Vehicles \$	Work in Progress \$	TOTAL \$
Balance at 30 June 2023	915,357	1,532,895	7,798,571	10,246,823
Additions	99,900	-	-	99,900
Disposals	-	(279,627)	-	(279,627)
Transfer from work in progress	-	-	-	-
Balance at 31 December 2023	1,015,257	1,253,268	7,798,571	10,067,096
Accumulated Depreciation				
Balance at 30 June 2023	412,560	596,477	-	1,009,037
Depreciation	54,067	71,178	-	125,245
Disposals	-	(70,792)	-	(70,792)
Balance at 31 December 2023	466,627	596,863	-	1,063,490
Net Book Value				
As at 30 June 2023	502,797	936,418	7,798,571	9,237,786
Provision for impairment losses	-	-	(2,884,091)	(2,884,091)
As at 30 June 2023	502,797	936,418	4,914,480	6,353,695
As at 31 December 2023	548,630	656,405	7,798,571	9,003,606
Provision for impairment losses	-	-	(2,884,091)	(2,884,091)
As at 31 December 2023	548,630	656,405	4,914,480	6,119,515

The Company engaged independent valuer, Gordon Brothers Pty. Ltd., to make assessment on the value of processing plant, mobile plant and mine accommodation as classified in the Work in Progress as of 12 July 2023. The Appraisal Report dated 1 August 2023 determined the valuation amount of \$4,914,480 on the basis of Fair Market Value In Continued (FMVICU) by utilizing cost approach valuation method. The effective date of the revaluation is 1 August 2023. The Company has recognized impairment losses of \$1,387,382 for the year ended 30 June 2023 and provided provision for impairment losses of \$2,884,091 as of 31 December 2023 and 30 June 2023.

12. TRADE AND OTHER PAYABLES

	31 Dec 2023 \$	30 June 2023 \$
Trade and other creditors	6,550,651	5,471,453
Accrued expenses	616,493	909,027
Accrued wages	82,644	36,407
	7,249,788	6,416,887

Trade payables are non-interest bearing and are normally settled on 30-60 days terms. As at 31 December 2023, the amount of trade payables was \$6,364,923 (30 June 2023: \$5,499,843) and the amount exceeding normal trading terms totaling \$5,715,319 (30 June 2023: \$3,456,222).

**CONDENSED NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



13. BORROWINGS

	31 Dec 2023 \$	30 June 2023 \$
Loans from Aneles Consulting Services Pty Ltd - due on 14 June 2024 (30 June 2023: 30 August 2023 and 14 September 2023)	171,174	201,173
Loans from Beirne Trading Pty Ltd - due on 12 March 2024 and 24 June 2024 (30 June 2023: 22 July 2023 and 24 September 2023)	1,000,000	1,000,000
Loans from CTRC Pty Ltd - due on 25 January 2024, 18 February 2024 and 26 February 2024 (30 June 2023: 19 July 2023, 25 July 2023, 18 August 2023 and 26 August 2023)	1,000,000	1,300,000
Loan from Foskin Pty Ltd - due on 29 January 2024 (30 June 2023: 29 July 2023)	320,000	320,000
Loans from Gold Processing Equipment Pty Ltd - due on 20 March 2024 and 14 June 2024 (30 June 2023: 20 July 2023, 14 August 2023 and 31 August 2023)	305,500	315,500
Loans from Greywood Holdings Pty Ltd - due on 25 January 2024, 3 February 2024 and 12 March 2024 (30 June 2023: 12 July 2023, 25 July 2023 and 3 August 2023)	880,000	880,000
Loan from Gurindji Pty Ltd - due on 1 September 2024	950,000	-
Loan from Janama Asset Management Pty Ltd - due on 2 July 2023	-	60,000
Loan from Klip Pty Ltd - due on 24 June 2024 (30 June 2023: 24 September 2023)	700,000	700,000
Loan from Michael Wilson - due on 27 January 2024 (30 June 2023: 27 July 2023)	30,000	30,000
Loan from Reliant Resources Pty Ltd - due on 23 February 2024	50,000	-
Loans from Rotherwood Enterprises Pty Ltd - due on 24 June 2024 (30 June 2023: 24 September 2023)	300,000	300,000
Loan from Tracey Pearson - due on 7 June 2024 (30 June 2023: 7 August 2023)	10,000	10,000
Loan from Whead Pty Ltd - due on 30 June 2024 (30 June 2023: 31 August 2023)	807,247	807,247
Total loans from shareholders	6,523,921	5,923,920
Loan from Radium Capital (R&D) - due on 30 November 2023	-	459,382
Loans from UFL Technology Pty Ltd - due on 15 February 2024 (30 June 2023: 15 August 2023)	400,000	200,000
Loans from Attvest Finance, Hunter Premium Funding, Monument Premium Funding (Insurance)	-	133,798
Total loans	6,923,921	6,717,100
Accrued interest	2,092,285	1,747,434
	9,016,206	8,464,534

- (i) Short-term loans from Aneles Consulting Services Pty Ltd, Beirne Trading Pty Ltd, Klip Pty Ltd, Michael Wilson, Reliant Resources Pty Ltd, Rotherwood Enterprises Pty Ltd, Tracey Pearson, Whead Pty Ltd and \$5,500 loan from Gold Processing Equipment Pty Ltd are unsecured, while the other short-term loans from shareholders are secured against the Company's assets under Personal Property Securities Register (PPSR).

13. BORROWINGS (continued)

The short-term loans from shareholders carry interest rate of 2% - 3% per month.

- (ii) \$200,000 loan facility from UFL Technology Pty Ltd is unsecured. Loans from UFL Technology Pty Ltd carry interest rate of 3% per month.

14. CONVERTIBLE NOTES

	31 Dec 2023 \$	30 June 2023 \$
Financial liability component	246,361	496,399
Embedded derivative component	88,639	178,601
Convertible notes	<u>335,000</u>	<u>675,000</u>
	No. of Convertible Notes	\$
Opening balance 1 July 2023	135	675,000
Issuance of convertible notes	-	-
Converted into ordinary shares	(68)	(340,000)
Closing balance 31 December 2023	<u>67</u>	<u>335,000</u>

On 25 January 2023, the Company issued 1,114.5 convertible notes with face value of \$5,000, convertible into fully paid ordinary shares in the capital of the Company at any time up to 18 months after the issue of convertible notes. Any convertible note not converted by that date will be redeemed. The price at which conversion shares to be issued (conversion price) is \$0.017 per share (on a post-consolidation basis) or a 20% discount to the 15-day VWAP, whichever is lower. Noteholders converting notes will also be entitled to one (1) free attaching unlisted option for every two (2) ordinary shares issued on conversion, exercisable at \$0.025 on before 1 December 2025.

The Company received \$5,572,500 in cash for the issuance of the notes. The Company has issued 3,520,567,820 ordinary shares and 1,760,283,908 options for the conversion of convertible notes issued on 25 January 2023.

In relation to the issuance of convertible notes, the Company entered into a mandate with Still Capital Pty. Ltd. which will be entitled to the following fees:

- Capital raising fee of 6% of the total funds received;
- Sign on fee of \$100,000;
- and 30,000,000 options at \$0.025 exercisable prior to 1 December 2025.

15. PROVISION FOR MINE REHABILITATION

	31 Dec 2023 \$	30 June 2023 \$
Provision for mine rehabilitation	1,222,920	1,222,920
	<u>1,222,920</u>	<u>1,222,920</u>

The Company makes provision for the future cost of rehabilitating mine sites which represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred until when the producing mine properties are expected to cease operations.

16. ISSUED CAPITAL & RESERVES

(a) Issued Capital

	No. of shares	\$
Issue of ordinary shares during the period		
As at 1 July 2023	7,360,257,095	80,845,504
Shares placement (i)	3,143,062,479	2,689,503
Conversion of convertible notes (ii)	425,000,000	340,000
Shares issued for borrowing and interest repayment (iii)	707,923,288	566,339
Shares issued for borrowing costs (iv)	416,100,000	416,100
Shares issued for creditors payment (v)	389,996,437	335,429
Share-based expenses for difference between market value of shares and the value of the creditors paid	-	196,152
Less: Capital raising cost	-	(26,264)
As at 31 December 2023	12,442,339,299	85,362,763
 As at 1 July 2022 (pre-consolidation basis)	 31,074,896,554	 61,024,284
Shares to be issued	(50,000,000)	(50,000)
	31,024,896,554	60,974,284
 Post-consolidation basis; with 1:150 consolidation ratio effective on 8 July 2022	 206,828,780	 60,974,284
Shares placement (vi)	2,532,909,490	9,032,671
Exercise of options (vii)	1,887,932	94,397
Conversion of convertible notes (viii)	3,352,031,946	8,897,500
Shares issued for borrowing repayment (ix)	655,002,824	583,258
Shares issued for borrowing costs (x)	318,035,235	2,532,623
Shares issued for creditors payment (xi)	293,560,888	977,290
Share-based expenses for difference between market value of shares and the value of the creditors paid	-	(17,735)
Less: Capital raising cost	-	(2,228,784)
As at 30 June 2023 (post-consolidation basis)	7,360,257,095	80,845,504

- (i) The Company completed the following shares placement to raise capital for working capital and exploration activities:
- On 1 July 2023, the Company issued 50,000,000 shares at an average share price of \$0.00080
 - On 6 July 2023, the Company issued 446,588,344 shares. On 12 July 2023, 500,000,000 shares were subscribed by LDA Capital at an average share price of \$0.00080
 - On 25 July 2023, the Company issued 200,000,000 shares at an average share price of \$0.00085
 - On 30 August 2023, the Company issued 2,446,474,135 shares at an average share price of \$0.00085
- (ii) The Company issued the following shares as conversion of convertible notes:
- On 13 July 2023, the Company issued 125,000,000 shares at an average share price of \$0.00080
 - On 21 July 2023, the Company issued 12,500,000 shares at an average share price of \$0.00080
 - On 25 July 2023, the Company issued 62,500,000 shares at an average share price of \$0.00080

16. ISSUED CAPITAL & RESERVES (continued)

(a) Issued Capital (continued)

- On 22 August 2023, the Company issued 225,000,000 shares at an average share price of \$0.00080
- (iii) The Company issued the following shares as repayment of borrowing principal and interest:
 - On 21 July 2023, the Company issued 707,923,288 shares at an average price of \$0.00080
- (iv) The Company issued the following shares as part of loan establishment fees:
 - On 21 July 2023, the Company issued 158,700,000 shares at an average price of \$0.00100
 - On 6 October 2023, the Company issued 257,400,000 shares at an average price of \$0.00100
- (v) The Company issued the following shares to reduce its creditors balance:
 - On 21 July 2023, the Company issued 212,836,437 shares at an average price of \$0.00080
 - On 21 July 2023, the Company issued 66,720,000 shares at an average price of \$0.00100
 - On 23 August 2023, the Company issued 24,000,000 shares at an average price of \$0.00050
 - On 6 October 2023, the Company issued 53,440,000 shares at an average price of \$0.00100
 - On 31 December 2023, the Company issued 33,000,000 shares at an average price of \$0.00100
- (vi) The Company completed the following shares placement to raise capital for working capital and exploration activities:
 - On 25 August 2022, the Company issued 8,108,108 shares at an average share price of \$0.01850
 - On 14 September 2022, the Company issued 26,315,790 shares at an average share price of \$0.01900
 - On 1 November 2022, the Company issued 49,333,334 shares at an average share price of \$0.0150
 - On 2 November 2022, the Company issued 228,784,268 shares at an average share price of \$0.01600
 - On 15 December 2022, the Company issued 43,750,000 shares at an average share price of \$0.01600
 - On 27 January 2023, the Company issued 30,215,780 shares at an average share price of \$0.01600
 - On 3 February 2023, the Company issued 32,679,738 shares at an average share price of \$0.00765
 - On 3 February 2023, the Company issued 212,003,617 shares. On 20 March 2023, 142,000,000 shares were subscribed by LDA Capital at an average share price of \$0.00319
 - On 10 February 2023, the Company issued 79,487,178 shares at an average share price of \$0.00600
 - On 28 March 2023, the Company issued 100,000,000 shares at an average share price of \$0.00100
 - On 31 March 2023, the Company issued 587,996,383 shares. On 18 May 2023, 554,588,344 shares were subscribed by LDA Capital at an average share price of \$0.00089
 - On 3 April 2023, the Company issued 100,000,000 shares at an average share price of \$0.00100
 - On 6 April 2023, the Company issued 150,000,000 shares at an average share price of \$0.00100

16. ISSUED CAPITAL & RESERVES (continued)

(a) Issued Capital (continued)

- On 20 April 2023, the Company issued 296,000,000 shares at an average share price of \$0.00085
- On 29 May 2023, the Company issued 588,235,294 shares at an average share price of \$0.00085

(vii) Exercise of options:

- On 1 September 2022, 1,887,932 options were exercised with an exercise price of \$0.05000

(viii) The Company issued the following shares as conversion of convertible notes:

- On 12 August 2022, the Company issued 6,944,444 shares at an average share price of \$0.02880
- On 12 August 2022, the Company issued 2,500,000 shares at an average share price of \$0.03000
- On 26 August 2022, the Company issued 2,314,815 shares at an average share price of \$0.02160
- On 29 August 2022, the Company issued 6,370,192 shares at an average share price of \$0.02080
- On 13 September 2022, the Company issued 167,187,503 shares at an average share price of \$0.01760
- On 14 October 2022, the Company issued 1,736,111 shares at an average share price of \$0.01440
- On 14 December 2022, the Company issued 62,372,773 shares at an average share price of \$0.00842
- On 20 January 2023, the Company issued 7,038,288 shares at an average share price of \$0.00710
- On 3 February 2023, the Company issued 54,274,085 shares at an average share price of \$0.00737
- On 3 February 2023, the Company issued 13,661,202 shares at an average share price of \$0.00732
- On 6 February 2023, the Company issued 29,897,894 shares at an average share price of \$0.00669
- On 17 February 2023, the Company issued 35,587,188 shares at an average share price of \$0.00562
- On 17 February 2023, the Company issued 49,586,776 shares at an average share price of \$0.00605
- On 23 February 2023, the Company issued 14,677,534 shares at an average share price of \$0.00511
- On 27 February 2023, the Company issued 12,755,102 shares at an average share price of \$0.00392
- On 1 March 2023, the Company issued 6,830,601 shares at an average share price of \$0.00366
- On 14 March 2023, the Company issued 51,194,539 shares at an average share price of \$0.00293
- On 14 March 2023, the Company issued 336,538,462 shares at an average share price of \$0.00208
- On 17 March 2023, the Company issued 153,954,804 shares at an average share price of \$0.00177

16. ISSUED CAPITAL & RESERVES (continued)

(a) Issued Capital (continued)

- On 24 March 2023, the Company issued 29,940,120 shares at an average share price of \$0.00167
 - On 28 March 2023, the Company issued 167,785,235 shares at an average share price of \$0.00149
 - On 28 March 2023, the Company issued 301,932,367 shares at an average share price of \$0.00166
 - On 17 April 2023, the Company issued 815,217,390 shares at an average share price of \$0.00092
 - On 17 April 2023, the Company issued 369,318,182 shares at an average share price of \$0.00088
 - On 17 April 2023, the Company issued 52,631,580 shares at an average share price of \$0.00095
 - On 28 April 2023, the Company issued 120,481,927 shares at an average share price of \$0.00083
 - On 8 May 2023, the Company issued 185,185,185 shares at an average share price of \$0.00081
 - On 23 June 2023, the Company issued 294,117,647 shares at an average share price of \$0.00085
- (ix) The Company issued the following shares as repayment of borrowing principal and interest:
- On 3 April 2023, the Company issued 176,705,000 shares at an average price of \$0.00100
 - On 29 May 2023, the Company issued 478,297,824 shares at an average price of \$0.00085
- (x) The Company issued the following shares as part of loan establishment fees:
- On 12 August 2022, the Company issued 8,600,000 shares at an average share price of \$0.04000
 - On 12 August 2022, the Company issued 2,500,000 shares at an average share price of \$0.01500
 - On 2 September 2022, the Company issued 1,250,000 shares at an average share price of \$0.02000
 - On 14 September 2022, the Company issued 3,685,000 shares at an average share price of \$0.02000
 - On 1 November 2022, the Company issued 4,117,647 shares at an average share price of \$0.01700
 - On 15 December 2022, the Company issued 7,945,922 shares at an average share price of \$0.01300
 - On 27 January 2023, the Company issued 18,370,000 shares at an average share price of \$0.01000
 - On 20 February 2023, the Company issued 9,166,666 shares at an average share price of \$0.00600
 - On 3 April 2023, the Company issued 103,700,000 shares at an average share price of \$0.00100
 - On 30 May 2023, the Company issued 158,700,000 shares at an average share price of \$0.00100
- (xi) The Company issued the following shares to reduce its creditors balance:
- On 12 August 2022, the Company issued 2,004,000 shares at an average share price of \$0.04000
 - On 14 September 2022, the Company issued 9,336,000 shares at an average share price of \$0.02000

16. ISSUED CAPITAL & RESERVES (continued)

(a) Issued Capital (continued)

- On 15 December 2022, the Company issued 13,333,333 shares at an average share price of \$0.01200
- On 15 December 2022, the Company issued 12,440,000 shares at an average share price of \$0.01300
- On 27 January 2023, the Company issued 2,672,000 shares at an average share price of \$0.01000
- On 3 February 2023, the Company issued 5,555,555 shares at an average share price of \$0.00900
- On 3 February 2023, the Company issued 1,250,000 shares at an average share price of \$0.00800
- On 20 February 2023, the Company issued 5,000,000 shares at an average share price of \$0.00600
- On 16 March 2023, the Company issued 30,000,000 shares at an average share price of \$0.00100
- On 17 March 2023, the Company issued 30,000,000 shares at an average share price of \$0.00200
- On 3 April 2023, the Company issued 95,250,000 shares at an average share price of \$0.00100
- On 6 April 2023, the Company issued 30,000,000 shares at an average share price of \$0.00100
- On 8 May 2023, the Company issued 30,000,000 shares at an average share price of \$0.00100
- On 30 May 2023, the Company issued 26,720,000 shares at an average share price of \$0.00100

(b) Reserves

Share reserve	No. of shares	\$
As at 1 July 2023	60,812,500	126,750
Shares to be issued	250	112
Shares issued	(25,000,000)	(20,000)
As at 31 December 2023	35,812,750	106,862

Option reserve	No. of options	\$
As at 1 July 2023	1,985,327,493	2,468,829
Options issued (i)	212,519,650	-
Cancellation of options	(36,982,890)	-
As at 31 December 2023	2,160,864,253	2,468,829

16. ISSUED CAPITAL & RESERVES (continued)

(b) Reserves (continued)

Performance rights reserve	No. of rights	\$
As at 1 July 2023	9,333,333	-
Addition/vested (ii)	1,795,620,000	-
As at 31 December 2023	<u>1,804,953,333</u>	-

Total reserves **2,575,691**

- (i) The Company issued the following options under convertible notes with an exercise price of \$0.25 and expiry date of 1 December 2025:
- 62,500,000 options were issued on 13 July 2023
 - 6,250,000 options were issued on 21 July 2023
 - 31,250,000 options were issued on 25 July 2023
 - 112,519,650 options were issued on 22 August 2023
- (ii) On 14 December 2023, the Company issued 1,795,620,000 performance rights to its directors, employees and contractors. The value of the performance rights is taken at nil value as the management believes that the probability of vesting condition that would be met is less than 50%.

Security	Recipients	Number	Details	Vesting Condition	Exercise Price	Expiry Date
Class A1 Performance Rights	Employees and contractors	459,473,334	Performance rights to be issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company announces to Australian Securities Exchange ("ASX") that it has defined an inferred mineral resource of at least 150,000 ounces of gold, at a minimum grade of at least 1 gram per tonne, in accordance with the JORC Code at the Company's Kat Gap mineral exploration project	nil	1 February 2026
Class A2 Performance Rights	Employees and contractors	459,473,333	Performance rights to be issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company announces to ASX that it has defined an inferred mineral resource of at least 200,000 ounces of gold, at a minimum grade of at least 1 gram per tonne, in accordance with the JORC Code at the Company's Kat Gap mineral exploration project	nil	1 February 2026

16. ISSUED CAPITAL & RESERVES (continued)

Security	Recipients	Number	Details	Vesting Condition	Exercise Price	Expiry Date
Class A3 Performance Rights	Employees and contractors	459,473,333	Performance rights to be issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company announces to ASX that it has defined an inferred mineral resource of at least 250,000 ounces of gold, at a minimum grade of at least 1 gram per tonne, in accordance with the JORC Code at the Company's Kat Gap mineral exploration project	nil	1 February 2026
Class B1 Performance Rights	John Lester	59,600,000	Performance rights to be issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company announces to ASX that it has defined an inferred mineral resource of at least 150,000 ounces of gold, at a minimum grade of at least 1 gram per tonne, in accordance with the JORC Code at the Company's Kat Gap mineral exploration project	nil	1 February 2026
	Lu Ning Yi	19,866,667				
	Frederick Salkanovick	19,866,667				
	Stephen O'Grady	19,866,667				
	Gillian King	19,866,667				
Class B2 Performance Rights	John Lester	59,600,000	Performance rights to be issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company announces to ASX that it has defined an inferred mineral resource of at least 200,000 ounces of gold, at a minimum grade of at least 1 gram per tonne, in accordance with the JORC Code at the Company's Kat Gap mineral exploration project	nil	1 February 2026
	Lu Ning Yi	19,866,667				
	Frederick Salkanovick	19,866,667				
	Stephen O'Grady	19,866,667				
	Gillian King	19,866,667				
Class B3 Performance Rights	John Lester	59,600,000	Performance rights to be issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company announces to ASX that it has defined an inferred mineral resource of at least 250,000 ounces of gold, at a minimum grade of at least 1 gram per tonne, in accordance with the JORC Code at the Company's Kat Gap mineral exploration project	nil	1 February 2026
	Lu Ning Yi	19,866,666				
	Frederick Salkanovick	19,866,666				
	Stephen O'Grady	19,866,666				
	Gillian King	19,866,666				

16. ISSUED CAPITAL & RESERVES (continued)

The valuation of the performance rights was based on the Black Scholes valuation methodology with the following key inputs:

	Class A1 Performance Rights	Class A2 Performance Rights	Class A3 Performance Rights	Class B1 Performance Rights	Class B2 Performance Rights	Class B3 Performance Rights
Methodology	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Grant date	29 November 2023	29 November 2023	29 November 2023	29 November 2023	29 November 2023	29 November 2023
Expiry date	1 February 2026	1 February 2026	1 February 2026	1 February 2026	1 February 2026	1 February 2026
Assumed spot price (\$)	0.001	0.001	0.001	0.001	0.001	0.001
Exercise price (\$)	nil	nil	nil	nil	nil	nil
Risk-free rate (%)	3.999	3.999	3.999	3.999	3.999	3.999
Volatility (%)	100	100	100	100	100	100
Dividend yield (%)	nil	nil	nil	nil	nil	nil
Fair value per right (\$)	0.001	0.001	0.001	0.001	0.001	0.001
Number	459,473,334	459,473,333	459,473,333	139,066,668	139,066,668	139,066,664
Total value (\$)	459,473	459,473	459,473	139,067	139,067	139,067

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Company does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

18. CONTINGENCIES

There has been no change in contingent liabilities since the last annual reporting date.

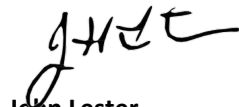
**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board



**John Lester
Non-Executive Chairman**

15 March 2024