

For personal use only



Interim Financial Report

Half-Year Ended 31 December 2022

Everest Metals Corporation Ltd

(formerly Twenty Seven Co. Ltd)

ABN 48 119 978 013

Table of Contents

Page

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	7
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	11
Notes to the Interim Financial Statements	12
Directors' Declaration	19
Independent Auditor's Review Report	20

Corporate Directory

Directors

Mark Caruso – Chairman / CEO
Robert Downey – Non-executive Director
David Argyle – Non-executive Director
Kim Wainwright – Non-executive Director

Chief Operating Officer

Simon Phillips

Chief Financial Officer

Amy Fink

Company Secretary

Dale Hanna

Registered Office & Administrative Office

Everest Metals Corporation Ltd
Suite 2.04, Level 4
256 Adelaide Terrace
Perth, Western Australia 6000
Telephone: +61 (08) 9468 9855
Email: enquiries@everestmetals.au

Website

www.everestmetals.au

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
GPO Box D182
Perth WA 6840
Investor Enquiries (within Australia):
Ph: +61 8 9323 2000 Fax: +61 8 9323 2033

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street,
Perth, Western Australia 6000

Banker

National Australia Bank
Level 14, 100 St Georges Terrace
Perth, Western Australia 6000

Australian Securities Exchange

The Company is listed on the Australian Securities Exchange.

ASX code: EMC

DIRECTORS' REPORT

Your Directors present this report on Everest Metals Corporation Ltd (formerly known as Twenty Seven Co. Ltd) and its consolidated entities ('Group', 'Everest Metals Corporation Ltd.', 'EMC' or 'Company') for the half-year ended 31 December 2022 ("half-year").

DIRECTORS

The names of each person who has been a Director during this half-year to the date of this report are:

- Mark Caruso (Chairman / Chief Executive Officer – appointed 1 July 2022)
- Robert Downey (Non-Executive Director) - appointed 1 July 2022
- David Argyle (Non-Executive Director) - appointed 1 July 2022
- Kim Wainwright (Non-Executive Director) - appointed 19 August 2022
- Rohan Dalziell (Non-Executive Chairman) – appointed 9 September 2021, resigned 1 July 2022
- Mark Burchnell (Non-Executive Director) - resigned 1 July 2022
- Timothy Armstrong (Non-Executive Director) - resigned 1 July 2022

All directors have been in office for the whole period up until the date of this report unless otherwise indicated.

CHIEF EXECUTIVE OFFICER

- Mark Caruso

CHIEF OPERATING OFFICER

- Simon Phillips

COMPANY SECRETARY

- Dale Hanna

PRINCIPAL ACTIVITIES

During the financial half-year, the principal activities of the Group consisted of:

- Strategic review and optimisation work programs, reviewing all operational aspects of the Company by the new board
- Acquisition of Mt Edon LCT Pegmatite and completion of reconnaissance RC drilling programme
- Appointment of Chief Geologist
- Review of the Company projects and considers the non-core asset and will move to assess divestment options
- Successful Rights issue raised \$2.66 million
- Rio Tinto Exploration exercised its farm-in option in Rover Project (E57/1134)
- Share consolidation on 50:1 basis
- Rebrand the business from Twenty Seven Co. Ltd (TSC) to Everest Metals Corporation (EMC) to reflect it's multi metal strategy in Precious Metals and Battery Minerals

CONSOLIDATED RESULTS

During the half-year ended 31 December 2022 the Group incurred a loss of \$584,919 (2021: loss \$394,664).

REVIEW OF OPERATIONS

Exploration Activities

Western Australia Archaean Gold and Battery Minerals Assets

- **Mt Edon Project (M59/714)**

Mt Edon mining lease (M59/704) is located 5km southwest of Paynes Find and covers the southern portion of the Paynes Find greenstone belt, southern Murchison and hosts an extensive swarm of pegmatites, highly prospective for Lithium, Caesium, Tantalum, Rubidium and Rare Earth Elements mineralisation.

EMC has taken an option to farm-in to acquire the right to earn a 100% interest in the project. EMC has funded a due diligence work program including a 507m reconnaissance RC drilling program to determine whether to proceed with the farm-in. The drilling was conducted from 8 drilling fence lines and included 24 shallow holes. Interpretation of results from the recent drilling program has confirmed the pegmatite samples are anomalous in terms of rare metals by a median factor of around 14 times higher than background host rock and suggest that there are several prospective targets for lithium-bearing pegmatites within the Project area. Pegmatites appear to be folded sill dipping into variable directions and angles and connected at depth.

Post half-year, the Company announced to exercise its exclusive option to farm-in to acquire the right to earn a 100% interest in the Mt Edon Project subject to due diligence and shareholder approval.

- **Rover Gold Project (E57/1085, E57/1120, E57/1134)**

EMC's 100% owned Rover project is located near Sandstone in a base metals and gold mineral rich area associated with Archaean greenstone belts. Rover Project consists of three exploration licenses (E57/1085, E57/1134 and E57/1120) which make up a large 460km² tenure package covering two linear Archaean greenstones. RC drilling completed in December 2021 targeted the Harmonic, Four Corners and Blue Hills Prospects.

EMC entered a binding term sheet ("Agreement") with RIO in March 2022, with RIO paying EMC an initial A\$25,000 up front for an exclusive initial six-month option to explore North Rover for non-gold minerals. In early December quarter, EMC reported that Rio Tinto Exploration, a wholly owned subsidiary of the global mining group Rio Tinto (RIO), had elected to exercise its option to farm-in to the northern Rover Project exploration licence (E57/1134) ("North Rover") in the central Yilgarn region of Western Australia.

Following the completion of an initial exploration program, RIO has exercised its option to earn an 80% Joint Venture interest in the non-gold mineral rights on E57/1134 by sole funding A\$5M of non-gold exploration. During the initial six-month option period, RIO identified a sub-cropping weathered pegmatite unit that may be prospective for lithium and tantalum mineralisation, with an area prioritised for follow-up drill testing. RIO plans to conduct an initial drill program of 500-1000m to investigate the interpreted pegmatite unit in Q2- 2023.

- **Yarbu Gold Project (E77/2442, E77/2539, E77/2540)**

The Yarbu Gold Project is located on the Marda Greenstone belt ~80km to the north-west of the Mt Dimer Project. Yarbu consists of three exploration licenses (E77/2442, E77/2540 and E77/2539) which cover approximately 223km² and all are highly prospective for Archean Gold deposits.

No additional work was undertaken at Yarbu during the half-year reporting period, and EMC continues to assess a range of options regarding the further development of the project.

- **Mt Dimer Gold & Silver Project (E77/2383, M77/515)**

The Mt Dimer Gold and Silver Project ("Mt Dimer") is located 120km north-east from Southern Cross and comprises a mining lease (M77/515) and exploration license (E77/2383). Within the mining lease, historical open-cut mining to a depth of ~50m in the 1990's produced circa 8,500 Oz Au.

No further work was completed at Mt Dimer during the half-year reporting period, and the Company is looking at development and divestment options.

New South Wales Iron-Oxide-Copper-Gold (IOCG) Assets

- **Midas Project – Cu-Au (EL8732, EL8904)**

The Midas Project is prospective for Iron-Oxide-Copper-Gold ("IOCG") and is located 40km northeast of Broken Hill and adjacent to Silver City Minerals (ASX: SCI) Yalcowinna Tenement. Several areas of strong Cu-Au anomalism have already been defined across the Midas Project through soil and rock chip sampling programmes.

- **Perseus Project – IOCG (EL8778)**

The Perseus Project is prospective for IOCG mineralisation and is located ~50km west of Broken Hill and north of the Thackaringa Cobalt Project. In 2018 TSC identified six high priority IOCG targets for testing and the Geological Survey of NSW's November 2018 Mineral Potential Report for the Curnamona ranked three of the six high priority Perseus targets as highly prospective.

- **Trident Project – IOCG (EL8736)**

Trident Project (EL8736) is prospective for iron oxide copper gold (IOCG) and tin and is located ~35km north-east of Broken Hill. within the Curnamona Craton, it is hosted in an ovoid-shaped craton of Paleoproterozoic to Mesoproterozoic rocks of the Willyama Supergroup (1720-1640Ms) which hosts the Broken Hill stratabound lead-zinc-silver deposits and numerous small metalliferous occurrences. In 2021 EMC identified strong copper, gold, and tin mineralisation at Trident.

The Company considers the NSW asset non-core and will move to assess divestment options.

- **Other Business Development**

EMC undertook strategic review of current projects during the half-year and the Company continues to review future opportunities in Australia, Southeast Asia, Mongolia, and Africa.

CORPORATE

The Company implemented a strategic review and optimisation work programs reviewing all operational aspects of the Company during half-year ended 31 December 2022.

Significant changes to the state of affairs

On 25 November 2022, the Company changed its name to Everest Metals Corporation.

There have been no significant changes to the state of affairs of the Company during the period.

Changes in equity

The following changes in equity took place during the half-year period:

Shares

During the current period, the Company completed a Rights Issue raising \$2.66 million. A total of 2,660,813,905 fully paid ordinary shares were issued (pre-consolidation).

On 25 November 2022, a resolution was passed by shareholders for a 50:1 Consolidation of Capital.

Unlisted Options (Options)

1,300,000 Unlisted Options (post-consolidation) expired during the period. There are 1,750,000 Unlisted Options (post-consolidation) on issue as at 31 December 2022.

Listed Options (Options)

There was no change to the number of Unlisted Options on issue during the period. There are 5,851,148 Unlisted Options (post-consolidation) on issue as at 31 December 2022.

Performance Rights (Rights)

On 25 November 2022, a total of 4,750,000 performance rights (post consolidation) were issued to the Directors, and a further 1,000,000 performance rights (post-consolidation) were issued to the Company's Chief Geologist.

On 22 December 2022, a total of 1,650,000 performance rights (post consolidation) were approved for issue to the Company's Chief Operating Officer (1,250,000 performance rights) and the Company Secretary (400,000 performance rights).

There are 10,200,000 performance rights (post-consolidation) on issue as at 31 December 2022.

Events subsequent to the end of reporting date

On 11 January 2023, the Company announced that it has entered into an exclusive legally binding farm-in and joint venture terms sheet to earn up to 100% interest in the Revere Gold Project in Western Australia from privately owned Entelechy Resources Pty Ltd, a related part of the Company. This transaction is subject to Shareholder approval.

On 13 January 2023, the Company announced its decision to exercise its right to farm into the Mt Eden LCT Pegmatite Project, subject to Shareholder approval.

On 19 January 2023, the Company announced it has entered into an agreement to acquire 100% of the Ninghan Project, located in the highly prospective region southwest of Paynes Find in Western Australia. This transaction is subject to due diligence.

On 13 February 2023, the Company announced the execution of an exclusive binding Heads of Agreement Joint Venture Agreement (Agreement) with Stelar Metals (ASX:SLB) for EMC's NSW Broken Hill Projects – Trident, Midas and Perseus.

Transaction consideration includes cash and fully paid SLB shares, as follows:

- \$250,000 cash payable on execution of Agreement

- \$250,000 SLB shares calculated on a 10-day VWAP average prior to Agreement execution date (Issue Price)
- \$500,000 Milestone Payment, payable in cash or SLB shares (at EMC election), on the earlier of drilling commencement at the Midas Project or drilling approvals at the Trident Project.

The Directors are not aware of any other matter or circumstance that has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7 and forms part of the director's report for the financial half-year ended 31 December 2022.

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



Mark Caruso

Chairman

Perth

Dated this 17 February 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Everest Metals Corporation Ltd for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
17 February 2023

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the half-year ended 31 December 2022)

	Note	31-Dec 2022 \$	31-Dec 2021 \$
Income			
Income	2	6,568	210
Expenses			
Depreciation and amortisation expense		(13,182)	(4,557)
Employee benefits expense		(240,878)	(191,965)
Occupancy expense		(8,677)	(9,770)
Corporate consultants / public relations expense		(104,943)	(80,409)
Share-based payments expense		(11,192)	-
ASX and share registry expense		(88,537)	(60,858)
Project generation costs		(46,810)	5,365
Other expenses		(77,268)	(52,680)
Loss before income tax		(584,919)	(394,664)
Income tax benefit		-	-
Loss for period		(584,919)	(394,664)
Loss attributable to members of the parent entity		(584,919)	(394,664)
Other comprehensive income		-	-
Total comprehensive income for the period		(584,919)	(394,664)
Total comprehensive income attributable to members of the parent entity		(584,919)	(394,664)
Earnings per Share			
Basic and diluted loss per share – post consolidated	7	Cents (0.73)	Cents (0.74)

The accompanying notes form part of the financial statements

Condensed Consolidated Statement of Financial Position

(As at 31 December 2022)

	Note	31-Dec 2022	30-Jun 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	3,117,691	1,548,965
Trade and other receivables		74,492	64,527
Other current assets		171,411	13,418
Total current assets		3,363,594	1,626,910
Non-current assets			
Property, plant and equipment		40,258	24,277
Right-of-use asset		46,023	-
Exploration and evaluation expenditure	4	6,134,397	5,955,777
Total non-current assets		6,220,678	5,980,054
Total assets		9,584,272	7,606,964
Liabilities			
Current liabilities			
Trade and other payables		162,400	173,349
Lease liability - current		25,313	-
Total current liabilities		187,713	173,349
Non-current liabilities			
Lease liability – non-current		22,220	-
Total non-current liabilities		22,220	-
Total liabilities		209,933	173,349
Net assets		9,374,339	7,433,615
Equity			
Issued capital	5	27,729,998	25,215,547
Reserves		1,118,482	1,107,290
Accumulated losses		(19,474,141)	(18,889,222)
Total equity		9,374,339	7,433,615

The accompanying notes form part of the financial statements

Condensed Consolidated Statement of Changes in Equity

(For the half-year ended 31 December 2022)

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021	25,214,428	1,107,290	(18,045,719)	8,275,999
Comprehensive income				
Loss for the period	-	-	(394,664)	(394,664)
Total comprehensive loss for the period	-	-	(394,664)	(394,664)
Transaction with owners, in their capacity as owners, and other transfers				
Shares issued - exercise of options	1,119	-	-	1,119
Balance at 31 December 2021	25,215,547	1,107,290	(18,440,383)	7,882,454
Balance at 1 July 2022	25,215,547	1,107,290	(18,889,222)	7,433,615
Comprehensive income				
Loss for the period	-	-	(584,919)	(584,919)
Total comprehensive loss for the period	-	-	(584,919)	(584,919)
Transaction with owners, in their capacity as owners, and other transfers				
Shares issued – Rights Issue	2,660,814	-	-	2,660,814
Cost of issuing shares	(146,363)	-	-	(146,363)
Performance Rights	-	11,192	-	11,192
Balance at 31 December 2022	27,729,998	1,118,482	(19,474,141)	9,374,339

The accompanying notes form part of the financial statements

Condensed Consolidated Statement of Cash Flows

(For the half-year ended 31 December 2022)

		31-Dec 2022	31-Dec 2021
Cash flows from operating activities		\$	\$
Payments to suppliers and employees		(565,329)	(413,995)
Interest received		6,568	210
Net cash used in operating activities	9	(558,761)	(413,785)
Cash flows from investing activities			
Payments for exploration expenditure		(363,585)	(356,617)
Receipt from farm-in agreement		14,196	-
Bank guarantees put in place		(15,201)	-
Payments for property, plant and equipment		(22,374)	-
Net cash used in investing activities		(386,964)	(356,617)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		2,660,814	-
Payments for costs associated with the issue of ordinary shares		(146,363)	-
Proceeds from the exercise of options		-	1,119
Net cash provided by financing activities		2,514,451	1,119
Net increase/(decrease) in cash held		1,568,726	(769,283)
Cash at beginning of period		1,548,965	3,091,146
Cash at end of period		3,117,691	2,321,863

The accompanying notes form part of the financial statements.

Notes to the Interim Financial Statements

(For the half-year ended 31 December 2022)

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Everest Metals Corporation and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the half-year.

Significant Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2022, except as described below. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2022 are the relevant policies for the purposes of comparatives.

New or amended Accounting Standards and Interpretations adopted

For the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the 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 change is necessary to accounting policies.

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 2022. 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.

NOTE 2 – INCOME

	6 months to 31-Dec 2022	6 months to 31-Dec 2021
	\$	\$
Interest income	6,568	210
TOTAL income	6,568	210

NOTE 3 – CASH AND CASH EQUIVALENTS

	31-Dec 2022	30-Jun 2022
	\$	\$
Cash at bank and on hand	3,092,218	1,528,707
Short-term deposit	25,473	20,258
	3,117,691	1,548,965

The effective interest rate on short term deposits at 31 December 2022 is 0.10% p.a (31 December 2021: 0.37% p.a). These deposits have a maturity term of 90 days.

NOTE 4 – EXPLORATION AND EVALUATION EXPENDITURE

	31-Dec 2022	30-Jun 2022
	\$	\$
Exploration and evaluation phase at cost	6,134,397	5,955,777
	6,134,397	5,955,777
Movements in carrying values		
Balance at the beginning of the period	5,955,777	5,135,581
Amounts capitalised during the period	178,620	820,196
Balance at end of period	6,134,397	5,955,777

NOTE 5 – ISSUED CAPITAL

30 JUNE 2022

	30-Jun 2022	
	No. shares	\$
Issued and paid up capital		
Fully paid ordinary shares – pre-consolidated	2,660,813,905	25,215,547
Movements in fully paid ordinary shares		
Balance as at 1 July 2021	2,660,689,561	25,214,428
Shares issued – Exercise of options (14 July 2021)	111,844	1,007
Shares issued – Exercise of options (30 July 2021)	12,500	112
Balance as at 30 June 2022	2,660,813,905	25,215,547

31 DECEMBER 2022

	31-Dec 2022	
	No. shares	\$
Issued and paid up capital		
Fully paid ordinary shares – post-consolidation	106,433,109	27,729,998
Movements in fully paid ordinary shares		
Balance as at 1 July 2022	2,660,813,905	25,215,547
Shares issued – Rights Issue (29 September 2022)	878,698,969	878,699
Shares issued – Rights Issue (30 September 2022)	1,481,114,330	1,481,114
Shares issued – Rights Issue (7 October 2022)	301,000,606	301,001
Cost of issuing shares	-	(146,363)
Effect of 50:1 share consolidation	(5,215,194,701)	-
Balance as at 31 December 2022	106,433,109	27,729,998

During the current period, the Company completed a Rights Issue raising \$2.66 million. A total of 2,660,813,905 fully paid ordinary shares were issued. The costs associated with the Rights Issue were \$146,363.

On 25 November 2022, a resolution was passed by shareholders for a 50:1 Consolidation of Capital.

As at 31 December 2022, there are 5,851,148 listed options (post-consolidated) on issue, with an expiry date of 31 October 2023 (As at 30 June 2022: 5,851,148 listed options (post-consolidated)).

NOTE 6 – SHARE BASED PAYMENTS

Unlisted Options and weighted average exercise prices are as follows for the reporting period presented:

	Number of Unlisted Options	Weighted average exercise price per Option (\$)
Outstanding at 1 July 2021	5,670,000	0.55
Granted	800,000	0.45
Exercised	-	-
Expired/Forfeited	-	-
Outstanding at 31 December 2021 (post-consolidation)	6,470,000	0.50
	Number of Unlisted Options	Weighted average exercise price per Option (\$)
Outstanding at 1 July 2022	3,050,000	0.57
Granted	-	-
Exercised	-	-
Expired/Forfeited	(1,300,000)	0.75
Outstanding at 31 December 2022 (post-consolidation)	1,750,000	0.43

Weighted average remaining contractual life of Options at 31 December 2022 is 0.56 years (31 December 2021: 0.99 years)

NOTE 6 – SHARE BASED PAYMENTS (CONTINUED)

b) Performance Rights

	Number of Performance Rights
Balance as at 1 July 2021	5,600,000
Granted during the period	-
Converted during the period	-
Forfeited/cancelled/expired during the period	(2,800,000)
Balance as at 31 December 2021 (post-consolidation)	<u>2,800,000</u>
Balance as at 1 July 2022	2,800,000
Granted during the period	7,400,000
Converted during the period	-
Forfeited/cancelled/expired during the period	-
Balance as at 31 December 2022 (post-consolidation)	<u>10,200,000</u>

\$11,192 has been recognised as Share-based payments expense within profit or loss, for the current period, in respect of the 7,400,000 performance rights issued this period.

Details of the Performance Rights (post-consolidation) at 31 December 2022, are as follows:

Class	Grant Date	No. of Rights	Fair value	Vesting Period	Expiry Date	Conversion Event
Class B	13 Aug 2018	2,800,000	\$24,500	18 months from date of issue	13 Aug 2023	The Company announcing to the ASX a mineral resource in either the inferred, indicated or measured category (reported in accordance with the JORC Code, 2012 Edition), on any of the tenements acquired as part of the acquisition of Nomad, of at least 10Mt at 750ppm cobalt with a 500ppm cut-off.
Class A	25 Nov 2022	1,000,000	\$55,951	3 years from the date of issue	30 Jun 2026	The company share price reaching at least \$0.002 based on a 30-day VWAP (\$0.10 on a consolidated basis).
Class A	25 Nov 2022	4,750,000	\$265,769	3 years from the date of issue	29 Nov 2025	The company share price reaching at least \$0.002 based on a 30-day VWAP (\$0.10 on a consolidated basis).
Class A	22 Dec 2022	1,650,000	\$74,856	3 years from the date of issue	12 Jan 2025	The company share price reaching at least \$0.002 based on a 30-day VWAP (\$0.10 on a consolidated basis).

NOTE 7 – EARNINGS PER SHARE (EPS)

	31-Dec 2022	31-Dec 2021
	\$	\$
Reconciliation of earnings to loss		
Loss for the period used to calculate basic EPS	(584,919)	(394,664)
	Number	Number
a) Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted EPS (post consolidation)	79,836,129	53,216,079

In accordance with AASB 133 “Earnings per Share” as potential ordinary shares may only result in a situation where their conversion results in decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.

NOTE 8 – OPERATING SEGMENTS**Segment Information**

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

NOTE 9 – CASH FLOW INFORMATION

	31-Dec 2022	31-Dec 2021
	\$	\$
Reconciliation of cash flows from operations with Loss after income tax		
Loss after income tax	(584,919)	(394,664)
Non cash flows included in loss;		
- Depreciation expense	13,182	4,557
- Share based payments – performance rights	11,192	-
Other		
- Exploration expenditure expense reversed	-	(5,365)
Changes in assets and liabilities;		
- Increase in trade and other receivables	5,236	19,976
- Decrease in trade and other payables	(3,452)	(14,237)
- Increase /(Decrease) in provisions	-	(24,052)
Net cash used in operating activities	(558,761)	(413,785)

NOTE 10 - CONTINGENT LIABILITIES & COMMITMENTS

The Group did not have any contingent liabilities as at 31 December 2022 (31 December 2021: Nil). The Group has minimum expenditure commitments on exploration licences as per the terms of the exploration licences.

NOTE 11 – TRANSACTIONS WITH RELATED PARTIES

Dominion Legal were paid \$16,988 (excl. GST) during the current period for legal services rendered to the Company. Mr Downey is a Director of Dominion Legal. The fees were at normal commercial rates.

NOTE 12 – FINANCIAL INSTRUMENTS

The Group has a number of financial instruments not recorded at fair value on a recurring basis. The fair value of these financial instruments approximates their carrying value.

NOTE 13 – EVENTS SUBSEQUENT TO REPORTING DATE

On 11 January 2023, the Company announced that it has entered into an exclusive legally binding farm-in and joint venture terms sheet to earn up to 100% interest in the Revere Gold Project in Western Australia from privately owned Entelechy Resources Pty Ltd, a related part of the Company. This transaction is subject to Shareholder approval.

On 13 January 2023, the Company announced its decision to exercise its right to farm into the Mt Eden LCT Pegmatite Project, subject to Shareholder approval.

On 19 January 2023, the Company announced it has entered into an agreement to acquire 100% of the Ninghan Project, located in the highly prospective region southwest of Paynes Find in Western Australia. This transaction is subject to due diligence.

On 13 February 2023, the Company announced the execution of an exclusive binding Heads of Agreement Joint Venture Agreement (Agreement) with Stelar Metals (ASX:SLB) for EMC's NSW Broken Hill Projects – Trident, Midas and Perseus.

Transaction consideration includes cash and fully paid SLB shares, as follows:

- \$250,000 cash payable on execution of Agreement
- \$250,000 SLB shares calculated on a 10-day VWAP average prior to Agreement execution date (Issue Price)
- \$500,000 Milestone Payment, payable in cash or SLB shares (at EMC election), on the earlier of drilling commencement at the Midas Project or drilling approvals at the Trident Project.

Other than those contained within this report, there has been no other matter or circumstance that has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

The Directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 8 to 18, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard AASB 134 Interim Financial Reporting, and
 - b) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. 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.

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



Mark Caruso
Chairman

Perth

Dated this 17 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Everest Metals Corporation Ltd

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Everest Metals Corporation Ltd ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Everest Metals Corporation Ltd does not comply with the *Corporations Act 2001* including:

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

Responsibility of the directors for the half-year financial report

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

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hلبwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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 Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
17 February 2023



B G McVeigh
Partner