



ACN 650 435 895

**and its controlled entities**

# **Half-year report for the half-year ended**

**31 December 2022**

## Corporate directory

### Board of Directors

Mr John Campbell Smyth

Mr David Hugh Greenwood

Mr Conrad George Manuel Karageorge

Chairman

Managing Director

Non-Executive Director

### Company Secretary

Mr Johnathon Busing

### Registered and Principal Office

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### Postal Address

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### Website

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### Auditors

BDO

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, Western Australia 6000

### Share Registry

Automic Group

Level 5 191 St Georges Terrace

Perth, Western Australia 6000

Tel: +61 2 9698 5414

### Stock Exchange

Australian Securities Exchange

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152- 158 St Georges Terrace

Perth, Western Australia 6000

### ASX Code

OMX

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# Half year report for the half-year ended 31 December 2022

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## Directors' report

The directors of Orange Minerals NL ("Orange" or "the Company") submit the financial report of Orange Minerals NL and its controlled entities ("the Group") for the half-year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Names of Directors

The names of the directors of the Company during or since the end of the half-year are:

Mr John Campbell Smyth  
Mr David Hugh Greenwood  
Mr Conrad George Manuel Karageorge

### Review of operations

The consolidated loss of the Group for the half-year ended 31 December 2022 amounted to \$565,989 (31 December 2021: \$1,303,861).

### Exploration

#### ***Calarie Project***

During the first half of the financial year, the Company announced that a Phase 2 drill programme was undertaken as a follow up to the successful Phase 1 RC drill programme completed at Calarie. Drilling commenced in August 2022 and was completed in September 2022. Five diamond holes were completed in the Phase 2 drill program at Calarie with a total of 1,170 metres drilled.

The drilling was planned to validate historical drill holes and look to extend mineralised zones below the historical workings.

At the Calarie mine, gold mineralisation occurs in the sheared contact (Parkes Fault) between the Late Ordovician to Early Silurian Cotton Formation and the Ordovician North Parkes Volcanic Group. The Cotton Formation consists of black mudstone, siltstones, and sandstones with minor calcareous units. A prominent laminated limestone is associated with the shear. Soft sediment deformation is common with mud breccias of black mudstone in fine grained siltstones. Orogenic - structurally controlled mineralisation at Calarie consists of gold, pyrite, arsenopyrite and magnetite, associated with quartz and carbonate veins, stockworks and breccias. Sericite and silica alteration intensity, pyrite content and degree of fracturing of the sediments all increase towards the shear contact. On the footwall of the shear, the Andesite is strongly porphyritic in plagioclase and less porphyritic in pyroxene and FeOx, with chlorite pseudomorphs after olivine. The andesite is strongly chlorite - sericite altered, increasing towards the shear.

All drill holes intersected the sheared steeply dipping mineralised contact between sediments and Daroobalgie volcanics. This zone is highly sheared with associated quartz veining and brecciation, strong sericite/carbonate alteration and abundant pyrite with minor chalcopyrite. Hole OCDD001 intersected a 2.4m wide, historic mine void at 121.8m, with low grade gold mineralisation either side. Hole OCDD005, intersected significant gold mineralisation between 39.1 to 49.7m. High grade gold is associated with large quartz veins in dilation zones within the Parkes - Forbes fault and was targeted in the historical workings.

Three deep drillholes (OCDD002 - 4), targeting the area below the workings, intersected the same shear zone as identified in the historical shallower holes above, but without significant gold mineralisation. This indicates that the gold is not a large sheet of mineralisation but associated with discrete south plunging shoots, that require further review. In addition, further drilling is required to determine the significance

of the isolated historical intercept (1m @ 8.2 g/t Au) in hole CALDD001, that intersected the shear at the same depth below the workings, 140m north of OCDD004.

*Work planned for the period ending 30 June 2023*

Orange is well advanced in estimating a JORC 2012 compliant resource for Calarie which is expected to be finalised in the March quarter 2023.

Orange will now focus on shallow mineralised targets along strike to the historical mine at Calarie and in this regard is currently working to gain land access to the north of the ML. Orange will review drilling undertaken between the Calarie Resource and the Bald Hill area.

Geophysics will be used to target favourable structures, along strike to the north of the current drill program area. Orange is considering involvement in the upcoming NSW Government Airborne Electromagnetic survey over the Forbes – Parkes belt, with the potential for infill over key areas north of the Calarie resource and the eastern boundary of the Daroobalgie Andesite.

Orange will also undertake a review of the Wattlegrove deposit to target extensions to the interpreted mineralised zone from limited drilling.

***Wisemans Creek Project***

In May 2022 Orange completed an initial diamond drill programme at Wisemans Creek (EL8554) drilling four diamond holes for a total 618 metres. One hole was sited at the Black Bullock Workings and three holes at the nearby Central West Prospect. The drilling tested significant historical holes to validate previous intercepts and test for further extensions of mineralisation. The holes intersected the Silurian Campbells Formation, a sequence of siltstones, cherts, feldspathic volcanoclastics and lesser sandstone units.

Assay results from this drill programme were received in August 2022 and included a significant gold intersection in OWCD004 (24.6m @ 1.30 g/t Au) is associated with an extensive quartz breccia zone containing quartz veining and strong sericite/ carbonate alteration. Higher gold values coincide with stronger quartz veining and sericite alteration intensity. Notably there are no associated base metals in this significant gold zone. Low tenor silver, lead and zinc mineralisation was observed in all drill holes.

Planning is underway for the next phase of exploration. This work will include surface mapping, soil geochemical work, geophysics and a Phase 2 drill programme which will target strike and depth extensions to the mineralisation in OWCD004. A number of drill core samples have been sent for petrographic analysis.

***Eastern Goldfields Projects, WA***

During the previous financial year, an ultra- fine soil survey was completed at the Kurnalpi Project (E28/2294) to identify follow up targets for drill testing. The assay results were received from this soil survey. These assay results were reviewed/analysed by a consultant and confirmed gold anomalies identified previously by exploration including drilling.

As a result of work undertaken early in the year by consultant Walter Witt, a number of drill targets have been identified in the Majestic area and a number of POW applications were applied for. By the end of the December 2022 quarter, seven POW applications had been approved.

In December, a field visit was made to the Majestic/Kurnalpi Projects including tenements recently purchased from Rocky Reef Mining Pty Ltd.

### ***Youanmi Project Acquisition***

During the December quarter 2022, Orange acquired new Western Australian exploration tenements in two project areas.

The acquisitions consisted of:

- Five tenement applications (E57/1221, E57/1222, E57/1223, E59/2763 & E57/1262) comprising the Youanmi Project in the Murchison Mineral Field 600km north-east of Perth, WA.
  - Greenfield exploration projects with high prospectivity for precious, battery, and base metals
  - The projects are located in close proximity to the 3.2Moz Youanmi gold project and the Manindi Lithium Project.
  
- Three exploration tenements (P25/2597, P25/2688 & P26/4470) in the Majestic Project area approximately 50km east of Kalgoorlie.

### **Corporate**

At 31 December 2022, Orange had a cash balance of \$3,538,902 million and an investment in ASX listed Godolphin Resources Limited (ASX: GRL) (Godolphin) valued at \$585,882.

During the first half of the financial year, Orange had corporate costs to support active exploration work over the tenements including Phase Two drilling costs at the Calarie Project (ML739, EL8555, EL8580). Calarie is an earn in Joint Venture Project with Godolphin, whereby Orange can earn up to 70% of the Project by spending a total of \$1.5 million. Other exploration costs for the half year included costs related to the Phase 1 drill programme at Wisemans Creek, and to field work and planning for a Phase 2 drill programmes at Wisemans Creek, exploration costs for the Majestic/Kurnalpi Projects in WA, and costs to maintain all tenements in NSW and WA in good standing. In addition, there were costs related to the acquisition on new tenements and tenement applications around Youanmi and the Majestic Project WA.

Orange will actively support and maintain an exploration program that targets high value tenements with the potential discovery of significant orebodies in the Lachlan Fold Belt of NSW and Goldfields of WA.

### **Subsequent events**

In January 2023, planning commenced for a Phase 2 diamond programme following the successful Phase 1 drill programme completed at Wisemans Creek.

In 13 February 2023, the Company announced a maiden JORC 2012 Inferred Mineral Resource Estimate (MRE) for the Calarie Project in NSW. The current focus of the ground exploration activities is to the northeast along strike of the ML at Calarie targeting the sheared (Parkes Fault) contact between the Late Ordovician to Early Silurian Cotton Formation sediments and the North Parkes Volcanic Group.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

## Auditor's independence declaration

Section 307C of the Corporations Act 2011 requires our auditors, BDO, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Mr John Campbell Smyth

**Chairman**

16 March 2023

Perth, Western Australia

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ORANGE MINERALS NL

As lead auditor for the review of Orange Minerals NL for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orange Minerals NL and the entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, WA  
16 March 2023

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Orange Minerals NL

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Orange Minerals NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) 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 the 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

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



#### Auditor's responsibility 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 2022 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.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', is written over the printed name.

Jarrad Prue

Director

Perth, WA

16 March 2023

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## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group 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 standard AASB 134 *'Interim Financial Reporting'* and giving a true and fair view of the financial position and performance of the Group for the period ended 31 December 2022.

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

On behalf of the directors



Mr John Campbell Smyth

**Chairman**

16 March 2023

Perth, Western Australia

# Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2022

|   | Note | Consolidated      |                    |
|---|------|-------------------|--------------------|
|   |      | Half-year ended   |                    |
|   |      | 31 Dec 2022       | 31 Dec 2021        |
|   |      | \$                | \$                 |
| <b>Continuing operations</b>  |      |                   |                    |
| Other income  | 2    | 15,043            | 170,000            |
| Administration costs  |      | (105,112)         | (35,161)           |
| Consultants costs   |      | (252,169)         | (187,581)          |
| Compliance costs  |      | (45,957)          | (27,808)           |
| Professional fees   |      | (8,317)           | (84,824)           |
| Share based payments  | 6    | (126,877)         | (979,695)          |
| Rental and outgoings  |      | 4,960             | (12,440)           |
| Capital raising expenses  |      | (9,318)           | (146,352)          |
| Depreciation  |      | (23,287)          | -                  |
| Impairment expenses   |      | (837)             | -                  |
| FX gains/losses – unrealized  |      | (14,118)          | -                  |
| <b>Loss before income tax</b>                                       |      | <b>(565,989)</b>  | <b>(1,303,861)</b> |
| Income tax expense  |      | -                 | -                  |
| <b>Loss for the period</b>  |      | <b>(565,989)</b>  | <b>(1,303,861)</b> |
| <b>Other comprehensive income, net of income tax</b>                |      |                   |                    |
| Items that will not be reclassified subsequently to profit or loss  |      | -                 | -                  |
| Items that may be reclassified subsequently to profit or loss       |      | -                 | -                  |
| <b>Other comprehensive income for the period, net of income tax</b> |      | <b>-</b>          | <b>-</b>           |
| <b>Total comprehensive loss for the period</b>                      |      | <b>(565,989)</b>  | <b>(1,303,861)</b> |
| <b>Loss attributable to:</b>  |      |                   |                    |
| Owners of Orange Minerals NL  |      | <b>(565,989)</b>  | <b>(1,303,861)</b> |
| <b>Total comprehensive loss attributable to:</b>                    |      |                   |                    |
| Owners of Orange Minerals NL  |      | <b>(565,989)</b>  | <b>(1,303,861)</b> |
| <b>Loss per share:</b>  |      |                   |                    |
| <b>Basic and diluted (cents per share)</b>                          |      | <b>(0.671)</b>    | <b>(2.775)</b>     |
| <b>Weighted average number of shares</b>                            |      | <b>84,287,812</b> | <b>46,978,689</b>  |

Condensed notes to the consolidated financial statements are included on pages 13 to 19.

## Consolidated statement of financial position as at 31 December 2022

|  | Note | Consolidated      |                   |
|--|------|-------------------|-------------------|
|  |      | 31 Dec 2022<br>\$ | 30 Jun 2022<br>\$ |
| <b>Current assets</b>                  |      |                   |                   |
| Cash and cash equivalents              |      | 3,538,902         | 5,188,579         |
| Trade and other receivables            |      | 42,740            | 65,823            |
| Other assets                           |      | 149,665           | 159,801           |
| <b>Total current assets</b>            |      | <b>3,731,307</b>  | <b>5,414,203</b>  |
| <b>Non-current assets</b>              |      |                   |                   |
| Exploration and evaluation expenditure | 3    | 3,628,414         | 2,940,002         |
| Property, plant and equipment          |      | 52,761            | 56,390            |
| ROU Assets                             |      | 114,642           | 131,839           |
| Other financial assets                 | 4    | 585,882           | -                 |
| <b>Total non-current assets</b>        |      | <b>4,381,699</b>  | <b>3,128,231</b>  |
| <b>Total assets</b>                    |      | <b>8,113,006</b>  | <b>8,542,434</b>  |
| <b>Current liabilities</b>             |      |                   |                   |
| Trade and other payables               |      | 116,093           | 143,256           |
| Short Term lease Liability             |      | 31,815            | 27,625            |
| <b>Total current liabilities</b>       |      | <b>147,908</b>    | <b>170,881</b>    |
| <b>Non-current Liabilities</b>         |      |                   |                   |
| Long Term lease Liability              |      | 88,005            | 105,284           |
| <b>Total Non-current Liabilities</b>   |      | <b>88,005</b>     | <b>105,284</b>    |
| <b>Total liabilities</b>               |      | <b>235,913</b>    | <b>276,165</b>    |
| <b>Net assets</b>                      |      | <b>7,877,093</b>  | <b>8,266,269</b>  |
| <b>Equity</b>                          |      |                   |                   |
| Issued capital                         | 7    | 8,982,462         | 8,932,526         |
| Reserves                               | 8    | 1,487,628         | 1,360,751         |
| Accumulated losses                     |      | (2,592,997)       | (2,027,008)       |
| <b>Total equity</b>                    |      | <b>7,877,093</b>  | <b>8,266,269</b>  |

Condensed notes to the consolidated financial statements are included on pages 13 to 19.

## Consolidated statement of changes in equity for the half-year ended 31 December 2022

### Consolidated

|  | Issued Capital<br>\$ | Reserves<br>\$   | Accumulated losses<br>\$ | Total<br>\$      |
|--|----------------------|------------------|--------------------------|------------------|
| <b>Balance at 1 July 2021</b>                  | 1                    | -                | (78,213)                 | 78,212           |
| Loss for the period                            | -                    | -                | (1,303,861)              | (1,303,861)      |
| Issue of options and awards                    | -                    | 1,193,695        | -                        | 1,193,695        |
| <b>Total comprehensive loss for the period</b> | -                    | 1,193,695        | (1,303,861)              | (110,166)        |
| Issue of fully paid ordinary shares            | 9,414,000            | -                | -                        | 9,414,000        |
| Share issue costs                              | (790,245)            | -                | -                        | (790,245)        |
| <b>Balance at 31 December 2021</b>             | <b>8,623,756</b>     | <b>1,193,695</b> | <b>(1,382,074)</b>       | <b>8,435,377</b> |
| <b>Balance at 1 July 2022</b>                  | <b>8,932,526</b>     | <b>1,360,751</b> | <b>(2,027,008)</b>       | <b>8,266,269</b> |
| Loss for the period                            | -                    | -                | (565,989)                | (565,989)        |
| <b>Total comprehensive loss for the period</b> | -                    | -                | <b>(565,989)</b>         | <b>(565,989)</b> |
| Share based payments                           | -                    | 126,877          | -                        | 126,877          |
| Issue of fully paid ordinary shares            | 49,936               | -                | -                        | 49,936           |
| <b>Balance at 31 December 2022</b>             | <b>8,982,462</b>     | <b>1,487,628</b> | <b>(2,592,997)</b>       | <b>7,877,093</b> |

Condensed notes to the consolidated financial statements are included on pages 13 to 19.

## Consolidated statement of cash flows for the half-year ended 31 December 2022

|   | Consolidated       |                  |
|---|--------------------|------------------|
|   | Half-year ended    |                  |
|   | 31 Dec 2022        | 31 Dec 2021      |
|   | \$                 | \$               |
| <b>Cash flows from operating activities</b>                 |                    |                  |
| Payments to suppliers and employees                         | (426,513)          | (587,923)        |
| Interest received   | 15,043             | -                |
| Net cash (used in) operating activities                     | (411,470)          | (587,923)        |
| <b>Cash flows from investing activities</b>                 |                    |                  |
| Acquisition of tenement                                     | (25,000)           | (230,000)        |
| Payments for exploration and evaluation                     | (575,746)          | (130,206)        |
| Purchase of property, plant & equipment                     | (2,461)            | -                |
| Payment for investments                                     | (600,000)          | -                |
| Net cash (used in) investing activities                     | (1,203,207)        | (360,206)        |
| <b>Cash flows from financing activities</b>                 |                    |                  |
| Proceeds from issue of shares                               | -                  | 8,244,000        |
| Share issue costs   | -                  | (714,847)        |
| Repayment of Lease Liability                                | (15,000)           | -                |
| Security Deposits   | (20,000)           | -                |
| Net cash provided by/(used in) financing activities         | (35,000)           | 7,529,153        |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(1,649,677)</b> | <b>6,581,024</b> |
| Cash and cash equivalents at the beginning of the period    | 5,188,579          | 1                |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>3,538,902</b>   | <b>6,581,025</b> |

Condensed notes to the consolidated financial statements are included on pages 13 to 19.

# Condensed notes to the consolidated financial statements for the half-year ended 31 December 2022

## 1. Significant accounting policies

### Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2022 (available from the company on request) together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 16 March 2023.

### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2022 annual financial report for the financial year ended 30 June 2022, except for the impact of the Standards and Interpretations described below and the accounting policy for property, plant and equipment described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### Going concern basis

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

### Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities, and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.



## 1. Significant accounting policies (cont'd)

### Segment

The nature of operations and principal activities of the group are exploration in Australia. Given, the nature of the group, its size and current operations, management does not treat any part of the group as a separate operating segment.

Internal financial information used by the Group's chief operating decision maker is presented as a group without dissemination to any separate identifiable segment.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

### Investment and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short- term with the intention of making a profit, or a derivative; or (ii) designated as such as upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

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

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportive information that is available, without undue cost or effort to obtain.

## 1. Significant accounting policies (cont'd)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

### Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were in relation to share based payments and accounting for asset acquisitions.

### Adoption of new and revised standards

In the half-year 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 Group's operations and effective for annual reporting periods beginning on or after 1 July 2022. As a result of this the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

### Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2022. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

**2. Other income**

|                             | <b>31 Dec 2022</b> | <b>31 Dec 2021</b> |
|-----------------------------|--------------------|--------------------|
|                             | <b>\$</b>          | <b>\$</b>          |
| Interest Income             | 15,043             | -                  |
| Other income <sup>(i)</sup> | -                  | 170,000            |
|                             | <b>15,043</b>      | <b>170,000</b>     |

(i) On 24 September 2021 Saint Barnabas (company promoter) released the Company from further obligations to repay a debt of \$170,000. Saint Barnabas waived its right to enforce all actions, claims or proceedings in relation to the debt.

**3. Exploration and evaluation expenditure**

|  | <b>6 months ended</b> | <b>12 months ended</b> |
|--|-----------------------|------------------------|
|  | <b>31 Dec 2022</b>    | <b>30 Jun 2022</b>     |
|  | <b>\$</b>             | <b>\$</b>              |
| Carried forward exploration and evaluation expenditure | 2,940,002             | 16,500                 |
| Expenditure incurred during the period                 | 689,249               | 2,933,855              |
| Impairment of exploration and evaluation expenditure   | (837)                 | (10,353)               |
| Carrying value at end of the period                    | <b>3,628,414</b>      | <b>2,940,002</b>       |

**Exploration Expenditure**

|                               | <b>31 Dec 2022</b> | <b>30 Jun 2022</b> |
|-------------------------------|--------------------|--------------------|
|                               | <b>\$</b>          | <b>\$</b>          |
| Majestic Gold Mines Pty Ltd   | 1,016,340          | 1,016,340          |
| NSW Tenements Acquisition     | 981,500            | 981,500            |
| WA Tenements <sup>(i)</sup>   | 74,936             | -                  |
| Other Exploration Expenditure | 1,555,638          | 942,162            |
|                               | <b>3,628,414</b>   | <b>2,940,002</b>   |

(i) In November 2022, the Company acquired tenements in WA for \$74,936 which were payable by way of \$25,000 in cash and \$49,936 in equity, by way of the issue of 703,324 shares at an issue price of \$0.0710 each. Also refer to note 7 Issued capital.

The fair value of consideration was by reference to consideration provided including the fair value of shares in connection with the acquisition in accordance with AASB 2.

In accordance with the Group's Accounting Policy the acquired exploration and evaluation expenditure has been capitalised in the Consolidated Statement of Financial Position.

#### 4. Other financial assets

|  | <b>31 Dec 2022</b> | <b>30 Jun 2022</b> |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Investment in Godolphin Resources <sup>(i)</sup> | 585,882            | -                  |

- (i) On 2 August 2022, the Company acquired an approximate 6.9% shareholding in Godolphin Resources Limited (ASX: GRL) (Godolphin) following Godolphin's \$1.6m placement under which the Company acquired 7,058,824 shares at \$0.085 per share. Total consideration for the placement was \$600,000.

#### *Reconciliation of fair value measurement*

|                                   | <b>31 Dec 2022</b> | <b>30 Jun 2022</b> |
|-----------------------------------|--------------------|--------------------|
|                                   | \$                 | \$                 |
| Opening balance                   | -                  | -                  |
| Acquisition of shares             | 600,000            | -                  |
| Fair value (loss) at balance date | (14,118)           | -                  |
| Closing balance                   | 585,882            | -                  |

#### 5. Commitments

There have been no significant changes in the commitments since 30 June 2022.

#### 6. Share-based payments

|  | <b>31 Dec 2022</b> | <b>31 Dec 2022</b> |
|--|--------------------|--------------------|
|  | No.                | \$                 |
| Issue of performance rights to directors (i)               | 2,904,942          | 75,309             |
| Issue of performance rights to directors and employee (ii) | 1,157,801          | 51,568             |
| Sub-total  |                    | 126,877            |
| Share based payments expense in the profit and loss        |                    | <b>126,877</b>     |

(i) The company issued 2,904,942 performance rights on 15 October 2021 to directors in six different classes each with its own specific vesting milestone. The performance rights vest subject to company being admitted to the official list of the ASX, and on the date that the performance milestone relating to the performance right has been satisfied.

(ii) The Company issued 1,157,801 performance rights on 27 May 2022 to directors and employee in five different classes each with its own specific vesting milestone. The performance rights vest on the date that the performance milestone relating to the performance rights has been satisfied.

## 6. Share-based payments (cont'd)

### Options

The following options arrangements were in existence at the reporting date:

| Option series  | Number    | Grant date     | Exercise price<br>\$ | Expiry date | Vesting date |
|----------------|-----------|----------------|----------------------|-------------|--------------|
| OMXE24<br>OPT  | 5,350,000 | 14 Oct<br>2021 | 0.3000               | 14 Oct 2024 | 6 Dec 2021   |
| OMXE24<br>OPTA | 2,000,000 | 30 Nov<br>2021 | 0.3000               | 30 Nov 2024 | 6 Dec 2021   |
| OMXE<br>OPT1   | 3,700,000 | 14 Oct<br>2021 | 0.3000               | 14 Oct 2024 | 6 Dec 2021   |
| OMXU<br>OPT02  | 300,000   | 10 Feb<br>2022 | 0.2150               | 01 Apr 2025 | 1 Apr 2022   |

There has been no alteration of the terms and conditions of the above options arrangements since the grant date.

## 7. Issued capital

|   | 31 Dec 2022<br>\$ | 30 Jun 2022<br>\$ |
|---|-------------------|-------------------|
| 84,792,371 fully paid ordinary shares<br>(30 June 2022: 84,089,047) | <b>8,982,462</b>  | <b>8,932,526</b>  |
| <b>Fully paid ordinary shares</b>                                   |                   |                   |
|   | No.               | 31 Dec 2022<br>\$ |
| Balance at beginning of period                                      | 84,089,047        | 8,932,526         |
| Issue of shares (i)   | 703,324           | 49,936            |
|   | <b>84,792,371</b> | <b>8,982,462</b>  |

(i) Issue of fully paid ordinary shares at \$0.071 each on 10 November 2022 pursuant to the acquisition of WA tenements.

## 8. Reserves

|   | 6 months<br>ended<br>31 Dec 2022<br>\$ | 12 months<br>ended<br>30 Jun 2022<br>\$ |
|---|--|---|
| Balance at beginning of the period                                    | 1,360,751                              | -                                       |
| Issue of options to directors, management and consultants             | -                                      | 968,350                                 |
| Issue of Lead Manager Options   | -                                      | 214,000                                 |
| Issue of performance rights to directors <sup>(i)</sup>               | 75,309                                 | 106,688                                 |
| Issue of options to employees   | -                                      | 24,517                                  |
| Issue of performance rights to directors and employee <sup>(ii)</sup> | 51,568                                 | 47,196                                  |
| Carrying value at end of the period                                   | <b>1,487,628</b>                       | <b>1,360,751</b>                        |

## 8. Reserves (cont'd)

The share option reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options.

(i) Issue of 2,904,942 performance rights to directors in six different classes each with its own specific vesting milestone. Class E, F have been valued using the Hoadley Parisian Barrier Approach.

(ii) Issue of 1,157,801 performance rights to directors and employee in five different classes each with its own specific vesting milestone.

## 9. Contingent liabilities and contingent assets

No changes on the contingencies reported on prior year.

## 10. Related Party Transactions

There have been no significant changes in the related party transactions since 30 June 2022.

## 11. Subsequent events

In January 2023, planning commenced for a Phase 2 diamond programme following the successful Phase 1 drill programme completed at Wisemans Creek.

In 13 February 2023, the Company announced a maiden JORC 2012 Inferred Mineral Resource Estimate (MRE) for the Calarie Project in NSW. The current focus of the ground exploration activities is to the northeast along strike of the ML at Calarie targeting the sheared (Parkes Fault) contact between the Late Ordovician to Early Silurian Cotton Formation sediments and the North Parkes Volcanic Group.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.