

Kuniko Limited

ABN 99 619 314 055

Interim Report – 30 June 2023

**Kuniko Limited
Directors' report
30 June 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kuniko Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2023.

Directors

The following persons were directors of Kuniko Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Gavin Rezos – Non-Executive Chairman
Brendan Borg – Non-Executive Director
Maja McGuire – Non-Executive Director
Birgit Liodden – Non-Executive Director

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of Exploration and Evaluation activities in Norway and Canada.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$3,387,893 (2022: \$1,065,765).

Significant changes in the state of affairs

On 28 February 2023, the consolidated entity incorporated Kuniko Resources Canada Ltd, a subsidiary of Kuniko Limited.

On 6 April 2023, the consolidated entity incorporated Kuniko Finland Oy, a subsidiary of Kuniko Limited.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Gavin Rezos
Chair

11 September 2023
Perth WA



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Kuniko Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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Kuniko Limited
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General information

The financial statements cover Kuniko Limited as a consolidated entity consisting of Kuniko Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Kuniko Limited's functional and presentation currency.

Kuniko Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 28
AMP Tower
140 St Georges Terrace
Perth WA 6000
Australia

Principal place of business

Level 28
AMP Tower
140 St Georges Terrace
Perth WA 6000
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 September 2023.

Kuniko Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2023

		Consolidated	
	Note	30 Jun 2023	30 Jun 2022
		\$	\$
Other income		34,321	1,008
Expenses			
Administrative expenses		(309,010)	(276,540)
Compliance and regulatory expenses		(64,226)	(96,569)
Consulting and legal fees		(198,594)	(53,906)
Employee benefit expenses		(292,218)	(254,928)
Environmental Social Governance		(72,013)	(36,194)
Exploration expenses	3	(310,501)	-
Option agreement	3	(412,384)	-
Share-based payments expense	11	(1,539,418)	(130,109)
Foreign exchange loss		(55,699)	(131,181)
Depreciation expense		(7,913)	(2,872)
Interest expense		(16)	(6)
Other expenses	4	(160,222)	(84,468)
(Loss) before income tax expense		(3,387,893)	(1,065,765)
Income tax expense		-	-
(Loss) after income tax expense for the half-year		(3,387,893)	(1,065,765)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(446,829)	(166,664)
Other comprehensive loss for the half-year, net of tax		(446,829)	(166,664)
Total comprehensive loss for the half-year		(3,834,722)	(1,232,429)
		Cents	Cents
Basic loss per share		(5.09)	(1.81)
Diluted loss per share		(5.09)	(1.81)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Kuniko Limited
Consolidated statement of financial position
As at 30 June 2023

		Consolidated	
	Note	30 Jun 2023	31 Dec 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,607,366	6,645,988
Other current assets	5	971,206	886,323
Other receivables	6	67,302	183,529
Total current assets		2,645,874	7,715,840
Non-current assets			
Exploration and evaluation expenditure	7	7,544,463	4,713,848
Right-of-use assets	8	81,592	56,684
Property, plant and equipment		35,847	29,508
Total non-current assets		7,661,902	4,800,040
Total assets		10,307,776	12,515,880
Liabilities			
Current liabilities			
Trade and other payables		401,892	167,519
Lease liabilities	8	49,511	20,483
Other current liabilities		155,080	224,815
Total current liabilities		606,483	412,817
Non-current liabilities			
Lease liabilities	8	24,239	36,955
Total non-current liabilities		24,239	36,955
Total liabilities		630,722	449,772
Net assets		9,677,054	12,066,108
Equity			
Issued capital	9	17,770,275	17,378,918
Reserves	10	1,017,940	410,458
Accumulates losses		(9,111,161)	(5,723,268)
Total equity		9,677,054	12,066,108

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Kuniko Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2023

Consolidated	Issued capital \$	Share Based payments Reserves \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 January 2022	9,212,576	482,197	(11,614)	(2,995,911)	6,687,248
Loss after income tax expense for the half-year	-	-	-	(1,065,765)	(1,065,765)
Other comprehensive loss for the half-year, net of tax	-	-	(166,664)	-	(166,664)
Total comprehensive loss for the half-year	-	-	(166,664)	(1,065,765)	(1,232,429)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of share capital	8,533,000	-	-	-	8,533,000
Share issue costs	(406,658)	-	-	-	(406,658)
Shared-based payments	-	36,359	-	-	36,359
Balance at 30 June 2022	17,338,918	518,556	(178,278)	(4,061,676)	13,617,520
Consolidated	Issued capital \$	Share Based payments Reserves \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 January 2023	17,378,918	512,618	(102,160)	(5,723,268)	12,066,108
Loss after income tax expense for the half-year	-	-	-	(3,387,893)	(3,387,893)
Other comprehensive loss for the half-year, net of tax	-	-	(446,829)	-	(446,829)
Total comprehensive loss for the half-year	-	-	(446,829)	(3,387,893)	(3,834,722)
<i>Transactions with owners in their capacity as owners:</i>					
Shared-based payment option agreement	391,357	-	-	-	391,357
Shared-based payments performance rights	-	255,111	-	-	255,111
Shared-based payments options issued	-	799,200	-	-	799,200
Balance at 30 June 2023	17,770,275	1,566,829	(548,989)	(9,111,161)	9,677,054

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Kuniko Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2023

	Consolidated	
Note	30 June 2023	30 June 2022
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,057,683)	(521,299)
Exploration expense	(727,740)	-
Refund of bank guarantees	50,000	-
Interest received	39,253	1,008
Interest paid	(16)	(6)
	<u>(1,696,186)</u>	<u>(520,297)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for exploration and evaluation	(3,279,604)	(2,357,552)
Payments for property, plant and equipment	(14,252)	(28,536)
	<u>(3,293,856)</u>	<u>(2,386,088)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	-	8,533,000
Share issue costs	-	(406,658)
Proceeds of borrowings	-	-
Repayment of borrowings	-	(594,208)
	<u>-</u>	<u>(594,208)</u>
Net cash from financing activities		
	<u>-</u>	<u>7,532,134</u>
Net (decrease)/increase in cash and cash equivalents	(4,990,042)	4,792,413
Cash and cash equivalents at the beginning of the financial half-year	6,645,988	5,768,155
Effect of exchange rate fluctuations on cash held	(48,580)	(107,482)
	<u>(48,580)</u>	<u>(107,482)</u>
Cash and cash equivalents at the end of the financial half-year	<u>1,607,366</u>	<u>10,286,424</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose 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 report for the year ended 31 December 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Kuniko Limited
Notes to the financial statements
30 June 2023

Note 2. Operating segments

The Company currently functions in three geographic regions: Norway, Canada and Australia, and in one industry, being evaluation and exploration, for the half year ended 30 June 2023. The key decision-makers are the Board of Directors and the company's management.

The chief operating decision making, being the Chief Executive Officer, analyses profit or loss, net assets, total assets and total liabilities of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

	Norway	Canada	Australia	Total
	\$	\$	\$	\$
Half-year ended 30 June 2023				
Revenue	-	-	-	-
EBITDA	(394,044)	(1,140,744)	(1,879,514)	(3,414,302)
Depreciation and amortisation	(7,913)	-	-	(7,913)
Interest revenue	7	-	34,313	34,320
Loss before income tax expense				3,387,893
Income tax expense				-
Loss after income tax expense				3,387,893

Segment assets	8,769,204	16,382	1,522,190	10,307,776
Segment liabilities	(317,241)	-	(313,481)	(630,722)

	Norway	Canada	Australia	Total
	\$	\$	\$	\$
Half-year ended 30 June 2022				
Revenue	-	-	-	-
EBITDA	(286,865)	-	(777,036)	(1,063,901)
Depreciation and amortisation	(2,872)	-	-	(2,872)
Interest revenue	107	-	901	1,008
Loss before income tax expense				1,065,765
Income tax expense				-
Loss after income tax expense				1,065,765

Segment assets	4,274,640	-	10,371,774	14,646,414
Segment liabilities	(863,923)	-	(164,971)	(1,028,894)

Note 3. Option Agreements and Exploration expenses

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Cash payment for option to acquire projects in Canada	(412,384)	-
Total	<u>(412,384)</u>	<u>-</u>

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Exploration expenses associated with projects in Canada	(310,501)	-
Total	<u>(310,501)</u>	<u>-</u>

Note 4. Other expenses

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Marketing	(87,625)	(27,757)
Exploration costs	(15,840)	(40,903)
Freight	(2,374)	(9,797)
Occupancy costs	(50,830)	-
Other	(3,553)	(6,011)
Total	<u>(160,222)</u>	<u>(84,468)</u>

Note 5. Other current assets

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
Prepayments	950,194	828,136
Lease security deposit	21,012	8,187
Other	-	50,000
Total	<u>971,206</u>	<u>886,323</u>

Note 6. Other receivables

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
GST/VAT receivable	67,302	178,597
Other receivable	-	4,932
Total	<u>67,302</u>	<u>183,529</u>

Note 7. Exploration and evaluation expenditure

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
Opening balance	4,713,848	1,429,143
Expenditure capitalised during the period	3,125,724	4,044,821
Impairment expense	-	(643,336)
Foreign exchange difference	(295,109)	(116,780)
Total	7,544,463	4,713,848

Note 8. Right-of-use assets and lease liabilities

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
Land and building – at cost	118,959	64,912
Less: Accumulated depreciation	(37,367)	(8,228)
Net carrying amount	81,592	56,684

(b) Reconciliation

At the start of the period, net of accumulated depreciation and impairment	56,684	-
Additions	58,110	64,912
Depreciation expense	(29,139)	(8,228)
Foreign exchange	(4,063)	-
At the end of the period, net of accumulated depreciation and impairment	81,592	56,684

Lease Liabilities

Current	49,511	20,483
Non-current	24,239	36,955

Note 9. Issued Capital

	30 Jun 2023		31 Dec 2022	
	\$	No.	\$	No.
Ordinary shares	17,770,275	67,236,542	17,378,918	65,013,499

The reconciliation is set out as follows:

<i>Movement in ordinary shares on issue</i>	Date	\$	No.
Shares on issue 1 January 2023		17,378,918	65,013,499
Conversion of Performance Rights (Antony Beckmand)	1 Feb 2023	-	1,200,000
Issue of shares for an option to acquire projects in Canada	9 March 2023	391,357	823,043
Conversion of Performance Rights (Maja McGuire)	31 March 2023	-	100,000
Conversion of Performance Rights (Birgit Liodden)	31 March 2023	-	100,000
Shares on issue at 30 June 2023		17,770,275	67,236,542

Note 10. Reserves

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
Performance rights reserve	312,855	57,744
Share based payments reserve	375,000	375,000
Share option reserve	879,074	79,874
FX revaluation reserve	(548,989)	(102,160)
Reserves total	1,017,940	410,458

Share-based payments reserve

The reserve is used to recognise share-based payment transactions that occurred during the period.

Performance rights reserve

Set out below are summaries of performance rights issued during the period:

Tranche	Grant date	Vesting date	Expiry date	Fair Value	Number of rights
Class G	19/06/2023	Subject to vesting condition	08/12/2026	\$0.259	30,000
Class H ¹	19/06/2023	Subject to vesting condition	08/12/2026	\$0.320	30,000
Class I	19/06/2023	Subject to vesting condition	08/12/2026	\$0.320	30,000
Class J	19/06/2023	Subject to vesting condition	08/12/2026	\$0.110	30,000
					<u>120,000</u>

1. Class H rights vested on 17 July 2023, following settlement of the agreement with Stellantis.

Performance conditions:

Class G:

- vesting on the day the share price of the Company trades on ASX at a volume weighted average price (VWAP) over 20 consecutive trading days on which the Company's shares are traded at or above 50% of the last closing price of the Company's Shares.

Class H:

- vesting on the Company announcing that it has successfully:
 - (i) secured an equity investment in the Company of at least A\$5.00 million by a strategic investor; or
 - (ii) secured an off-take agreement representing a minimum of 25% of production volume in relation to one of the Company's Projects over a 3 year term.

Class I:

- vesting on the Company announcing a JORC compliant Inferred Mineral Resource (as defined in the JORC Code 2012 Edition) at any one of the Company's Projects [as at the date of issue] of not less than 3MT contained nickel (at a cut-off grade of 1.0% nickel or nickel equivalent);

Class J:

- vesting on the Company reaching a market capitalisation of AUD\$150,000,000, based on the VWAP over 20 consecutive trading days on which the Company's Shares have traded.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share option reserve

Set out below are summaries of options issued during the period:

Numbers of options issued	Grant date	Expiry date	Spot price	Exercise price	Volatility	Risk-free interest rate	Dividend yield	Fair value
2,250,000	11/05/2023	11/05/2027	\$0.450	\$0.690	75%	3.06%	0%	\$0.189
2,250,000	11/05/2023	11/05/2027	\$0.450	\$0.921	75%	3.06%	0%	\$0.166

Note 11. Share based payments

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
<i>Share-based payments transactions</i>		
Shares issued for an option to acquire projects in Canada	(391,357)	-
Options issued to Directors	(799,200)	-
Shares to be issued for the provision of services	(93,750)	(93,750)
Performance rights	(255,111)	(36,359)
Total	<u>(1,539,418)</u>	<u>(130,109)</u>

Note 12. Contingent Liabilities or assets

There have been no changes to contingent liabilities or assets since 31 December 2022.

Note 13. Events after the reporting period

On 3 July 2023, the Consolidated entity announced equity investment and offtake agreement with Stellantis with following terms:

- Stellantis N.V. to acquire 19.99% for cash consideration of €5,000,000 (equivalent of approximately A\$7,843,137) at an issue price of A\$0.467 per share. This was settled and funds were received on 17 July 2023; and
- Kuniko and Stellantis have agreed on an offtake term sheet, securing a 35% future production offtake of nickel sulphate and cobalt sulphate from Kuniko's Norwegian exploration projects (Norwegian Projects) for a term of 9 years, with a formal offtake agreement to be entered into by 31 December 2027 conditional on certain project development milestones being achieved.

On 25 August 2023, the Company announced in reference to its Prospectus issued on 20 August 2021 issuance of 1,875,000 fully paid shares to S3 Consortium Pty Ltd regarding provision of various marketing services, at a deemed issue price of A\$0.20 per Share in respect of the terms under the agreed mandate.

Note 14. Dividends

No dividends have been paid or provided for during the 6 months ended 30 June 2023 (6 months ending 30 June 2022: Nil).

Note 15. Interest in Subsidiaries

During the half year, the consolidated entity incorporated below subsidiaries since 31 December 2022:

<u>Name</u>	<u>Principal place of business / Country of incorporation</u>	<u>Ownership Interest</u>
Kuniko Resources Canada Ltd	Canada	100%
Kuniko Finland Oy	Finland	100%

Note 16. Commitments

On 9 March 2023, the consolidated entity entered into three individual option agreements with 1Minerals Corp. ("1Minerals") for the Fraser, Mia North and Nemaska South lithium projects in Canada's district of James Bay, Quebec. 1Minerals currently hold the claims for each of the projects, whereby the option agreements enable the consolidated entity to acquire a 100% interest in the claims of each project under the following terms:

- Schedule of payments in cash and shares:

Fraser Project					
	Cash	Shares	Total consideration	% of the project	Status
On signing of the option agreement	C\$200,000	C\$200,000	C\$400,000	16%	Completed
Pay in cash and shares within one year following signing	C\$350,000	C\$350,000	C\$700,000	28%	Pending
Pay in cash and shares within two years following signing	C\$350,000	C\$350,000	C\$700,000	28%	Pending
Pay in cash and shares within three years following signing	C\$350,000	C\$350,000	C\$700,000	28%	Pending
Total consideration cash and shares	C\$1,250,000	C\$1,250,000	C\$2,500,000	100%	Pending

Mia North Project					
	Cash	Shares	Total consideration	% of the project	Status
On signing of the option agreement	C\$100,000	C\$100,000	C\$200,000	5%	Completed
Pay in cash and shares within one year following signing	C\$100,000	C\$1,000,000	C\$1,100,000	27%	Pending
Pay in cash and shares within two years following signing	C\$150,000	C\$1,000,000	C\$1,150,000	29%	Pending
Pay in cash and shares within three years following signing	C\$150,000	C\$1,400,000	C\$1,550,000	39%	Pending
Total consideration cash and shares	C\$500,000	C\$3,500,000	C\$4,000,000	100%	Pending

Nemaska South Project					
	Cash	Shares	Total consideration	% of the project	Status
On signing of the option agreement	C\$55,000	C\$55,000	C\$110,000	15%	Completed
Pay in cash and shares within one year following signing	C\$80,000	C\$80,000	C\$160,000	21%	Pending
Pay in cash and shares within two years following signing	C\$120,000	C\$120,000	C\$240,000	32%	Pending
Pay in cash and shares within three years following signing	C\$120,000	C\$120,000	C\$240,000	32%	Pending
Total consideration cash and shares	C\$375,000	C\$375,000	C\$750,000	100%	Pending

- The number of shares issued will be determined by the volume weighted average price for shares for the period of 20 consecutive trading days up to and including the trading day prior to the relevant issue date and prevailing C\$/A\$ exchange rate as published on the website of the Reserve Bank of Australia. Kuniko has the right to elect to pay the cash equivalent value in lieu of issuing shares
- Kuniko has the right to accelerate payments to acquire a 100% in the project.
- No minimum expenditure requirements (other than obligation to maintain the project licences in good standing while the option remains on foot).
- 1Minerals Corp will retain a 2.0% net smelter return royalty ("NSR") with Kuniko having a buyback option for 1.5% of the NSR, for C\$2,000,000.
- In the event test drilling yields results above 1% Li₂O at intercept of length at ten (10) meters or more, Kuniko will make a bonus payment to 1Minerals of C\$1,000,000.

The consolidated entity issued a total of 823,043 shares on 9 March 2023 to 1Minerals Corp. as the initial share issuances under the three option agreements. Further shares will be issued should the consolidated entity elect to keep the options on foot by paying the subject option amounts within 1 year, 2 years and 3 years from signing. If shareholder approval is not obtained prior to the relevant issue date, the consolidated entity may elect to pay the equivalent cash amount to 1Minerals Corp.

For personal use only

Kuniko Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Gavin Rezos
Chair

11 September 2023
Perth WA



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of KUNIKO LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Kuniko Limited, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kuniko Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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

Responsibility of the Directors' for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 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.

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RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 11 September 2023