Helios Energy Limited

Interim Financial Report

31 December 2023

CONTENTS

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by the Company during the period from 1 July 2023 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

CORPORATE DIRECTORY

Directors	Hui Ye Non-Executive Chairman Richard He Managing Director Mark Lochtenberg Non-Executive Director Robert Bearden Non-Executive Director John D Kenny Non-Executive Director	
Company Secretary	Henko Vos	
Registered Office	**Australian Office** Level 3, 18 Richardson Street West Perth WA 6005 Australia PO Box 1485 West Perth WA 6872 Australia T: +61 1300 291 195 F: +61 8 6298 6191	**USA Office** 3 Riverway, 17th Floor Suite 1750, Houston Texas USA 77056 T:+1 713 333 3613 F:+1 713 583 0965
Share Register	Computershare Investor Services Pty Ltd Level 17, 221 St George's Terrace Perth WA 6000 Australia Investor enquiries: 1300 557 010 T: +61 8 9323 2000 F: +61 8 9323 2033	
Auditor	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000 Australia T: +61 8 6382 4600 F: +61 8 6382 4601	
Lawyers	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 Australia T: +61 8 9321 4000 F: +61 8 9321 4333	
Securities Exchange	Australian Securities Exchange (**ASX**) ASX Code: HE8	
Website	www.heliosenergyltd.com	

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Helios Energy Ltd and the entities it controlled at the end of, or during, the half year period ended 31 December 2023 (**Helios Energy** or the **Company** or the **Group**).

DIRECTORS

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

Hui Ye
Richard He
Nicholas Ong – resigned 30 August 2023
Robert Bearden
Mark Lochtenberg – appointed 30 August 2023
John Kenny – appointed 26 October 2023

COMPANY SECRETARY

Henko Vos

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The Company is an oil and gas exploration company whose principal activity is the Presidio Oil and Gas Project which is located in Presidio County in the State of Texas in the USA.

Presidio Oil Project - 70% Working Interest (WI) in 4 Wells and 17,850 Gross Acres

Helios has a 70%WI in a total of 17,850 gross acres (12,495 net acres) and a 70%WI in the 4 wells drilled by Helios in the Presidio Oil and Gas Project, namely, Presidio 52#1, Presidio 141#2, Quinn Creek 141#1 and Quinn Mesa 113.

Commercialization of the Presidio Oil & Gas Project

Helios' primary focus with the Presidio Oil & Gas Project is on phased-in gas commercialization along with oil production sales. The Presidio Oil & Gas Project is comprised of a large wet gas resource and from the gas isotope analysis, it shows the wetness ratios are between 24-30% which corresponds to oil associated gas in the genetic gas classification.

Several technologies are being reviewed for a potential pilot project, including utilizing the gas for electricity generation for field use and for local commercial gas sales after stripping out the liquids (NGLs) for sale. Other options being evaluated include connecting the field to the Trans Pecos Gas pipeline located approximately 40 miles to the east, and the feasibility of utilizing modular small scale LNG plants in the field.

Commercialization options being assessed by Helios for the Presidio Oil and Gas Project also include bringing in a farmin joint venture partner to participate in the Presidio Oil and Gas Project.

DIRECTORS' REPORT (continued)

Leases Acquired or Disposed of During the Half Year Ending on 31 December 2022

During the half year ending on 31 December 2023, no additional oil and gas leases were acquired and none were disposed of or relinquished or lapsed. All 17,850 gross acres (12,495 net acres) the subject of the Presidio Oil and Gas Project are located in the south-west portion of Presidio County, Texas and are the subject of oil and gas lease agreements entered into with private oil and gas mineral rights owners.

Presidio Oil & Gas Project – Infrastructure

Access to the 4 wells that constitute the Presidio Oil & Gas Project (Presidio 52#1, Presidio 141#2, Quinn Creek 141#1 and Quinn Mesa 113) is provided by a 25 mile unsealed, formed road constructed by Helios that branches off the sealed US-90 highway which carries heavy truck and passenger vehicle traffic. The 4 oil wells have access to ample supplies of fresh water provided by local water wells drilled into shallow water aquifers. The El Paso Oil Refinery located in El Paso, Texas has a processing capacity of 135,000 barrels of oil per day and is located 170 miles from the Presidio Oil & Gas Project. Crude oil is sold there by truck delivery.

The Presidio Oil & Gas Project is located 250 miles (or 5 hours by truck) from Midland, Texas which is the epicenter of the Permian Basin oil industry. All rigs, supplies and services required for the Presidio Oil & Gas Project are sourced from Permian Region. Oil production in the Permian Region in December 2023 reached approximately 5,974,000 bopd.

Production Facilities Installed

Permanent production facilities have been installed at the well site location of the Presidio 141#2 well consisting of a 3-phase separator, two 500 barrel oil tanks, two 500 barrel water tanks, and a flare stack. The Quinn Creek 141#1 well has also been piped into and connected to flow to the shared field production facilities located at the Presidio 141#2 location.

Flowback Testing - Presidio 52#1 Well

Flowback testing of the Presidio 52#1 well occurred during the half. A workover programe is now planned for the Presido 52#1 well to improve oil and wet gas production. Production from the lowest two production zones has become impaired and a cleanup of the well is now required. These two zones are the most productive zones in the Presidio 52#1 well. The reduction of production from these 2 zones has resulted in wet gas production reducing to 500MCF per day. The well continues to unload frack water.

Background to the Presidio 52#1 Well

The Presidio 52#1 well has been successfully drilled to a total depth (**TD**) of 8,806 feet. During drilling, the Presidio 52#1 well encountered the lower bench of the Ojinaga Formation (primary target) and the Eagle Ford Shale Formation (secondary target) as well as two older (deeper) Cretaceous units, being the Buda and Georgetown Formations (both secondary targets).

The lower bench of the Ojinaga Formation was encountered at the depth of 6,632 feet and is 793 feet thick. Helios has successfully tested and produced oil from all 4 wells it has drilled which have penetrated the Ojinaga Formation.

DIRECTORS' REPORT (continued)

The oil analysis shows that the oil in the Ojinaga Formation is sourced from the Eagle Ford Shale Formation. The Eagle Ford Shale was encountered at a depth of 7,425 feet and is 836 feet thick with the deepest 235 feet also referred to as the Boquillas Formation (which is equivalent to the lower Eagle Ford Formation in Karnes County, Texas, USA).

The frack job undertaken in the Presidio 52#1 well was comprised of 4 stages situated within the 1,623 foot oil and gas bearing column commencing from the lower bench of the Ojinaga Formation and ending at the deepest part of the Eagle Ford Shale.

Very good to excellent oil and gas shows in the Presidio 52#1 Well

Very good to excellent oil and gas shows were observed throughout the drilling of the entire lower bench of the Ojinaga Formation and throughout the drilling of the entire Eagle Ford Formation (which includes the 235 feet of the Boquillas Formation). The distance between the commencement of the lower bench of the Ojinaga Formation at 6,632 feet and the cessation of casing at 8,255 feet is 1,623 feet. That is a 1,623 foot oil and gas bearing column.

The 1,623 feet interval was fracked across 4 stages per a frack design created by John Ely of Ely and Associates. The four frack intervals have been co-mingled as a vertical completion for production purposes. Gas measurements were consistently high throughout the drilling through the entire lower bench of the Ojinaga Formation and throughout the drilling of the entire Eagle Ford Formation. From the gas isotope analysis, it shows the wetness ratios are between 24-30% which corresponds to oil associated gas in the genetic gas classification.

Testing of Quinn Creek 141#1 Well During the Half Ending 31 December 2023

Quinn Creek 141#1 is now shut in with production tubing run in the well. Various artificial lift applications are being investigated to optimize sustainable production. The well continues to build up pressure while being shut in.

Presidio 141#2 Testing During the Half Ending 31 December 2023

Presidio 141#2 is currently shut in as various artificial lift applications are being investigated to optimize sustainable production. The well continues to build up pressure while being shut in.

Corporate

Helios has no debt and cash at bank at the end of the half year period on 31 December 2023 was $2,093,220.

OPERATING RESULT

The loss from operations for the half year ended 31 December 2023 after providing for income tax was $2,874,450 (2022: Loss $4,914,204). The total comprehensive loss for the half year ended 31 December 2023 after providing for income tax was $4,256,027 (2022: $4,369,297).

Additional information on the operations and financial position of the Group and its business strategies and prospects is set out in this directors' report and the interim financial report.

DIRECTORS' REPORT (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out on page 6 of this interim report.

Signed in accordance with a resolution of the board of directors.

Richard He
Managing Director

15 March 2024

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF HELIOS ENERGY LIMITED

As lead auditor for the review of Helios Energy Limited for the half-year ended 31 December 2023, 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 Helios Energy Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 December 2023 $	31 December 2022 $
Revenue from operations		77,912	-
Other income		49,098	71,626
Foreign exchange gain/(loss)		(8,568)	(22,503)
Fair value loss on investment		-	(92,950)
Administration costs		(1,035,718)	(836,449)
Finance cost		(11,222)	(14,834)
Operating costs		(103,637)	(163,123)
Exploration expenditure written off	3	-	(2,657,629)
Impairment of assets	4	(758,728)	-
Personnel Cost		(803,577)	(922,724)
Corporate compliance costs		(68,598)	(67,542)
Corporate management fees		(53,000)	(41,500)
Depreciation and amortisation expense		(140,303)	(141,158)
Audit fees		(18,109)	(25,418)
Share based payments		-	-
Loss before income tax		**(2,874,450)**	**(4,914,204)**
Income Tax expense		-	-
Loss after income tax		**(2,874,450)**	**(4,914,204)**
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Exchange difference on translation		(1,381,577)	544,907
Total comprehensive loss attributable to the members of Helios Energy Ltd		**(4,256,027)**	**(4,369,297)**
		Cents	**Cents**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic gain/(loss) per share		(0.11)	(0.28)
Diluted earnings per share		(0.11)	(0.28)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023	30 June 2023
ASSETS		**$**	**$**
Current assets			
Cash and cash equivalents		2,093,220	5,351,168
Trade and other receivables		285,879	328,459
Other assets		204,013	580,886
Total current assets		**2,583,112**	**6,260,513**
Non-current assets			
Other assets	4	-	750,602
Exploration and evaluation expenditure	3	43,642,761	44,175,951
Right-of-use asset		457,337	607,906
Investments		185,900	185,900
Total non-current assets		**44,285,998**	**45,720,359**
Total assets		**46,869,110**	**51,980,872**
LIABILITIES			
Current liabilities			
Trade and other payables		426,402	1,109,957
Lease liability		235,332	322,312
Total current liabilities		**661,734**	**1,432,269**
Non-current liabilities			
Lease liability		333,041	418,241
Total non-current liabilities		**333,041**	**418,241**
Total liabilities		**994,775**	**1,850,510**
NET ASSETS		**45,874,335**	**50,130,362**
EQUITY			
Contributed equity		98,117,145	98,117,145
Reserves		1,998,606	3,380,183
Accumulated losses		(54,241,416)	(51,366,966)
TOTAL EQUITY		**45,874,335**	**50,130,362**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity $	Options reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance as at 1 July 2023	98,117,145	1,128,149	2,252,034	(51,366,966)	50,130,362
Loss for the period	-	-	-	(2,874,450)	(2,874,450)
Exchange differences on translation of foreign operations	-	-	(1,381,577)	-	(1,381,577)
Total comprehensive loss for the period	-	-	(1,381,577)	(2,874,450)	(4,256,027)
Transactions with owners in their capacity as owners:					
Contribution of equity	-	-	-	-	-
Balance at 31 December 2023	**98,117,145**	**1,128,149**	**870,457**	**(54,241,416)**	**45,874,335**

	Contributed equity $	Options reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance as at 1 July 2022	98,117,145	1,131,149	714,619	(42,763,085)	57,199,828
					-
Loss for the period	-	-	-	(4,914,204)	(4,914,204)
Exchange differences on translation of foreign operations	-	-	544,907	-	544,907
Total comprehensive gain (loss) for the year	-	-	544,907	(4,914,204)	(4,369,297)
					-
Transactions with owners in their capacity as owners:					
Lapsed options	-	(3,000)	-	3,000	-
Balance at 31 December 2022	**98,117,145**	**1,128,149**	**1,259,526**	**(47,674,289)**	**52,830,531**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2023 $	31 December 2022 $
Cash flow from operating activities		
Receipts from customers	185,491	7,172
Payments to suppliers and employees	(2,476,714)	(2,311,099)
Interest received	21,728	51,491
Interest paid	(11,222)	(14,834)
Net cash outflow from operations	**(2,280,717)**	**(2,267,270)**
Cash flows from investing activities		
Payments for exploration and evaluation	(799,530)	(7,453,758)
Net cash outflow from investing activities	**(799,530)**	**(7,453,758)**
Cash flows from financing activities		
Lease repayments	(158,690)	(116,954)
Net cash outflow from financing activities	**(158,690)**	**(116,954)**
Net decrease in cash and cash equivalents	**(3,238,937)**	**(9,837,982)**
Cash and cash equivalents at the beginning of the period	**5,351,168**	**21,708,895**
Effect of exchange rate changes on cash and cash equivalents	(19,011)	16,240
Cash and cash equivalents at the end of the period	**2,093,220**	**11,887,153**

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

This general purpose interim financial report includes the financial statements and notes of Helios Energy Ltd (The Company), a public limited entity, and its controlled entities (The Group) for the half-year ended 31 December 2023.

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 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 interim 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 30 June 2023 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.

(b) New or amended Accounting Standards and Interpretations adopted

The Group 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.

(c) Going concern

The financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the normal course of business.

For the half-year ended 31 December 2023 the Group recorded a net loss of $2,874,450 (31 December 2022: $4,914,204) and a net cash outflow from operating activities of $2,280,717 (31 December 2022: $2,267,270).

The Group is dependent upon raising capital to meet its planned and budgeted exploration activities as well as corporate overheads requirements in the next 12 months. The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

1. Summary of Significant Accounting Policies (continued)

The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

- the Group has a net current asset position of $1,921,378 as at 31 December and a cash balance of $2,093,220 as at period end, which is considered sufficient to meet its liabilities as and when they become due;
- the Group has the option, if necessary, to defer certain expenditure or abandon certain projects and reduce costs in order to minimise its funding requirements.;
- the Group has the ability to raise further funds through capital raising as it has successfully demonstrated in the past; and

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2. Segment Information

Identification of reportable operating segments

The Group is organised into two operating segments, being oil and gas exploration in the USA and helium in China. This is based on the internal reports that are being reviewed by the Board of Directors who are identified as the chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Operating segment information:

31 December 2023	**USA**	**China**	**Unallocated**	**Total**
	$	**$**	**$**	**$**
Profit and loss				
Revenue	77,912	-	-	77,912
Other	27,370	-	-	27,370
Interest Income	-	-	21,728	21,728
Other Income	27,370	-	21,728	49,098
Loss for the period	(1,592,684)	(945,699)	(336,067)	(2,874,450)
Financial Position				
Total Assets	42,951,855	380,957	3,536,298	46,869,110
Total Liabilities	(748,874)	(132,482)	(113,419)	(994,775)

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2. Segment Information (continued)

31 December 2022	**USA** **$**	**China** **$**	**Unallocated** **$**	**Total** **$**
Profit and loss				
Revenue	-	-	-	-
Other	26,796	-	-	26,796
Interest Income	6	-	44,824	44,830
Other Income	26,802	-	44,824	71,626
Loss for the period	(4,135,812)	(417,610)	(360,782)	(4,914,204)
30 June 2023				
Financial Position				
Total Assets	44,180,718	1,469,545	6,330,609	51,980,872
Total Liabilities	(1,323,602)	(285,915)	(240,993)	(1,850,510)

3. Exploration and Evaluation Expenditure

	31 December 2023 **$**	**30 June 2023** **$**
Exploration and evaluation phase		
Opening balance	44,175,951	34,066,762
Exploration costs	799,143	12,277,958
Foreign exchange difference on translation	(1,332,333)	1,371,538
Exploration expenditure written off	-	(3,540,307)
Closing balance	**43,642,761**	**44,175,951**

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The Company has assessed each area interest for impairment in accordance with AASB 6 Exploration for and Evaluation of Minerals Resources. Based on the Company’s assessment, nil was recognised in the income statement (30 June 2023: $3,540,307), as exploration written off, in relation to expired leases during the period.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4. Other assets non-current

	31 December 2023 $	30 June 2023 $
Non-current		
Advance to suppliers	-	750,602
	-	**750,602**

Movement on advance to suppliers

	31 December 2023 $
Balance at 1 July 2023	750,602
Services received	(9,428)
Impairment advance to suppliers	(758,728)
Foreign exchange difference on translation	17,554
Balance at 31 December 2023	-

Impairment of advance to suppliers

The Group has recognised a provision for impairment of $758,728 in the statement of profit or loss and other comprehensive income given the uncertainty on the recoverability of previous advances made to suppliers.

5. Commitments

As part of the acquisition of the Presidio Oil Project there are contingent royalty payments as mentioned below:

Presidio Oil Project

Further Leases and Oil Wells to those acquired at acquisition date will be on a ‘heads up’ basis being 70% to the cost of Helios and 30% to the cost of the vendors (and/or their nominee/s). Helios will earn a NRI of 52.50% of 8/8ths (being 70% of a NRI of 75%) in all additional oil and gas leases or drilling of oil wells acquired by the joint venture. The mineral rights owners and vendors in aggregate will retain a gross revenue royalty, on industry standard terms, equal to 25% of the oil and gas produced or won from the Presidio Leases and any Further Leases and Oil Wells acquired by the joint venture within a 50 kilometre radius of the Presidio Leases.

6. Contingent liabilities

There are no contingent liabilities as at 31 December 2023 and 30 June 2023.

7. After Reporting Date Events

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

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 Group's financial position as at 31 December 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

Richard He
Managing Director

15 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Helios Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Helios Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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, 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 Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2023 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.

Material uncertainty relating to going concern

We draw attention to Note '1 (c) Going Concern' in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 is true and fair 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 Group's financial position as at 31 December 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.

BDO Audit (WA) Pty Ltd

BDO

JPrue

Jarrad Prue

Director

Perth, 15 March 2024