



Asara Resources Ltd
ABN 39 006 710 774

Half Year Report
For the period ended 31 December 2024

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Corporate Directory

Directors

Brett Montgomery, Non-Executive Chairman
Timothy Strong, Executive Director – Corporate Strategy & Affairs
Douglas Jones, Non-Executive Director

Company Secretary

Joanna Kiernan

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Share Registry

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Auditors

HLB Mann Judd
4/130 Stirling St
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX), ASX Code: AS1

The Company's shares are also traded on the Berlin Open Market (Freiverkehr, A0LGRE) and Frankfurt Open Market (WKN:A0LGRE).

Directors' Report

The board of directors of Asara Resources Ltd (**Asara** or the **Company**) presents its half year report together with the condensed consolidated financial statements of the Company and the entities it controlled (**Group**) for the half year ended 31 December 2024 (**Half Year, Half Year Report**).

Directors

The following persons held office as directors of the Company during or since the end of the Half Year until the date of this report. Directors were in office for the entire period unless stated otherwise.

Brett Montgomery, Non-Executive Chairman

Timothy Strong, Managing Director (to 14 February 2025) / Executive Director (from 14 February 2025)

Douglas Jones, Non-Executive Director

Operating Results

During the Half Year, the Group incurred a loss after tax of \$450,646 (2023: \$1,074,376) which includes mineral exploration and evaluation expenditure of \$231,137 (2023: \$474,023).

Overview of Operations

Asara Resources is an exploration company with a portfolio of advanced minerals projects in Guinea, West Africa and in Chile, South America.

Set out below is a summary of the work undertaken during the Half Year on each of the Company's projects.

Kada Gold Project, Guinea (Kada)

The Company's flagship project is the advanced Kada Gold Project (**Kada**), strategically located in the central Siguiri Basin, Guinea, and it lies 36km along strike from and to the south of the >10Moz Siguiri Gold Mine operated by AngloGold Ashanti Ltd (Figure 1). Kada is an advanced project, comprised of two permits, Kada and Bamféle covering an area of approximately 200km², having previously been explored by Newmont Corporation (**Newmont**).

Work at Kada re-commenced in October 2024, which was focused on camp upgrades, mapping of mineralised structures in the Massan Resource Area as well as re-logging of the core drilled to date.

Micon International have been commissioned to provide a drillhole spacing and orientation review leading to the design of an infill drilling program. The focus of the drilling program, scheduled to commence during the March 2025 quarter will be to increase the confidence in the central part of the Massan Mineral Resource and to extend the resource estimate to the north, south and at depth.

During the half year, the Company continued to engage and collaborate with the communities surrounding Kada to lay the foundations for a mutually rewarding relationship moving forward. This included meeting with the relevant stakeholders surrounding the Kada project, including the sous-préfets (chiefs) of the villages adjacent to the project area.

A weather station was installed at the Niandankoro Camp giving vital baseline data for the various environmental studies that are scheduled to commence during the year.

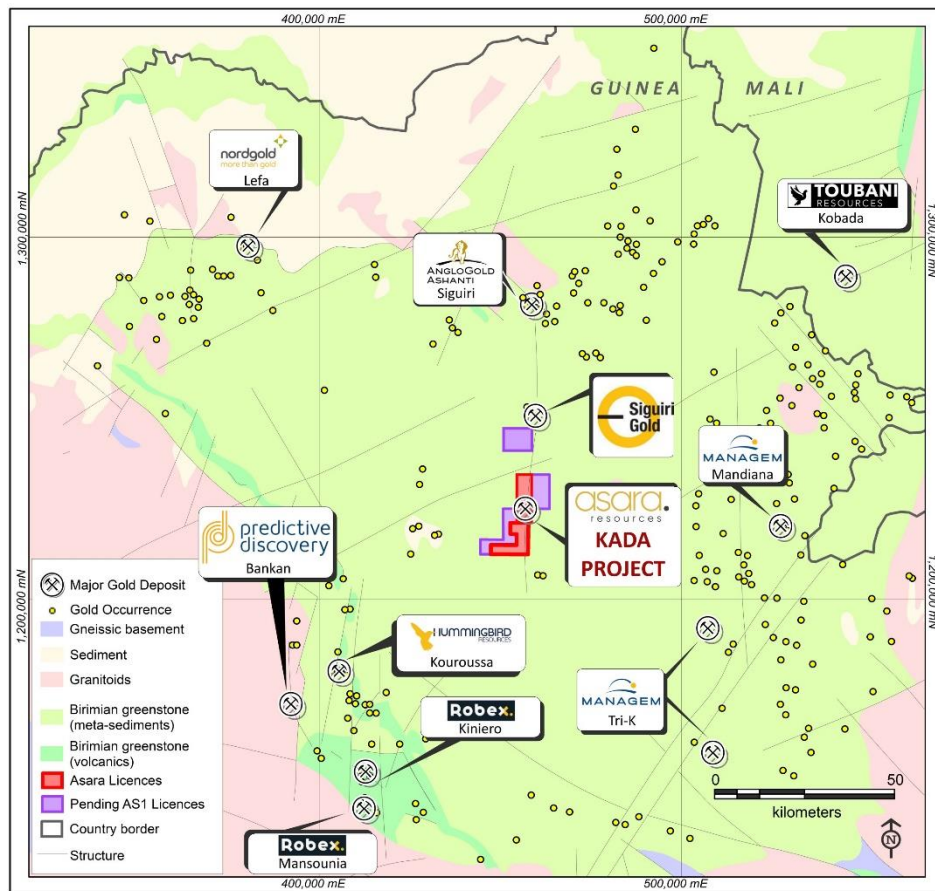


Figure 1. Location of Kada Projects in the Siguiri Basin, NE Guinea.

Divestment of Burkina Faso Gold Assets

As announced on 14 July 2024, the Company entered into a binding Share Purchase Agreement (**SPA**) with private gold exploration company, BIC West Africa Limited (**BIC**) for the sale of its non-core Kouri and Babonga gold projects for total consideration of US\$2.2m cash.

The Company continues to work with the Government of Burkina Faso and BIC to conclude the transaction. In November 2024, the Company received clearance from the Tax Authorities in Burkina Faso to proceed with the share transfer. Following approval from the Tax Office, BIC made an advance payment of US\$550,000 (against the final Completion Payment of US\$1.1m)

The Company is now awaiting final approval from the Minister of Mines. It is expected that the final payment of US\$550,000 will be made by BIC once the Minister of Mines has approved the transaction. To allow for additional time to receive Burkina Faso regulatory approval, Asara and BIC have agreed to extend the Longstop Date under the SPA to 31 March 2025.

Paguanta Copper and Silver-Lead-Zinc Project, Chile (Paguanta)

The Company has initiated a number of discussions regarding the potential divestment of its Paguanta silver, zinc, lead, copper project (**Paguanta**). This asset is non-core and remains on care and maintenance as the Company works towards monetizing its interest in Paguanta while the Company focuses on its flagship asset, Kada.

Loreto Copper Project, Chile (Loreto)

Pursuant to the US\$17m Option and Joint Venture agreement with Teck Resources Chile Limitada (**Teck Chile**), Teck Chile continued to engage with surface landowners and local communities with respect to project access.

In November 2023, the Company announced that its Paguanta Project Joint Venture Partner Costa Rica Dos SpA (**Costa Rica Dos**) instigated legal proceedings in Chile regarding the Loreto Project in the form of a civil action for damages against the Company and Teck. The civil action relates to predecessor exploration concessions over the ground comprising the Loreto Project that were historically held by Costa Rica Dos.

The legal proceedings are ongoing, but the Company is currently engaged in advanced discussions with Costa Rica Dos to resolve the dispute out of court.

Business Development

The Company has previously advised that it regularly investigates new business development opportunities. It continues to review and investigate various new business opportunities across the African continent including advanced gold project opportunities. All potential opportunity processes the Company is engaged in remain incomplete, and are subject to full technical, legal and economic due diligence. Whilst some processes are more advanced than others, there is no guarantee that the Company will be able to successfully conclude a transaction. The Company cautions investors that there is no certainty that any transaction will proceed.

Corporate Placement

In September 2024, the Company announced that it had raised US\$950,000 via a placement with Barbet L.L.C FZ (**Barbet**) to advance exploration and development at Kada. The Placement comprised of the issue of 114,484,957 fully paid ordinary shares at \$0.012.

Convertible Note

The Company entered into a \$1.5m Convertible Note Deed with Capital DI Limited (**Capital**) in September 2023. The Company repaid the balance of the Convertible Note (\$500,000) during the half-year, leaving the Company debt free.

Permit Schedule

The following table sets out the permits in which the Company had an interest, as at the end of the Half Year.

Permit name	Project name	Golden Rim Holding (%)	Changes for the Half Year to permits and/or interest
Guinea			
Kada	Kada	51	
Bamfele	Kada	51 effective. 100% legal ownership, held on behalf of Kada joint venture.	
Burkina Faso			
Babonga	Babonga	100	Pursuant to the SPA, Asara is seeking approval from the Burkina Faso Minister of Mines to transfer the issued capital of GMRB, which holds the licenses for these permits.
Kouri	Kouri	100	
Margou	Kouri	100	
Gouéli	Kouri	100	
Chile			
José Miguel 1 1-30 Exploitation	Paguanta	74	
José Miguel 2 1-30 Exploitation	Paguanta	74	
José Miguel 3 1-20 Exploitation	Paguanta	74	
José Miguel 4 1-30 Exploitation	Paguanta	74	
José Miguel 5 1-30 Exploitation	Paguanta	74	
José Miguel 6 1-30 Exploitation	Paguanta	74	
José Miguel 7 1-30 Exploitation	Paguanta	74	
José Miguel 8 1-10 Exploitation	Paguanta	74	
Carlos Felipe 1 1-30 Exploitation	Paguanta	74	
Carlos Felipe 2 1-30 Exploitation	Paguanta	74	
Carlos Felipe 3 1-30 Exploitation	Paguanta	74	
Carlos Felipe 4 1-30 Exploitation	Paguanta	74	
Carlos Felipe 5 1-30 Exploitation	Paguanta	74	
Carlos Felipe 6 1-30 Exploitation	Paguanta	74	
Teki I 1 1-20 Exploitation	Loreto	100 % ownership, joint ventured with Teck.	
Teki I 2 1-40 Exploitation	Loreto		
Teki I 3 1-60 Exploitation	Loreto		
Teki I 4 1-60 Exploitation	Loreto		
Teki I 5 1-60 Exploitation	Loreto		
Teki I 6 1-60 Exploitation	Loreto		
Teki I 7 1-20 Exploitation	Loreto		

Forward Looking Statements

Certain statements in this document are or maybe “forward-looking statements” and represent Asara’s intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Asara, and which may cause Asara’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Asara does not make any representation or warranty as to the accuracy of such statements or assumptions.

Events Subsequent to period end

Since the end of the Half Year, no significant event has occurred, except as stated below and elsewhere in this Half Year Report.

- On 14 February 2025, Mr Tim Strong stepped down as Managing Director of the Company, however remained on the Board as an Executive Director.
- On 14 February 2025, Mr Matthew Sharples was appointed as Chief Executive Officer of the Company.
- On 14 February 2025, the Company announced it had entered into a Subscription Agreement with Barbet L.L.C FZ to raise \$2,299,358.90 via the issue of 104,517,541 ordinary fully paid shares at an issue price of \$0.022.
- On 26 February 2025, the Company issued 104,517,541 ordinary fully paid shares to Barbet L.LC FZ.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on the following page of this Half Year Report.

This Half Year Report is signed in accordance with a resolution of the Directors, made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Brett Montgomery

11 March 2025

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Asara Resources Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
11 March 2025

B G McVeigh
Partner

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Interest income		390	5,314
Other gains/(losses)		179,663	(41,502)
Administration expenses		(357,753)	(466,693)
Share based payments	4	(3,602)	(6,690)
Interest expense		(6,682)	(53,172)
Depreciation expense		(31,525)	(37,610)
Exploration and evaluation expenditure	6	(231,137)	(474,023)
Loss before income tax		(450,646)	(1,074,376)
Income tax expense		-	-
Loss for the period		(450,646)	(1,074,376)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		1,403,343	(345,047)
Other comprehensive income/(loss) for the period, net of tax		1,403,343	(345,047)
Total comprehensive income/(loss) for the period		952,697	(1,419,423)
Loss attributable to:			
Owners of the Company		(431,327)	(1,005,009)
Non-controlling interests		(19,319)	(69,367)
		(450,646)	(1,074,376)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		695,357	(1,241,775)
Non-controlling interests		257,340	(177,648)
		952,697	(1,419,423)
Loss per share			
Basic (cents per share)		(0.06)	(0.18)
Diluted (cents per share)		(0.06)	(0.18)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position as at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Current Assets			
Cash and cash equivalents		2,796,961	1,337,941
Trade and other receivables		15,069	23,967
Assets held for sale	7	2,602,697	3,298,400
Other assets		96,902	31,105
Total Current Assets		<u>5,511,629</u>	<u>4,691,413</u>
Non-Current Assets			
Other financial assets		3,940	3,706
Plant and equipment		125,860	138,485
Exploration and evaluation expenditure	6	25,286,450	23,375,592
Total Non-Current Assets		<u>25,416,250</u>	<u>23,517,783</u>
Total Assets		<u>30,927,879</u>	<u>28,209,196</u>
Current Liabilities			
Trade and other payables		2,031,614	1,146,481
Loans		-	500,000
Provisions		20,910	21,942
Total Current Liabilities		<u>2,052,524</u>	<u>1,668,423</u>
Non-Current Liabilities			
Provisions		7,947	8,062
Total Non-Current Liabilities		<u>7,947</u>	<u>8,062</u>
Total Liabilities		<u>2,060,471</u>	<u>1,676,485</u>
Net Assets		<u>28,867,408</u>	<u>26,532,711</u>
Equity			
Share capital	4	117,077,111	115,698,713
Reserves		2,419,723	1,289,437
Accumulated losses		(89,494,435)	(89,063,107)
Equity attributable to owners of the Company		<u>30,002,399</u>	<u>27,925,043</u>
Non-controlling interests		<u>(1,134,991)</u>	<u>(1,392,332)</u>
Total Equity		<u>28,867,408</u>	<u>26,532,711</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2024

	Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	112,607,002	302,481	1,050,383	(90,772,455)	(1,164,973)	22,022,438
Loss for the period	-	-	-	(1,005,009)	(69,367)	(1,074,376)
Other comprehensive income for the period	-	-	(236,766)	-	(108,281)	(345,047)
Total comprehensive loss for the period	-	-	(236,766)	(1,005,009)	(177,648)	(1,419,423)
Transactions with owners recorded directly in equity						
Issue of shares and options	2,413,711	6,690	-	-	-	2,420,401
Share issue costs	(46,661)	-	-	-	-	(46,661)
Fair value of expired/exercised options	-	(117,600)	-	117,600	-	-
Balance at 31 December 2023	114,974,052	191,571	813,617	(91,659,864)	(1,342,621)	22,976,755
Balance at 1 July 2024	115,698,713	143,257	1,146,180	(89,063,108)	(1,392,331)	26,532,711
Loss for the period	-	-	-	(431,327)	(19,319)	(450,646)
Other comprehensive income for the period	-	-	1,126,684	-	276,659	1,403,343
Total comprehensive loss for the period	-	-	1,126,684	(431,327)	257,340	952,697
Transactions with owners recorded directly in equity						
Issue of shares and options	1,388,084	3,602	-	-	-	1,391,686
Share issue costs	(9,686)	-	-	-	-	(9,686)
Fair value of expired/exercised options	-	-	-	-	-	-
Balance at 31 December 2024	117,077,111	146,859	2,272,864	(89,494,435)	(1,134,991)	28,867,408

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows for the Half Year ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities		
Payments to suppliers and employees	(448,258)	(535,403)
Mineral exploration expenditure	(400,079)	(499,531)
Interest received	390	5,314
Interest paid	(6,682)	(43,125)
Net cash used in operating activities	(854,629)	(1,072,745)
Cash flows from investing activities		
Payments for acquisition of exploration assets	(433,379)	(2,379,144)
Proceeds from sale of tenements	1,650,443	-
Purchase of plant and equipment	-	(2,547)
Proceeds from sale of plant and equipment	-	7,513
Net cash from/(used in) investing activities	1,217,064	(2,374,178)
Cash flows from financing activities		
Proceeds from issue of shares and options	1,388,085	2,413,711
Share issue costs	(9,686)	(14,638)
Proceeds from borrowings	-	1,500,000
Repayments of borrowings	(500,000)	(1,000,000)
Net cash provided by financing activities	878,399	2,899,073
Net decrease in cash and cash equivalents held	1,240,834	(547,850)
Cash and cash equivalents at the beginning of the period	1,337,941	1,640,890
Translation differences on cash held in foreign currencies	218,186	26,981
Cash and cash equivalents at the end of the period	2,796,961	1,120,021

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements for the Half Year ended 31 December 2024

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the financial periods presented unless otherwise stated.

Statement of compliance

This Half Year Report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". This Half Year Report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of investments. 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 annual financial report for the financial year ended 30 June 2024, except for the impact of the new Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Board of Directors authorised these half-year financial statements for issue on 11 March 2025.

Adoption of new and revised Australian Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

The adoption of these standards has not had a material impact on the disclosures and/or amounts reported in these financial statements.

Standards and interpretations in issue but not yet effective

The Group has reviewed new and revised standards and interpretations that are in issue but are not mandatory for the current reporting period, and it was determined there will be no material change required to the Group's accounting policies.

2. Going Concern

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

During the half year, the Group incurred a net loss after tax of \$450,646 (2023: \$1,074,376. At 31 December 2024, the Group had net assets of \$28,867,408 (30 June 2024: \$26,532,711) and net current assets of \$3,459,105 (30 June 2024: \$3,022,990). As at 31 December 2024, the Group had a cash balance of \$2,796,961 (30 June 2024: \$1,337,941).

The Directors have prepared a cash flow forecast for the period ending 31 March 2026, which indicates that additional funding will be required to meet the expected cash outflows in relation to its ongoing exploration and evaluation activities. The ability of the Group to continue to develop its projects and therefore continue as a going concern is dependent on securing additional sources of funding via capital raisings, divestment of assets or other type of corporate transaction, by March 2026.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above, including the ability of the Group to secure additional funding, and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty which may cast significant doubt on whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

These condensed consolidated financial statements do not include 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.

3. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one business, namely exploration for mineral resources in various geographical regions. The financial results from this business are presented to the Board on a geographical basis.

Information on a geographical segment basis is presented below:

	Australia	South America	Africa	Group
	\$	\$	\$	\$
Half year 2024				
Segment revenue	390	-	-	390
Segment result	(199,502)	(106,903)	(144,241)	(450,646)
Exploration costs expensed	10,589	106,903	113,645	231,137
Depreciation expense	929	-	30,596	31,525
As at 31 December 2024				
Segment assets	2,477,939	6,610	28,443,329	30,927,878
Segment liabilities	247,968	30,395	1,782,108	2,060,471
Half year 2023				
Segment revenue	5,314	-	-	5,314
Segment result	(572,032)	(341,931)	(160,413)	(1,074,376)
Exploration costs expensed	7,039	341,931	125,053	474,023
Depreciation expense	2,251	-	35,359	37,610
As at 30 June 2024				
Segment assets	1,277,189	30,506	26,901,501	28,209,196
Segment liabilities	1,467,963	59,107	149,415	1,676,485

4. Issued capital

	31 December 2024 \$	30 June 2024 \$
Ordinary shares		
Issued and fully paid: 996,660,307 (30 June 2024: 882,175,350) shares	<u>117,077,110</u>	<u>115,698,713</u>

Shares

Movements in the ordinary share capital of the Company during the period were as follows:

		Number of Shares	Cents	\$
30/06/2024	Opening Balance	882,175,350		115,698,713
2/10/2024	Share Placement	114,484,957	1.20	1,388,084
	Cost of share issues			(9,686)
31/12/2024		<u>996,660,307</u>		<u>117,077,111</u>

Options

At 31 December 2024, the Company had the following unlisted options on issue:

Option series	No. of options	Exercise price \$	Issue Date	Expiry date
Unlisted options				
Class AS1AAG	15,000,000	0.045	24/02/2023	24/02/2025
Class AS1AAH	1,250,000	nil	24/02/2023	24/02/2025
Class AS1AAI	1,250,000	nil	24/02/2023	24/02/2026
Class AS1AAJ	2,500,000	nil	24/02/2023	24/02/2027
Class AS1AAK	5,000,000	0.070	24/02/2023	24/02/2027

Movements in the number of options and the Option Reserve during the period were as follows:

Issue / Expiry Date	Description	Number of Options	Fair value cents	\$
30/06/2024	Balance	25,000,000		143,257
	Value of AS1AAK options vested during the period	-		3,602
31/12/2024	Balance	<u>25,000,000</u>		<u>146,859</u>

The option reserve relates to the fair value of options granted by the Company. The fair values of options are transferred to share capital on exercise, or to accumulated losses on expiry of the options.

5. Fair value measurement of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group not measured at fair value on a recurring basis approximate their fair values.

6. Exploration and Evaluation Expenditure

	31 December 2024	30 June 2024
	\$	\$
At beginning of period	23,375,592	21,599,492
Acquisition of exploration projects	561,940	1,786,999
Exchange gain/(loss)	1,348,918	(10,899)
	<u>25,286,450</u>	<u>23,375,592</u>

Exploration and evaluation assets are initially measured at cost and include the acquisition of permits / licenses, and the Group's share in joint projects, that provide the right to explore for minerals. All other exploration and evaluation expenditure including studies, exploratory drilling, trenching and sampling and associated activities is expensed as incurred.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include prospectivity of an area of interest and economic and political environments. If an impairment trigger exists, the recoverable amount of the asset is determined.

7. Assets held for sale

	31 December 2024	30 June 2024
	\$	\$
Assets held for sale	<u>2,602,697</u>	<u>3,298,400</u>

On 14 July 2024 a SPA was signed for the sale of all of the issued capital in Golden Rim Resources Burkina SARL. One of the conditions precedent remains to be met to finalise this sale. As a result, control of these assets is still within the group and they are treated as held for sale assets in the half year report.

8. Events subsequent to reporting date

Since the end of the Half Year, no significant event has occurred, except as stated below and elsewhere in this Half Year Report.

- On 14 February 2025, Mr Tim Strong stepped down as Managing Director of the Company, however remained on the Board as an Executive Director.
- On 14 February 2025, Mr Matthew Sharples was appointed as Chief Executive Officer of the Company.
- On 14 February 2025, the Company announced it had entered into a Subscription Agreement with Barbet L.L.C FZ to raise \$2,299,358.90 via the issue of 104,517,541 ordinary fully paid shares at an issue price of \$0.022.
- On 26 February 2025, the Company issued 104,517,541 ordinary fully paid shares to Barbet L.L.C FZ.

9. Exploration Commitments

The Group has the following expenditure commitments at balance date in respect of exploration interests, subject to the right to withdraw at any time.

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Not later than one year	7,323	58,096
Later than one year, but not later than 5 years	2,441	21,081
Later than 5 years	-	-
	<u>9,764</u>	<u>79,177</u>

10. Related Parties

The Company did not enter into any transactions, including loans, with key management personnel other than in relation to contractual remuneration.

11. Contingent Assets and Liabilities

Contingent Asset

According to Guinea tax law, value added tax (VAT) paid in relation to the Company's Guinea tenements may be recovered from the Guinea tax authorities. No asset has been recognised in the Consolidated Statement of Financial Position as there is currently no certainty around timing for the recovery of the VAT or that the total VAT will be fully recovered. However, a contingent asset exists relating to total VAT paid to date. The total paid to the Guinea tax authorities to date has been capitalised as the acquisition of the Company's interest in the Kada Gold Project remains active.

Contingent Liabilities

- 1) Chilean exporters may recover the VAT paid with respect to their exports. Under certain circumstances, exporters may claim VAT credits in advance before exports are completed or the VAT has been incurred. CMP has received such VAT credits in advance of Chilean Unidad Tributaria Mensual (UTM) 31,340.58 which calculates to approximately AUD3.4 million at 31 December 2024 exchange rates (30 June 2024 : AUD3.3 million). It is expected that CMP will, in the future, export mineral concentrates from its operations and the VAT credit received will be applied to reduce this advanced VAT credit over time. If CMP does not carry out the exports as approved, such amounts of VAT credits claimed in advanced must be paid back to the tax authorities.
- 2) In November 2023, the Company announced that its Paguanta Project Joint Venture Partner Costa Rica Dos SpA (Costa Rica Dos) instigated legal proceedings in Chile regarding the Loreto Project in the form of a civil action for damages against the Company and Teck. The civil action relates to predecessor exploration concessions over the ground comprising the Loreto Project that were historically held by Costa Rica Dos.

The legal proceedings are ongoing, but the Company is currently engaged in advanced discussions with Costa Rica Dos to resolve the dispute out of court.

Directors Declaration

The Directors declare that the condensed consolidated financial statements and notes of the consolidated entity set out on pages 11 to 19:

- (a) comply with *Accounting Standard AASB 134 – Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, as represented by the results of its operations and its cash flows, for the Half Year.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Brett Montgomery
11 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Asara Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Asara Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 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 responsibility is further described in the *Auditor's Responsibility 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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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 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
11 March 2025



B G McVeigh
Partner