



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

Annual Report
for the year ended
31 December 2024

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CORPORATE DIRECTORY

| | | |
|--|---|--|
| Directors | Mr Kumar Arunachalam | (Non-Executive Director) |
| | Mr Brett Grosvenor | (Non-Executive Director) |
| | Mr James Pearse | (Non-Executive Director) |
| | Mr Glenn Whiddon | (Non-Executive Director) |
| Company Secretary | Ms Oonagh Malone | |
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| | CRB | |

REVIEW OF OPERATIONS

Carbine Resources Limited (ASX: CRB) (Carbine, the Company) is pleased to provide the following update on its operations for the financial year ended 31 December 2024.



Figure 1: Project locations

Muchea West Silica Sand Project

Project Overview

The Muchea West Project is located approximately 40km north-northeast of Perth and approximately 500m to the west of Muchea (Figure 1). Covering a land area of 102km², the Project consists of a granted exploration licence, E70/4905, and a Mining Licence Application, MLA70/1422 (Figure 2). There is excellent access with the nearby Tonkin Highway and the Moora-Kwinana Railway providing a direct connection with the Kwinana Bulk Terminal, key for bulk transport projects.

The Muchea West Project currently hosts a resource of 110Mt at 99.65% SiO₂¹ and an Exploration Target of 762 Mt to 938 Mt of Silica Sand at an average grade of 99.6% to 99.8% SiO₂².

¹ Refer to ASX announcement dated 30 October 2023.

² Refer to ASX announcement dated 4 July 2022. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate further Mineral Resources and it is uncertain if further exploration will result in the estimation of additional Mineral Resources.

The high silica (SiO_2) grade and the low levels of impurities of the raw, in situ, deposit places Carbine at the forefront of existing Australian silica sand projects.

Preliminary process testwork has demonstrated that a simple process of wet attritioning alone can reduce the Muchea West Fe_2O_3 content by 65% with similar reductions in the other deleterious elements for the Muchea West silica sand.

Progress of Mining Licence Application

Carbine's existing mining licence application (MLA70/1422) was lodged in December 2022 and recommended for grant on 18 April 2023. In the first quarter of 2024, the Company liaised with key stakeholders including the office for the Minister for Mines, the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) and the Department of Defence to better understand the delays to grant and progress the mining licence application. Following these meetings, the Company worked with DEMIRS and the Department of Defence to progress towards the grant of a mining licence in the Muchea West area as a priority.

Throughout 2024, the Company was in regular communication with stakeholders including DEMIRS and the Department of Defence to advance the activities required for Carbine to be granted a mining licence over Muchea West in the most expeditious manner possible. Delays were encountered due to the availability of key contacts with regulatory bodies including the Department of Defence to progress the required activities.

In the last quarter of 2024, further meetings were held with DEMIRS, a new access agreement was signed with the Department of Defence and the Company made a new application for a mining licence MLA70/1433 over the same area as covered by MLA70/1422 via its wholly owned subsidiary Australian United Silica Corporation Pty Ltd. The Company subsequently remained in regular communications with key stakeholders including DEMIRS and the Department of Defence to progress towards the grant of a Muchea West mining licence. As MLA 70/1422 and M70/1433 are over the same area only one application will ultimately progress towards grant. Grant of a mining licence at Muchea West remains a priority for the Company.

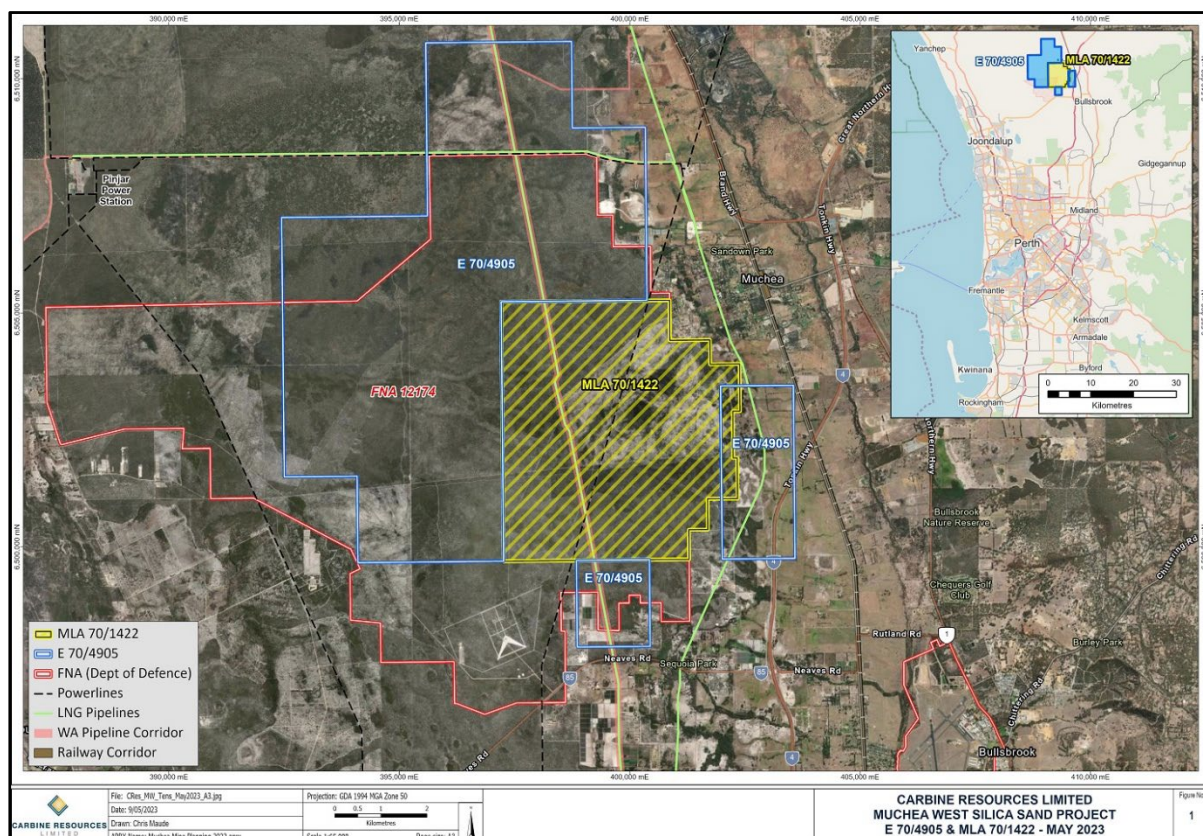


Figure 2: Muchea West Project

Exploration Activities

During the first quarter of 2024, the Company completed the design of a proposed hand auger drilling campaign during the dry season on E70/4905 outside the application area of MLA 70/1422 aimed at increasing and upgrading the existing resource. Following the appointment of Kumar Arunachalam as Non-Executive Director on 31 May 2024, the Company commenced a review of proposed exploration activities taking advantage of Mr Arunachalam's knowledge and experience with the Company's projects. Commencement of further exploration activities was put on hold pending the outcome of the review. It was later determined to pause such activities further while the Company focused on securing a mining licence for the Muchea West Project.

Whadjuck Heritage Agreement

During the third quarter of 2024, the Company signed a heritage agreement with the Whadjuck Aboriginal Corporation in respect of the Muchea West Project exploration licence application E70/6624, allowing grant of the licence.

Other Tenure

During 2024 the Company progressed activities for the grant of the other Muchea West Project exploration licence applications E70/6622, E70/6623 and E70/6625.

Environmental Work

Carbine engaged Greenprint Solutions, an environmental, social and governance (ESG) specialist in government, consultancy and the mining industry, to undertake a review of environmental surveys and study work completed to date to further assess impact to conservation significant species and their habitats, offset requirements based on proposed project disturbance and recommendations for additional survey or study work. The purpose of the work is to further prepare for the State and Commonwealth environmental approvals required to allow proposed mining in the Muchea West project area following grant of a mining licence.

A preliminary report from Greenprint Solutions was received in the last quarter of 2024 and is under consideration by the Company, with further work required including finalisation of the proposed project disturbance footprint. Carbine will continue to progress the Muchea West environmental work pending grant of the Muchea West mining licence.

Down South Silica Sand Project

Project Overview

The Down South Silica Sand Project covers a land area of 5,800Ha (58km²) consisting of three granted exploration licences, E70/5823, E70/6414 and E70/6415. The Project is located approximately 10km southeast of Bunbury in the Wellington Land Division of the Southwest Mineral Field (Figures 3 & 4) and within the shires of Capel (5,093Ha) and Dardanup (703Ha). The area can be located on the Collie (SI50 – 06) 1:250,000 map sheet and the Bunbury (2031) 1:100,000 map sheet.

The ground has been the subject of numerous drilling programs, predominantly for mineral sands, but at least three companies have explored for silica sands.

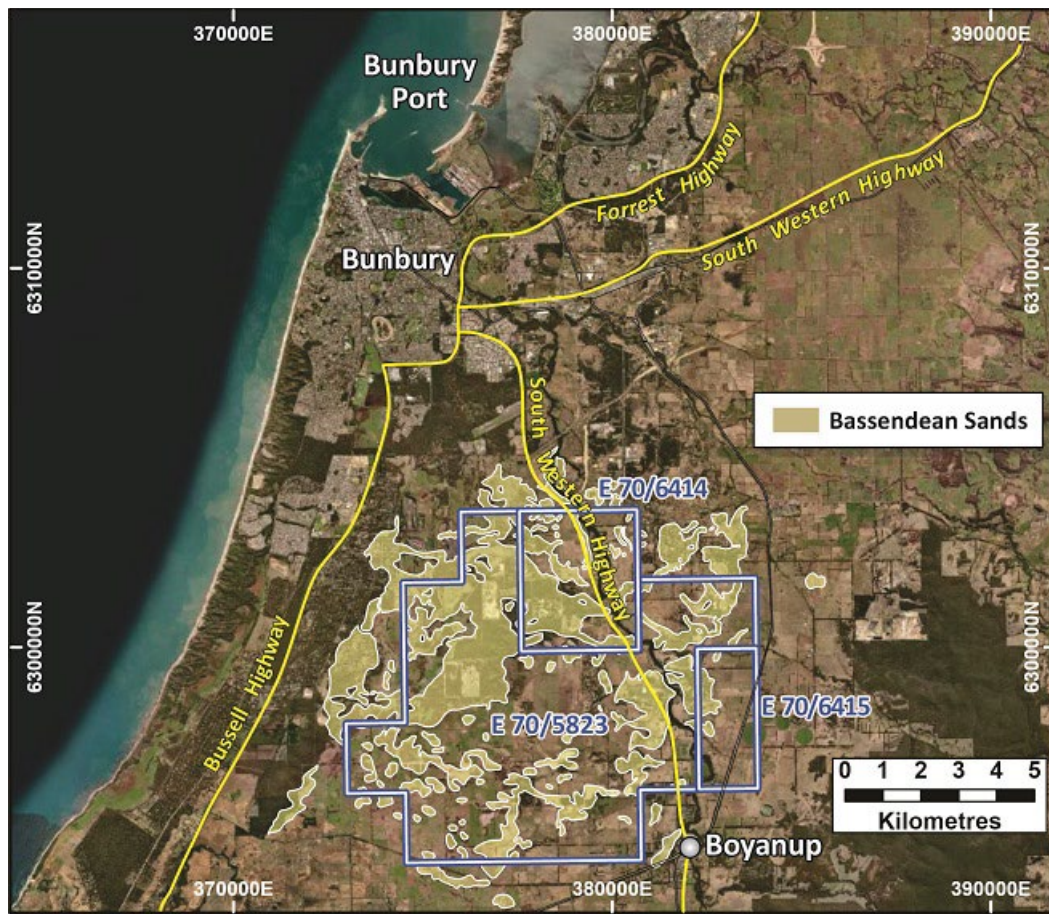


Figure 3: Down South Silica Sand Project Tenement Locations

Work completed by Westralian Sands prior to 1970 identified a number of areas of interest (Areas A, B and C shown in Figure 4) and the culmination of this work led to a small mining operation to test the economics of a silica sand export project from their Area A location. Later, Australian United Silica Corporation Pty Ltd (AUSCO) mapped surface expressions of white sand and produced an outline of areas of potential (1, 2 and 3 shown in Figure 4).

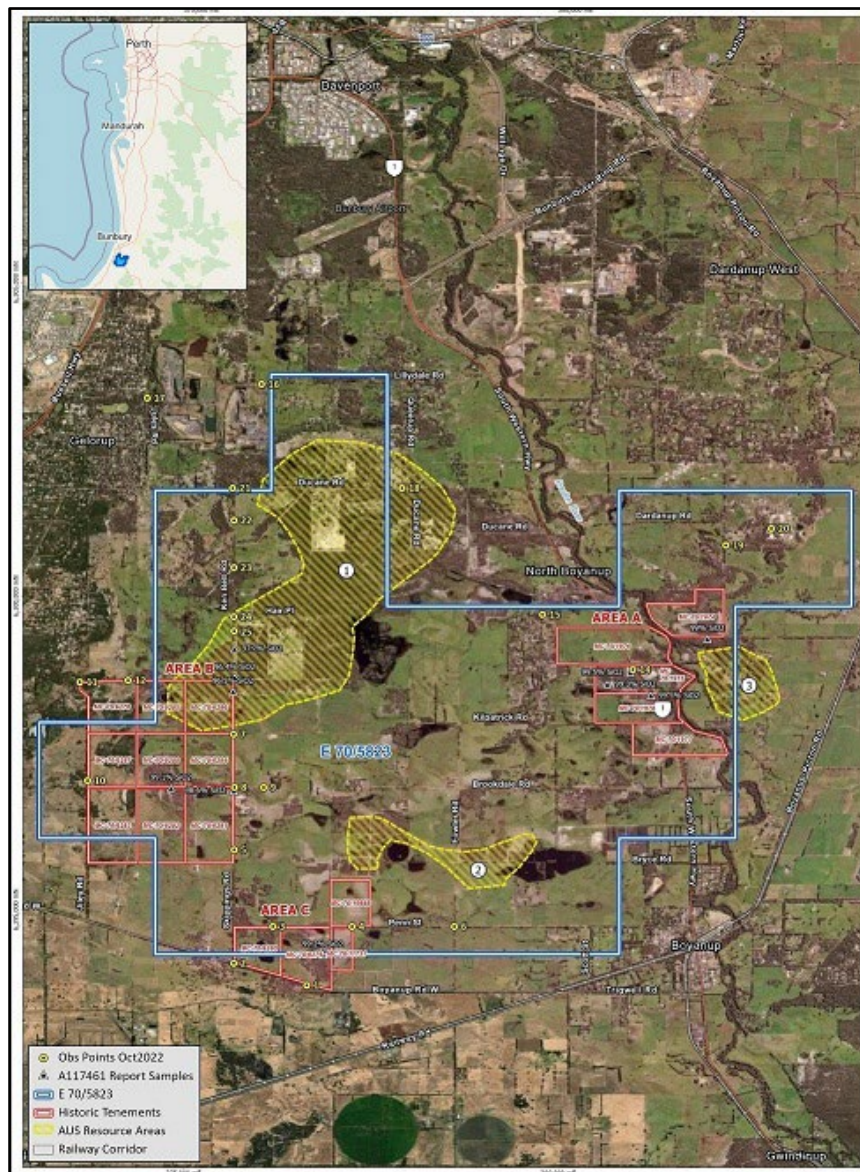


Figure 4: Areas of Interest at Down South Silica Sand Project

Exploration Activities

The Company completed a data review and finalised planned exploration activities at the Down South Silica Sands Project early in 2024 aimed at building on previous work done by Westralian Sands and AUSCO to further test the key areas of interest. The Company originally proposed a hand auger drilling program followed by aircore drilling to be carried out, subject to finalising land access agreements with affected landowners. The Company commenced activities to progress such access agreements and the required approvals and clearances required for the proposed programs.

The appointment of Kumar Aranachalam on 31 May 2024 allowed the Company to take advantage of his previous work and extensive experience with the project, leading to a further review of the planned exploration activities. The Company subsequently acquired World View 3 high resolution satellite imagery covering the Down South Silica Sand Project tenements to further demarcate the potential silica rich areas to target further exploration activities. The Company then commenced analysis of the satellite imagery which remains ongoing and subject to further project planning and strategy work.

The Company also continued to engage with consultants experienced in mineral and silica sands projects in WA, in particular the Bunbury region, in order to progress project planning and strategy.

Competent Persons' Statements

The mineral resource estimate in this announcement was reported by the Company in accordance with listing rule 5.8 on 30 October 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.

The information in this report that relates to technical assessment of the Exploration Target for the Muchea West Silica Sand Project is based on, and fairly represents, information and supporting documentation prepared by Mr Lynn Widenbar BSc(Hons), MSc, DIC, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Widenbar is an employee of Widenbar and Associates Pty Ltd. Mr Widenbar has sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Exploration Target was first reported by the Company on 29 July 2021 and subsequently revised on 4 July 2022 with the estimation of the maiden resource at Muchea West. There has been no change to the Exploration Target with the updated resource estimation on 30 October 2023.

Mr Widenbar consents to the inclusion of the matters based on his information in the form and context in which it appears in this report and has not withdrawn his consent before lodgement of this report.

MINERAL RESOURCE STATEMENT

The following information is provided in accordance with Listing Rule 5.21 and as at 31 December 2024.

Carbine Resources Limited ensures that the Mineral Resource Estimate is subject to appropriate levels of governance and internal controls. The Mineral Resource Estimate has been generated by independent external consultants and internal employees who are experienced in best practices in modelling and estimation methods. Where applicable, the consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource Estimate follows standard industry methodology using geological interpretation and assay results from samples won through drilling. Carbine Resources Limited reports its Mineral Resource in accordance with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

The table below sets out the Mineral Resources as at 31 December 2023 and as at 31 December 2024 (estimated in October 2023) for the Muchea West Silica Sand Project, Western Australia. The Company confirms there has been no change to the Mineral Resource Estimate during the financial year.

Table 1: 2023 and 2024 Muchea West Silica Sand Project – All Drilling – SiO₂ cutoff of 99.00%

| Material | Category | Volume million m ³ | Tonnes million | Density t/m ³ | SiO ₂ % | Al ₂ O ₃ % | Fe ₂ O ₃ % | K ₂ O % | TiO ₂ % | LOI % |
|---------------------|--------------|-------------------------------------|-------------------|-----------------------------|-----------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------|--------------|
| Main Sand | Measured | 7.90 | 12.17 | 1.54 | 99.62 | 0.052 | 0.028 | 0.005 | 0.039 | 0.232 |
| Main Sand | Indicated | 24.80 | 38.20 | 1.54 | 99.67 | 0.047 | 0.026 | 0.004 | 0.052 | 0.176 |
| Main Sand | Inferred | 21.92 | 33.75 | 1.54 | 99.66 | 0.052 | 0.025 | 0.005 | 0.051 | 0.181 |
| Main Sand | Total | 54.62 | 84.11 | 1.54 | 99.66 | 0.050 | 0.026 | 0.004 | 0.050 | 0.186 |
| Lower Sand | Inferred | 17.30 | 26.64 | 1.54 | 99.62 | 0.074 | 0.029 | 0.006 | 0.056 | 0.191 |
| Lower Sand | Total | 17.30 | 26.64 | 1.54 | 99.62 | 0.074 | 0.029 | 0.006 | 0.056 | 0.191 |
| Main + Lower | Measured | 7.90 | 12.17 | 1.54 | 99.62 | 0.052 | 0.028 | 0.005 | 0.039 | 0.232 |
| Main + Lower | Indicated | 24.80 | 38.20 | 1.54 | 99.67 | 0.047 | 0.026 | 0.004 | 0.052 | 0.176 |
| Main + Lower | Inferred | 39.22 | 60.39 | 1.54 | 99.65 | 0.062 | 0.027 | 0.005 | 0.053 | 0.186 |
| Main + Lower | Total | 71.92 | 110.75 | 1.54 | 99.65 | 0.056 | 0.027 | 0.005 | 0.051 | 0.187 |

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited ("the Company") and the entity it controlled ("the Group") for the year ended 31 December 2024, and the Auditor's report thereon.

Directors

Details for the current Directors of the Company are:

Kumar Arunachalam

Non-Executive Director

Appointed 31 May 2024

Mr Arunachalam has over 30 years of experience in geological and hydrogeological investigations in India, New Zealand and Australia. He has successfully managed environmental studies, approvals, tenements, native title and exploration programs.

Mr Arunachalam was a founding director of Australian United Silica Corporation Pty Ltd until July 2021 when it was acquired by Carbine Resources Limited. In this role, he liaised with the Commonwealth Departments of Finance, Defence and Environment and successfully obtained approvals for land access at the Muchea West Silica Sand Project. He also organised and managed exploration programs including geological and environmental studies, geophysical surveys, Heritage clearances, drilling and environmental reporting.

Mr Arunachalam is not considered to be an independent director due the material shareholding held by Mr Arunachalam's spouse.

| | |
|--------------------------------|---|
| Interest in issued securities: | 7 ordinary shares held directly and 26,666,667 ordinary shares held by Mr Arunachalam's spouse 10,000,000 share options exercisable at \$0.06 each on or before 14 July 2026 held by Mr Arunachalam's spouse |
|--------------------------------|---|

ASX-listed company directorships (last three years): Venus Metals Corporation Limited (current)

Brett Grosvenor

Non-Executive Director

Appointed 7 September 2023

Mr Grosvenor is an experienced executive with over 25 years' experience in the mining and power industry. Mr Grosvenor holds a Bachelor of Engineering and a Master of Business. He has held senior executive positions with a number of companies including director of development of Primero Group, focused on the development of projects from initial concept through to contract delivery and operation.

Mr Grosvenor is considered to be an independent director.

| | |
|--------------------------------|---|
| Interest in issued securities: | 10,000,000 performance rights held by Salvador Pty Ltd. |
|--------------------------------|---|

| | |
|--|--|
| ASX-listed company directorships (last three years): | Perpetual Resources Ltd (current) Firebird Metals Limited (current) Firetail Resource Ltd (to 29 November 2024) Primero Group Limited (delisted 26 February 2021) |
|--|--|

James Pearce

Non-Executive Director

Appointed 27 June 2023

Mr Pearce is a corporate lawyer with over 10 years' experience working for national, international and boutique law firms advising Australian businesses primarily in the mining, oil & gas and technology sectors. Mr Pearce holds Bachelor degrees in both Law and Commerce majoring in Finance.

Mr Pearce is considered to be an independent director.

| | |
|--|--|
| Interest in issued securities: | 10,000,000 performance rights held by Lilijam Pty Ltd |
| ASX-listed company directorships (last three years): | Minrex Resources Ltd (current) Iceni Gold Ltd (current) |

Glenn Whiddon

Non-Executive Director

Appointed 27 June 2023

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory with a specific focus on natural resources. Mr Whiddon holds a degree in Economics and has extensive corporate and management experience.

Mr Whiddon is considered to be an independent director.

| | |
|--|---|
| Interest in issued securities: | 1,000,000 ordinary shares* 10,000,000 performance rights |
| ASX-listed company directorships (last three years): | Minrex Resources Ltd (current) Calima Energy Ltd (current) Caprice Resources Ltd (current) Amani Gold Limited (current) Earths Energy Limited (current) |

** Glenn Whiddon has no relevant interest in the shares held by 6466 Investments Pty Ltd. Jane Whiddon is the controller of this entity. They are included for good corporate governance purposes.*

There were no other Directors of the Company during the year.

Company Secretary

Ms Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over a decade of experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia and the Australian Institute of Company Directors. Ms Malone was appointed in September 2014. Ms Malone currently acts as company secretary for a number of ASX-listed companies and is a non-executive director of Peak Minerals Limited.

Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year under review are:

| Director | Board Meetings Eligible to Attend | Board Meetings Attended |
|----------------------|-----------------------------------|-------------------------|
| Mr Brett Grosvenor | 6 | 6 |
| Mr James Pearce | 6 | 6 |
| Mr Glenn Whiddon | 6 | 6 |
| Mr Kumar Arunachalam | 3 | 3 |

There were no separate Remuneration Committee Meetings held during the year. There have been other matters of Board business which have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings held to control, implement and monitor the Company's activities throughout the year.

Directors' Interests

The relevant interest of each Director who held office during or since the end of the financial year in the share capital, performance rights and options of the Company shown in the Register of Directors' Shareholdings as at the date of this report is as follows:

| DIRECTOR | ORDINARY SHARES FULLY PAID | | PERFORMANCE RIGHTS | | OPTIONS | |
|----------------------|-------------------------------|------------|--------------------|------------|---------|------------|
| | Direct | Indirect | Direct | Indirect | Direct | Indirect |
| Mr Brett Grosvenor | - | - | - | 10,000,000 | - | - |
| Mr James Pearse | - | - | | 10,000,000 | - | - |
| Mr Glenn Whiddon* | - | 1,000,000 | 10,000,000 | - | - | - |
| Mr Kumar Arunachalam | 7 | 26,666,667 | - | - | - | 10,000,000 |

* Shares attributed to Mr Glenn Whiddon are included for good corporate governance. Mr Whiddon has no relevant interest in the shares which are held by 6466 Investments Pty Ltd. Jane Whiddon, Mr Whiddon's spouse, is the controller of this entity.

Principal Activities

The principal activities of the Company during the year were the exploration and evaluation of the Muchea West Silica Sands Project and the Down South Silica Sand Project in Western Australia.

Results

The loss for the financial year after income tax was \$926,617 (31 December 2023 Loss: \$1,292,389).

Dividends Paid or Recommended

No dividends have been paid or declared and the Directors at present do not recommend a dividend.

Financial Position

The net assets of the Company as at 31 December 2024 are \$8,897,528 compared to \$9,720,347 as at 31 December 2023.

Significant Changes in the State of Affairs

During the year ended 31 December 2024, the following significant changes in the state of affair of the Company were:

- On 31 May 2024, Mr Kumar Arunachalam was appointed as a Non-Executive Directors at the Annual General Meeting.
- On 26 June 2024, Mr James Pearse, Mr Glenn Whiddon and Mr Brett Grosvenor were each issued 10,000,000 performance rights following shareholder approval on 31 May 2024.

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. The Company manages the the material business risks identified below and other day-to-day risks through a number of risk controls and mitigants. Specific risk controls and mitigants include but are not limited to:

- Board risk oversight;
- implementation and adoption of Company policies and standards;
- insuring business activities and operations in accordance with industry practice; and
- engaging appropriate finance, accounting, and legal advisors.

The Company has identified various material business risks it considers could impede the achievement of future operational performance and financial success, as set out below. Such risks are not intended to constitute an exhaustive list of all risks applicable to the Company.

- Exploration and development risks:* mineral exploration and development are high-risk undertakings. While the Company is progressing a systematic exploration program, there can be no assurance that exploration of current or future projects acquired will result in the discovery of an economic or exploitable resource.
- Operating risk:* the operations of the Company may be affected by various operational factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, plant and equipment issues or breakdowns, unanticipated metallurgical problems, adverse weather conditions, industrial and environmental accidents, industrial disputes and availabilities and increased costs, which are largely outside the control of the Company and may adversely impact the Company's operations and performance.
- Regulatory risk:* the Company's operations require approvals, consents or permits from government or regulatory bodies, including work permits and environmental approvals, which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company. The Company cannot guarantee that any required approvals, consents or permits will be obtained, either without significant delay or at all, which may significantly impact on the Company's operations.
- Access:* access arrangements need to be negotiated in order for the Company to undertake further exploration on all of its projects. The Company may be unable to secure such arrangements on reasonable terms or at all given third parties are involved, which may impact the Company's ability to explore such areas.
- Title risk:* the Company's tenement portfolio is governed by the *Mining Act 1978* (WA), and related subsidiary legislation, which requires annual expenditure and/or reporting commitments, as well as other conditions requiring compliance. In order to mitigate such risks, the Company designs exploration programs that will meet minimum expenditure requirements and advance the development of the tenements in a timely manner.
- Commodity price volatility:* the Company's ability to proceed with the development of its silica sand projects and benefit from any future mining operations will depend on market factors, some of which are beyond its control. It is anticipated that any revenues derived from mining

will primarily be derived from the sale of silica. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into. The market for silica is subject to many variables and may fluctuate markedly, which may adversely effect the Company's activities and financial performance.

- (g) *Native title and Aboriginal heritage risks:* the Company's current or future projects may be over areas which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to its Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company must also comply with Aboriginal heritage legislation which makes it an offence for a person to damage or in any way alter an affected site. The Company appoints legal and other advisers to assist it conduct its activities in a manner which minimises such Native Title and Aboriginal Heritage risks, although some risks are outside of the Company's control.
- (h) *Environmental risks:* the operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Options and Performance Rights

No options were issued, exercised, cancelled or lapsed during the year.

At the annual general meeting held on 31 May 2024, shareholders approved the issue of 22,500,000 share options exercisable at \$0.02 (7,500,000 per director) and 22,500,000 share options exercisable at \$0.04 (7,500,000 per director) and expiring 14 July 2026 with an issue price of \$0.001 to each of directors James Pearse, Glenn Whiddon and Brett Grosvenor. Subsequent to the approval, all proposed recipients revoked their rights to be issued these options and these 45,000,000 options were not issued.

The Company issued 10,000,000 performance rights to each of directors James Pearse, Glenn Whiddon and Brett Grosvenor on 26 June 2024, following shareholder approval at the annual general meeting on 31 May 2024, for a total of 30,000,000 performance rights. These performance rights had nil issue price and expire on 31 May 2026. For each of these directors, 5,000,000 performance rights vested on the director's appointment dates, being 27 June 2023 for James Pearse and Glenn Whiddon, and 7 September 2023 for Brett Grosvenor. The remaining 5,000,000 performance rights for each of these directors vested on 12 months service as a non-executive director, being 27 June 2024 for James Pearse and Glenn Whiddon, and 7 September 2024 for Brett Grosvenor. No other performance rights were granted, issued, exercised, cancelled or lapsed during the year.

Matters Subsequent to the End of the Financial Year

There were no other events subsequent to the end of the financial year ended 31 December 2024 which significantly affected or could significantly affect the operations of the Company in future financial years.

Future Developments, Prospects and Business Strategies

Disclosure of further information regarding likely developments in the operations of the Company in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice of those operations, or the state of affairs of the Group in future financial periods.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and other key management personnel of Carbine Resources Limited during the financial year. These remuneration disclosures have been audited. The Group had no key management personnel other than the Directors and Company Secretary of the Company.

Details of Key Management Personnel at the end of the financial year are:

- Mr Kumar Arunachalam – Non-Executive Director (appointed 31 May 2024)
- Mr Brett Grosvenor – Non-Executive Director
- Mr James Pearse – Non-Executive Director
- Mr Glenn Whiddon – Non-Executive Director
- Ms Oonagh Malone – Company Secretary

There were no other Key Management Personnel during the financial year.

Compensation of Key Management Personnel

Due to the size of the Group, the Remuneration Committee is currently comprised of all of the Directors of the Board. The Committee assesses the appropriateness of the nature and amount of emoluments of such key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of appropriately qualified personnel. Presently there are no formalised arrangements which give rise to the payment of additional remuneration to non-executive directors contingent on Company performance.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The Company has not increased its total aggregate non-executive director remuneration from that disclosed in its prospectus in February 2007 of \$200,000. Given the size of the Group and its operations there is no relationship between remuneration and Group performance and shareholder wealth. Non-executive directors' remuneration is determined according to market practice for junior listed companies based on information obtained from industry analysts. Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. No additional fees are payable for chairing or participating in sub-committees of the Board. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee. Executive directors' fees and payments, other than long term incentives subject to shareholder approval as detailed below, are documented in service agreements that are approved by the members of the Remuneration Committee before execution.

Voting and comments at the Company's 2023 Annual General Meeting (AGM)

At the 2022 AGM held on 31 May 2023, 48.44% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022, resulting in a first strike against the Company, before 95.20% of the votes received at the 2023 AGM, held on 31 May 2024, supported the adoption of the remuneration report for the year ended 31 December 2023. Since 2022, there has been significant change in the Board and its members. The current Directors consider that the remuneration for non-executive directors is comparable to its peers. Director remuneration (cash component) reduced significantly for the 2023 and 2024 financial years as a result of the resignation of the former Managing Director in 2023.

Long term incentives ('LTI')

LTI are granted to reward directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The Board considers Share Options and Performance Rights an appropriate form of incentive because the issue of Performance Rights seeks to align directors' efforts with seeking share price growth and creation of shareholder value, while preserving cash and continuing to attract and maintain highly experienced and qualified Board members in a competitive market.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the 5 years to 31 December 2024.

| | 2024 | 2023 | 2022 | 2021* | 2020 |
|---|-----------|-------------|-------------|-------------|-----------|
| Loss after income tax attributable to shareholders (\$) | (926,617) | (1,292,389) | (1,488,095) | (1,774,865) | (156,814) |
| Share price at year end (\$) | 0.005 | 0.005 | 0.013 | 0.029 | 0.042 |
| Total dividends declared (cents per share) | - | - | - | - | - |
| Returns of capital (cents per share) | - | - | - | - | - |
| Basic loss per share (cents) | (0.17) | (0.25) | (0.31) | (0.56) | (0.087) |

* Basic losses per share for 2020 were revised from previous years following the 9:10 share capital consolidation that occurred during 2021.

Service Agreements

On appointment to the Board, all Non-Executive Directors enter into a letter agreement with the Company which summarises the Board policies and terms which mirror those set out within the Corporations Act 2001, including compensation, relevant to the office of Director. Directors' appointment agreements also permit additional consulting fees to be paid to directors for additional work, with Glenn Whiddon and James Pearse payable at a rate of \$1,750 per day, and Kumar Arunachalam paid an additional \$5,000 per month for geological consulting from his appointment on 31 May 2024. Consequently, Glenn Whiddon, James Pearse and Kumar Arunachalam were respectively paid additional consulting fees for 2024 of \$1,750, \$22,225 and \$35,000, with no additional consulting fees payable to these directors for 2023. These additional consulting fees, totalling \$58,975 for 2024, are far less than the total cash remuneration for the former managing director of \$180,545 in 2023. No other remuneration arrangements for Directors were in place during the year ended 31 December 2024.

Company Secretary, Oonagh Malone, receives a fee of \$5,000 per month for her services as Company Secretary.

Former director, Peter Batten, was paid \$138,475 in payroll and \$17,000 in superannuation for his role as Managing Director in 2023, then director fees of \$9,320 and additional consulting fees of \$15,750 in 2023 for work performed following his transition from the role of Managing Director to Non-Executive Director on 30 August 2023, before his resignation as a director effective 10 November 2023. Peter Batten received no termination payment other than his final balance of annual leave owing. No amount has been paid or payable to Peter Batten or any other executive during or since 2024.

Details of Remuneration for the year ended 31 December 2024

| | Short-Term Benefits | | Post Employment Benefits | Share-Based Payment | | Remuneration consisting of Share-Based Payment (%) |
|---------------------------------------|---------------------------|----------------------------|--------------------------|---------------------|----------------|--|
| | Cash Salary and Fees (\$) | Non-monetary benefits (\$) | Superannuation (\$) | (\$) | Total (\$) | |
| Non-Executive Directors | | | | | | |
| K. Arunachalam* | 60,112 | 3,430 | 2,888 | - | 66,430 | - |
| B. Grosvenor | 48,000 | 5,839 | - | 50,000 | 103,839 | 48 |
| J. Pearse** | 70,225 | 5,839 | - | 26,899 | 102,963 | 26 |
| G. Whiddon*** | 49,750 | 5,839 | - | 26,899 | 82,488 | 33 |
| <i>Sub-total</i> | <i>228,087</i> | <i>20,947</i> | <i>2,888</i> | <i>103,798</i> | <i>355,720</i> | <i>29</i> |
| Other Key Management Personnel | | | | | | |
| O. Malone | 60,000 | 5,839 | - | - | 65,839 | - |
| Total | 288,087 | 26,786 | 2,888 | 103,798 | 421,559 | 25 |

* Mr Arunachalam's Cash Salary and Fees includes \$21,112 of Director fees and \$35,000 of consulting fees.

** Mr Pearse's Cash Salary and Fees includes \$48,000 of Director fees and \$22,225 of consulting fees.

*** Mr Whiddon's Cash Salary and Fees includes \$48,000 of Director fees and \$1,750 of consulting fees.

Mr Grosvenor, Mr Pearse and Mr Whiddon are also reimbursed \$750 per month for telephone, computer, office and related costs and expenses.

Details of Remuneration for the year ended 31 December 2023

| | Short-Term Benefits | | Post Employment Benefits | Share-Based Payment | | Remuneration |
|---------------------------------------|---------------------------|----------------------------|--------------------------|---------------------|----------------|---------------------------------------|
| | Cash Salary and Fees (\$) | Non-monetary benefits (\$) | Superannuation (\$) | (\$) | Total (\$) | consisting of Share-Based Payment (%) |
| Non-Executive Directors | | | | | | |
| B. Grosvenor | 15,000 | 1,911 | - | - | 16,911 | - |
| J. Pearse | 24,533 | 3,097 | - | 138,496 | 166,126 | 83 |
| G. Whiddon | 24,533 | 3,097 | - | 138,496 | 166,126 | 83 |
| E. Cranston | 30,000 | 2,488 | - | - | 32,488 | - |
| O. Malone | 5,000 | - | - | - | 5,000 | - |
| <i>Sub-total</i> | 99,066 | 10,593 | - | 276,992 | 386,651 | 72 |
| Executive Directors | | | | | | |
| P. Batten* | 163,545 | 5,190 | 17,000 | - | 185,735 | - |
| Other Key Management Personnel | | | | | | |
| O. Malone | 60,000 | 6,014 | - | - | 66,014 | - |
| Total | 322,611 | 21,797 | 17,000 | 276,992 | 638,400 | - |

* This includes \$9,320 of Non-Executive Director fees and \$15,750 of consulting fees received while Mr Batten was a Non-Executive Director.

Share Based Payment Compensation

Options over shares have been granted to the Directors and certain employees at the discretion of the Board in prior years. No options were issued to Directors or employees in 2024 or 2023. No performance rights or options were exercised in 2024 or 2023. No performance rights were issued in 2023. No issue of performance rights or options has been linked to performance conditions.

In 2023, the Company agreed to issue, subject to shareholder approval, 7,500,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.02 each and 7,500,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.04 each to each of Non-Executive Directors, James Pearce and Glenn Whiddon. The Company also agreed to issue, subject to shareholder approval, 5,000,000 performance rights vesting on appointment as a Non-Executive Director and 5,000,000 performance rights vesting on 12 months service as a Non-Executive Director to each of James Pearce and Glenn Whiddon. Shareholder approval was to be sought at the Company's annual general meeting in 2024, with all required shareholder approval given at the AGM on 31 May 2024. If the above equity securities were not approved, the Company was required make a cash payment equal to the greater of the value of the equity securities (using standard valuation techniques) at the time of the preparation of the notice of meeting for the annual general meeting; or the average cash salary of the managing director / chief executive officer for the last two years, or in the event that there is no managing director / chief executive officer appointed at the time of shareholder approval, then the industry average for a full time managing director / chief executive officer of a similar peer group of ASX-listed companies as determined by an executive recruitment firm. No other individual has had a contractual right to participate or to receive any guaranteed benefits.

In 2024, the Company also agreed to issue to Non-Executive Director, Brett Grosvenor, with shareholder approval received on 31 May 2024: 7,500,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.02, 7,500,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.04, 5,000,000 performance rights vesting on appointment as a Non-Executive Director on 7 September 2023, and 5,000,000 performance rights vesting on 12 months service as a Non-Executive Director on 7 September 2024. No expense has been recognised for these options following Brett Grosvenor revoking his rights to receive these options and these options not being issued. Brett Grosvenor's performance rights fully vested and became exercisable during 2024, with their value of \$50,000 fully expensed in 2024.

The agreements in 2023 to issue 10,000,000 performance rights and 15,000,000 share options to each of James Pearce and Glenn Whiddon, subject to shareholder approval and with alternative remuneration if shareholders do not approve, constituted share based payments that were granted on their commencement date of 27 June 2023 because of the alternative remuneration. The options and performance rights granted to Mr Pearce and Mr Whiddon were valued in 2023 at a total of \$55,395 each for the options and \$110,000 each for the performance rights, for a total value of \$330,790, as disclosed in note 17, with expenses recognised of \$26,899 (2023: \$138,496) each for a total share-based payment expense of \$103,798 for the year (2023: \$276,992). There has been no adjustment for the non-issue of options to James Pearce and Glenn Whiddon in 2024, following their revocation of their rights to be issued these options or alternative remuneration, because these options were fully recognised in 2023. These performance rights fully vested and became exercisable during 2024.

Option holdings of Key Management Personnel

| 2024 | Balance at | Granted as | | | Balance at 31 Dec | Total Vested | Total Exercisable |
|---------------------------------|--------------------------------|---------------------|--------------------------|----------------------|--------------------------|---------------------|--------------------------|
| Key Management Personnel | 1 Jan 24 or appointment | Remuneration | Options Exercised | Other Changes | 24 or ceasing | 31 Dec 24 | 31 Dec 24 |
| Kumar Arunachalam* | 10,000,000 | - | - | - | 10,000,000 | 10,000,000 | 10,000,000 |
| Oonagh Malone | - | - | - | - | - | - | - |
| Brett Grosvenor** | - | - | - | - | - | - | - |
| James Pearse** | - | - | - | - | - | - | - |
| Glenn Whiddon** | - | - | - | - | - | - | - |
| | 10,000,000 | - | - | - | 10,000,000 | 10,000,000 | 10,000,000 |

* The 10,000,000 share options attributed to Mr Kumar Arunachalam are held by his spouse.

** This does not include the 15,000,000 Options for each of Mr Grosvenor, Mr Pearse and Mr Whiddon that were approved by shareholders before these Directors revoked their rights to be issued these options.

| 2023 | Balance at | Granted as | | | Balance at 31 Dec | Total Vested | Total Exercisable |
|---------------------------------|--------------------------------|---------------------|--------------------------|----------------------|--------------------------|---------------------|--------------------------|
| Key Management Personnel | 1 Jan 23 or appointment | Remuneration | Options Exercised | Other Changes | 23 or ceasing | 31 Dec 23 | 31 Dec 23 |
| Peter Batten | - | - | - | - | - | - | - |
| Evan Cranston | - | - | - | - | - | - | - |
| Oonagh Malone | - | - | - | - | - | - | - |
| Brett Grosvenor | - | - | - | - | - | - | - |
| James Pearse* | - | - | - | - | - | - | - |
| Glenn Whiddon* | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |

* This does not include the 15,000,000 Options for each of Mr Pearse and Mr Whiddon that were granted in 2023 but never issued.

Performance rights holdings of Key Management Personnel

| 2024 | Balance at | Received as | Performance rights | Performance rights | Balance at 31 Dec 24 or |
|---------------------------------|--------------------------------|---------------------|---------------------------|---------------------------|--------------------------------|
| Key Management Personnel | 1 Jan 24 or appointment | Remuneration | converted | lapsed | ceasing |
| Kumar Arunachalam | - | - | - | - | - |
| Oonagh Malone | - | - | - | - | - |
| Brett Grosvenor | - | 10,000,000 | - | - | 10,000,000 |
| James Pearse | - | 10,000,000 | - | - | 10,000,000 |
| Glenn Whiddon | - | 10,000,000 | - | - | 10,000,000 |
| | - | 30,000,000 | - | - | 30,000,000 |

| 2023 | Balance at | Received as | Performance rights | Performance rights | Balance at 31 Dec 23 or |
|---------------------------------|--------------------------------|---------------------|---------------------------|---------------------------|--------------------------------|
| Key Management Personnel | 1 Jan 23 or appointment | Remuneration | converted | lapsed | ceasing |
| Peter Batten | 5,000,000 | - | - | - | 5,000,000 |
| Evan Cranston | - | - | - | - | - |
| Oonagh Malone | - | - | - | - | - |
| Brett Grosvenor | - | - | - | - | - |
| James Pearse* | - | - | - | - | - |
| Glenn Whiddon* | - | - | - | - | - |
| | 5,000,000 | - | - | - | 5,000,000 |

* This does not include the 10,000,000 Performance rights for each of Mr Pearse and Mr Whiddon that were granted in 2023 but only approved by shareholders and issued in 2024.

Shareholdings of Key Management Personnel

| 2024 | Balance at | Received as | Other | Balance at |
|---------------------------------|--------------------------------|---------------------|----------------|-----------------------------|
| Key Management Personnel | 1 Jan 24 or appointment | Remuneration | Changes | 31 Dec 24 or ceasing |
| Kumar Arunachalam* | 26,666,674 | - | - | 26,666,674 |
| Oonagh Malone | 333,334 | - | - | 333,334 |
| Brett Grosvenor | - | - | - | - |
| James Pearse | - | - | - | - |
| Glenn Whiddon** | 1,000,000 | - | - | 1,000,000 |
| | <u>28,000,008</u> | <u>-</u> | <u>-</u> | <u>28,000,008</u> |

| 2023 | Balance at | Received as | Other | Balance at |
|---------------------------------|--------------------------------|---------------------|----------------|-----------------------------|
| Key Management Personnel | 1 Jan 23 or appointment | Remuneration | Changes | 31 Dec 23 or ceasing |
| Peter Batten*** | 1,000,000 | - | - | 1,000,000 |
| Evan Cranston**** | 4,164,250 | - | - | 4,164,250 |
| Oonagh Malone | 333,334 | - | - | 333,334 |
| Brett Grosvenor | - | - | - | - |
| James Pearse | - | - | - | - |
| Glenn Whiddon** | 1,000,000 | - | - | 1,000,000 |
| | <u>6,497,584</u> | <u>-</u> | <u>-</u> | <u>6,497,584</u> |

* 26,666,667 of the shares attributed to Mr Kumar Arunachalam are held by his spouse.

** Shares attributed to Mr Glenn Whiddon are included for good corporate governance. Mr Whiddon has no relevant interest in the shares which are held by 6466 Investments Pty Ltd. Jane Whiddon, Mr Whiddon's spouse, is the controller of this entity.

*** Shares held by Batten Resources Pty Ltd

**** Shares held by Konkera Pty Ltd

End of the Remuneration Report (Audited)

Environmental Regulations

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Company has complied with all material environmental requirements up to the date of this report.

Insurance of Directors and Officers

During the year, the Group has paid an insurance premium in respect of a contract indemnifying the Company's Directors and officers. The total amount recognised in expenditure was \$26,786 (2023: \$21,797).

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Other Information

The registered office and principal place of business is Suite 23, 513 Hay Street, Subiaco WA 6008.

Non Assurance Services

There were no non-assurance services provided by the Company's auditors during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this full year consolidated financial statements.

Dated at Perth this 31st day of March, 2025.

Signed in accordance with a resolution of the Directors.



Mr James Pearse
Non-Executive Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

| | | CONSOLIDATED | |
|---|--------------|-------------------------|---------------------------|
| | Notes | 2024 | 2023 |
| | | \$ | \$ |
| Revenue from continuing operations | 2(a) | 31,655 | 59,459 |
| Exploration & evaluation costs | 8 | (146,127) | (305,425) |
| Depreciation | 7 | (1,452) | (3,105) |
| Share based payment expense | 20 | (103,798) | (276,992) |
| Employee, director and consultant expenses | 2(b) | (265,225) | (331,591) |
| General and administration expenses | 2(c) | (441,670) | (434,735) |
| Loss before income tax | | <u>(926,617)</u> | <u>(1,292,389)</u> |
| Income tax | 3 | - | - |
| (Loss) after income tax attributable to members of Carbine Resources Limited | | <u>(926,617)</u> | <u>(1,292,389)</u> |
| Other comprehensive income/(loss) | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Total comprehensive (loss) attributable to members of Carbine Resources Limited | | <u>(926,617)</u> | <u>(1,292,389)</u> |
| (Loss) per share from continuing operations attributable to the ordinary equity holders of the company | | | |
| Basic (loss) per share – in cents | 12 | (0.17) | (0.25) |
| Diluted (loss) per share – in cents | 12 | (0.17) | (0.25) |

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

| | | CONSOLIDATED | |
|--|--------------|---------------------|------------------|
| | Notes | 2024 | 2023 |
| | | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 451,473 | 1,267,957 |
| Trade and other receivables | 5 | 14,606 | 10,099 |
| Other current assets | 6 | 16,970 | 16,916 |
| Total Current Assets | | 483,049 | 1,294,972 |
| Non-Current Assets | | | |
| Plant and equipment | 7 | - | 1,452 |
| Exploration and evaluation expenditure | 8 | 8,421,350 | 8,421,350 |
| Financial assets | 9 | 50,000 | 50,000 |
| Total Non-Current Assets | | 8,471,350 | 8,472,802 |
| Total Assets | | 8,954,399 | 9,767,774 |
| Current Liabilities | | | |
| Trade and other payables | 10 | 56,871 | 47,427 |
| Provisions | | - | - |
| Total Current Liabilities | | 56,871 | 47,427 |
| Total Liabilities | | 56,871 | 47,427 |
| Net Assets | | 8,897,528 | 9,720,347 |
| Equity | | | |
| Issued Capital | 11 | 40,929,558 | 40,929,558 |
| Reserves | 20 | 4,982,348 | 4,878,550 |
| Accumulated losses | | (37,014,378) | (36,087,761) |
| Total Equity | | 8,897,528 | 9,720,347 |

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

| | GROUP | | | |
|---|-----------------------------|-----------------------------|--------------------------------------|--------------------|
| | Contributed Equity \$ | Accumulated Losses \$ | Share Based Payment Reserve \$ | Total Equity \$ |
| Balance at 1 January 2024 | 40,929,558 | (36,087,761) | 4,878,550 | 9,720,347 |
| Loss for the year from continuing operations | - | (926,617) | - | (926,617) |
| Total comprehensive income/ (loss) for the year | - | (926,617) | - | (926,617) |
| Transactions with owners in their capacity as owners: | | | | |
| Capital raising | - | - | - | - |
| Capital raising costs | - | - | - | - |
| Share based payments – expensed | - | - | 103,798 | 103,798 |
| Share based payments – acquisition of mineral exploration interests | - | - | - | - |
| | - | - | 103,798 | 103,798 |
| Balance at 31 December 2024 | 40,929,558 | (37,014,378) | 4,982,348 | 8,897,528 |

| | GROUP | | | |
|---|-----------------------------|-----------------------------|--------------------------------------|--------------------|
| | Contributed Equity \$ | Accumulated Losses \$ | Share Based Payment Reserve \$ | Total Equity \$ |
| Balance at 1 January 2023 | 39,922,037 | (34,795,372) | 4,601,558 | 9,728,223 |
| Loss for the year from continuing operations | - | (1,292,389) | - | (1,292,389) |
| Total comprehensive income/ (loss) for the year | - | (1,292,389) | - | (1,292,389) |
| Transactions with owners in their capacity as owners: | | | | |
| Capital raising | - | - | - | - |
| Capital raising costs | - | - | - | - |
| Share based payments - expensed | - | - | 276,992 | 276,992 |
| Share based payments – acquisition of mineral exploration interests | 1,007,521 | - | - | 1,007,521 |
| | 1,007,521 | - | 276,992 | 1,284,513 |
| Balance at 31 December 2023 | 40,929,558 | (36,087,761) | 4,878,550 | 9,720,347 |

This Statement of Consolidated Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | CONSOLIDATED | |
|---|------|------------------|--------------------|
| | | 2024 | 2023 |
| | | \$ | \$ |
| Cash Flows From Operating Activities | | | |
| Payments to suppliers and employees | | (705,150) | (790,615) |
| Payments for exploration expenditure | | (143,919) | (344,615) |
| Interest received | | 32,585 | 59,882 |
| Net cash (outflow) from operating activities | 18 | (816,484) | (1,075,348) |
| Cash Flows From Investing Activities | | | |
| Proceeds from sale of plant and equipment | | - | - |
| Net cash (outflow) from investing activities | | - | - |
| Cash Flows From Financing Activities | | | |
| Proceeds from issue of shares | | - | - |
| Capital raising costs | | - | - |
| Net cash (outflow) from financing activities | | - | - |
| Net (decrease)/ increase in cash and cash equivalents held | | (816,484) | (1,075,348) |
| Cash and cash equivalents at the beginning of the year | | 1,267,957 | 2,343,305 |
| Differences in foreign exchange | | - | - |
| Cash and cash equivalents at the end of the year | 4 | 451,473 | 1,267,957 |

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

Basis of Preparation

These financial statements are general-purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

Carbine Resources Limited ("the Company") is a listed public company, incorporated and domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2024 comprises the Company and its subsidiary (together referred to as "the Group"). The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 31 March 2025.

The consolidated financial statements, comprising the financial statements and notes thereto also comply with International Financial Reporting Standards 'IFRS'. The presentation currency of the Group is Australian dollars.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period unless otherwise stated. The comparatives have been reclassified as required.

Going Concern

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

The Group has incurred a net loss after tax for the year ended 31 December 2024 of \$926,617 (2023: \$1,292,389) and experienced net cash outflows from operating activities of \$816,484 (2023: \$1,075,348). As at 31 December 2024, the Group had net current assets of \$426,178 (31 December 2023: \$1,247,545).

The Directors recognise that additional funding either through the issue of shares, the sale of assets, or a combination of these activities will be required for the Group to continue to actively develop and explore its mineral exploration interests and fund corporate administration. The Directors are also aware that the Group can relinquish or defer expenditure on projects in order to maintain cash at appropriate levels.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate, as the Directors believe the Group will be able to pay its debts when they fall due.

In forming this view, the Directors have considered:

- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds;
- Potential assets sales; and
- The ability to raise additional capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Should the Group be unsuccessful with the initiatives detailed above then, there is a material uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with amounts realised being different from those shown in the financial statement.

Historical cost convention

The consolidated financial report has been prepared on an accruals basis and is based on historical costs, with the exception of certain financial assets at fair value.

(a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the Consolidated Statement of Financial Position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Consolidated Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions or deductibility imposed by the law.

(c) Mineral Exploration and Evaluation and Development Expenditure

The Group, when acquiring exploration and evaluation assets will carry those projects at acquisition value in the Consolidated Statement of Financial Position, less any subsequent impairment.

All exploration and evaluation expenditure within an area of interest will be expensed until the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable, further expenditure is capitalised.

No amortisation is charged during the exploration and evaluation phase. Amortisation is charged on commencement of commercial production. Exploration and evaluation assets are tested for impairment annually or when there is an indication of impairment, until commercially viable material resources are established. Upon establishment of commercially viable mineral resources exploration and evaluation assets are tested for impairment when there is an indicator of impairment. Subsequently the assets are stated at cost less impairment provision.

(d) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation

The depreciation amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate</u> |
|-----------------------------|--------------------------|
| Furniture & Equipment | 20% - 33% |
| Motor vehicles | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Consolidated Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(e) Impairment of Assets

At each reporting date, the Group reviews the carrying values of tangible assets and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Financial Instruments

The Group does not undertake any hedging or deal in derivative instruments.

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Measurement of Financial Assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories: financial assets at amortised cost; financial assets at fair value through profit or loss (FVTPL); debt instruments at fair value through other comprehensive income (FVTOCI); and equity instruments at FVTOCI. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. The Group has no financial assets at amortised cost, debt instruments at FVTOCI, or equity instruments at FVTOCI.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to estimate expected credit losses based on experience with similar debtors.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(h) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest methods, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance amount (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance amount. Subsequent recoveries of amounts previously written off are credited against other expenses in profit and loss.

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(i) Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when the Group has satisfied the performance obligation in relevant contracts by transferring the promised asset to a customer with the customer obtaining control of the asset. Interest revenue is recognised using the effective interest method.

(j) Principles of Consolidation

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

(k) Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Carbine Resources Limited's functional and presentation currency. The functional currency of every entity in the Group is Australian dollars, making policies regarding foreign exchange on intragroup balances immaterial.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(l) Earnings Per Share

Basic earnings per share

Basic earnings per share ("EPS") is calculated as net profit or loss attributable to ordinary shareholders of the Company divided by the weighted average number of shares outstanding during the period.

Diluted earnings per share

Diluted EPS earnings is calculated by adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather than the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing operations, and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

(m) Leases

Assets and liabilities are recognised for all leases with a term of more than 12 months unless the underlying asset is of low value or the lease is not for any specific identifiable asset.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Lease liabilities are valued at the net present value of the expected stream of committed lease payments. Lease payments are recognised as an interest expense to the extent that they represent interest on the outstanding lease liability. The Company currently has no leased assets or lease liability as the serviced office agreement does not specify or require fixed office locations, with staff offices moved at the discretion of the lessor, and the Company has no other agreements for the lease of identifiable assets.

(n) Share-Based Payment Transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The plans in place during the year or prior year to provide these benefits were the Employee Securities Incentive Plan and the Performance Rights Plan, both of which are detailed in note 17.

The cost of these equity-settled transactions with Directors and employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate option pricing model, with any market based vesting conditions reflected in this fair value.

In valuing equity-settled transactions, no account is taken of any performance based vesting conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No expense is recognised for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled before vesting, other than for failure to meet performance conditions, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(p) Contributed Equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Business combinations

A business combination is a transaction or other event whereby an acquirer obtains control of a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. Such processes are systems, standards, conventions or rules that create outputs from inputs or have the ability to contribute to the creation of outputs. These processes include operational processes or the intellectual capacity of an organised workforce, but not mere administrative systems or historical information.

The Group may determine that a set of acquired assets, and any associated assumed liabilities, is not a business if substantially all the fair value of the gross assets acquired (net of cash and cash equivalents, deferred tax assets and goodwill from deferred tax liabilities) in a transaction is concentrated in a single identifiable asset or group of single identifiable assets.

(s) New and amended standards adopted by the company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2024 affected any of the amounts recognised in the current period or any comparative period.

New accounting standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Group has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(t) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Share based payments

The cost of any share-based payments to employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options granted is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of any performance rights granted is equal to the share price at the grant date, less any discount required to reflect any market based vesting conditions. Performance rights with performance based vesting conditions are expensed over expected vesting periods based on the board's best estimate of the number of Performance Rights expected to vest. Refer to note 17 for further details.

No amount has been recognised or de-recognised in 2024 for the 30,000,000 options that were agreed to be issued in 2023 to James Pearse and Glenn Whiddon, but were not issued in 2024, because these options were fully expensed during 2023 as they vested on appointment. The 15,000,000 options that shareholders agreed to issue to Brett Grosvenor on 31 May 2024 were not granted because no share-based payment arrangement for these options was agreed that entitled Brett Grosvenor to receive equity instruments. This is because:

- The revocation by Brett Grosvenor meant that his proposed options never met the definition of a share-based payment arrangement.
- The revocations by James Pearse and Glenn Whiddon have no effect on \$110,790 expensed for these proposed options in 2023 because these proposed options were fully vested and fully granted with a cash alternative pursuant to their appointment agreements in 2023. Their revocations also remove the Company's liability for the proposed cash alternative, creating no possible increase in value for these share-based payments that would require recognition in 2024.

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Deferred taxation

No deferred tax assets or deferred tax liabilities are currently brought to account by the Company because there is insufficient certainty that the Company will derive sufficient future assessable income to enable any income tax benefits to be realised and comply with the conditions for assessable income or allowable deductions imposed by the law.

Accounting treatment of acquisition of mineral exploration interests.

During 2023, the directors chose to capitalise the purchase consideration for the Down South Silica Sands Project via the acquisition of all the issued capital in Down South Silica Pty Ltd (DSS) as described in note 8. This is because the Group's accounting policy as disclosed in note 1(c) is to carry acquired exploration and evaluation assets at acquisition value in the Consolidated Statement of Financial Position, less any subsequent impairment. This acquisition value is reasonably the total purchase consideration for DSS as the acquisition is on an arm's length basis and the acquisition included no other assets acquired or liabilities assumed. This acquisition value does not include other costs of acquiring the assets, as such costs are fully expensed in accordance with the Group's accounting policy for exploration and evaluation assets.

No impairment has been recognised for either project held, the Down South Silica Sands Project or the Muchea West Silica Sands Project, because the Group has ongoing rights to explore both projects, with ongoing planned substantive expenditure on exploration and evaluation, with no intention to discontinue either project, and no evidence existing that indicates development is likely to proceed but with less value than the book value of either project.

The acquisition of the Down South Silica Sands Project via the acquisition of all the issued capital in DSS was treated as an asset acquisition, not as a business combination in accordance with the Group's accounting policy as disclosed in note 1(r).

Exploration and evaluation

All other acquisition costs and subsequent exploration and evaluation expenditure for areas of interest of the Company have been fully expensed.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Carbine Resources Limited.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

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2. REVENUE, OTHER INCOME AND EXPENSES

| | CONSOLIDATED | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| (a) Revenue from continuing operations | | |
| Interest revenue | 31,655 | 59,459 |
| Total revenue from continuing operations | 31,655 | 59,459 |
| (b) Employee, director and consultant expenses | | |
| Superannuation expenses | (2,888) | (17,000) |
| Other expenses | (262,337) | (314,591) |
| Total employee, director and consultant expenses | (265,225) | (331,591) |
| (c) General and administration expenses | | |
| Serviced office charge | - | (24,000) |
| Administration fees | (120,000) | (120,000) |
| Other expenses | (321,670) | (290,735) |
| Total general and administrative expenses | (441,670) | (434,735) |

3. INCOME TAX

The components of income tax benefit/(expense) comprise:

| | CONSOLIDATED | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current tax | - | - |
| Deferred tax | - | - |
| Income tax benefit/(expense) reported in the Statement of Profit or Loss and Other Comprehensive Income | - | - |

The prima facie tax on (loss) before income tax is reconciled to the income tax as follows:

| | | |
|---|-----------|-------------|
| Accounting loss before income tax | (926,617) | (1,292,389) |
| Amount calculated on the domestic rates applicable to profits or losses in the countries concerned at the Company's weighted average effective rate of 25%. (2023: 25%) | (231,654) | (323,097) |
| Temporary differences | (28,487) | (32,410) |
| Tax effect of expenses that are never deductible for tax purposes | 25,989 | 70,268 |
| Unrecognised DTA losses | 234,152 | 285,239 |
| Income tax attributable to the Company | - | - |
| Tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1(b) occur | 7,644,928 | 7,400,355 |

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3. INCOME TAX (continued)

| | CONSOLIDATED | |
|---------------------------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Deferred tax assets/(losses) | | |
| - temporary differences | 116,431 | 120,101 |
| - tax losses (operating losses) | 4,877,245 | 4,629,002 |
| - tax losses (capital losses) | 2,651,252 | 2,651,252 |
| | <u>7,644,928</u> | <u>7,400,355</u> |

Deferred tax assets have not been recognised as it is not considered probable at this stage that they will be recovered. The statutory income tax rate within Australia is 25% (2023: 25%). The expected tax rate for 2024 of 25% is used based on presuming that the Group will not exceed the aggregate turnover threshold required to use this tax rate, otherwise the general company tax rate of 30% will apply.

This reconciliation is based on Carbine and its subsidiaries remaining unconsolidated for tax purposes, with subsidiaries Ausco and DSS (see note 8) continuing to satisfy the same or similar business test from acquisition, and the Company continuing to satisfy the continuity of ownership test.

4. CASH AND CASH EQUIVALENTS

Reconciliation of Cash

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

| | CONSOLIDATED | |
|--------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Cash at bank | 451,473 | 1,267,957 |
| | <u>451,473</u> | <u>1,267,957</u> |

The effective interest rate on short term bank deposits was 2.51% (2023: 3.60%)

The Group's exposure to interest rate risk is discussed at note 19. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents mentioned above.

5. TRADE AND OTHER RECEIVABLES

| | CONSOLIDATED | |
|--------------------|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Net GST refundable | 11,683 | 3,386 |
| Other receivable | 2,923 | 6,713 |
| | <u>14,606</u> | <u>10,099</u> |

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the total mentioned above. Further details on the Company's risk management policy can be found at note 19.

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6. OTHER CURRENT ASSETS

| | CONSOLIDATED | |
|-------------|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Prepayments | 16,970 | 16,916 |
| | <u>16,970</u> | <u>16,916</u> |

7. PLANT AND EQUIPMENT

| | Motor vehicle | CONSOLIDATED Furniture & equipment | Total |
|---|----------------------|---|--------------|
| | \$ | \$ | \$ |
| Year ended 31 December 2024 | | | |
| Opening net book value | 1,043 | 409 | 1,452 |
| Additions | - | - | - |
| Depreciation charge for the year | (1,043) | (409) | (1,452) |
| Closing net book value | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 December 2024 | | | |
| Cost | 6,203 | 3,044 | 9,247 |
| Accumulated depreciation and impairment | (6,203) | (3,044) | (9,247) |
| Net book value | <u>-</u> | <u>-</u> | <u>-</u> |
| Year ended 31 December 2023 | | | |
| Opening net book value | 3,134 | 1,423 | 4,557 |
| Additions | - | - | - |
| Depreciation charge for the year | (2,091) | (1,014) | (3,105) |
| Closing net book value | <u>1,043</u> | <u>409</u> | <u>1,452</u> |
| At 31 December 2023 | | | |
| Cost | 6,203 | 3,044 | 9,247 |
| Accumulated depreciation and impairment | (5,160) | (2,635) | (7,795) |
| Net book value | <u>1,043</u> | <u>409</u> | <u>1,452</u> |

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8. EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure – costs carried forward in respect of areas of interest:

| | CONSOLIDATED | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Carrying amount at beginning of year | 8,421,350 | 7,413,829 |
| Acquisition of Down South Silica Sand Project | - | 1,007,521 |
| Carrying amount at the end of year | 8,421,350 | 8,421,350 |
| Exploration and evaluation incurred | 146,127 | 305,425 |
| Exploration costs expensed | (146,127) | (305,425) |
| | - | - |

On 26 May 2023, the Group completed the acquisition of Down South Silica Pty Ltd (DSS), which owns the Down South Silica Sands Project, with the following transactions and judgements:

- Issue of 71,965,794 fully paid ordinary shares to former DSS shareholders whom are all unrelated parties of the Group. The shares are valued at a total of \$1,007,521 based on an agreed value of \$0.014 per share in the acquisition agreement. No other acquisition costs have been capitalised because the Group's accounting policy is to capitalise acquisition values less any subsequent impairment. This acquisition was accounted for as an asset acquisition.
- A 1% net smelter royalty over all minerals extracted from the Down South Silica Sands Project.
- Following completion, the Company 100% owns and controls DSS which 100% owns and controls the Down South Silica Sands Project.

This acquisition was classified as an asset acquisition based on the judgements disclosed in note 1(t).

No impairment has been recognised for either project held, the Down South Silica Sands Project or the Muchea West Silica Sands Project, because the Group has ongoing rights to explore both projects, with ongoing planned substantive expenditure on exploration and evaluation, with no intention to discontinue either project, and no evidence exists that indicates development is likely to proceed but with less value than the book value of either project.

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9. FINANCIAL ASSETS

Non-current financial assets

| | CONSOLIDATED | |
|--|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Term deposit held as a security bond | 50,000 | 50,000 |
| Total non-current financial assets at fair value | 50,000 | 50,000 |

All term deposits have been valued based on the balance of the term deposit, with any accrued interest receivable recognised in trade and other receivables.

There have been no transfers between measurement levels for financial instruments during the year and there are no financial assets held other than cash and cash equivalents, trade and other receivables, and this term deposit.

The Group's exposure to credit and interest rate risks related to financial assets is disclosed in note 19.

10. TRADE AND OTHER PAYABLES - CURRENT

| | CONSOLIDATED | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Trade payables – unsecured | 31,647 | 13,934 |
| Other payables and accruals – unsecured | 25,224 | 33,493 |
| Total trade and other payables | 56,871 | 47,427 |

Information about the Group's exposure to foreign exchange risk is provided in note 19.

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11. ISSUED CAPITAL

| | 2024 | | 2023 | |
|---|--------------------|-------------------|--------------------|-------------------|
| | No. of | \$ | No. of | \$ |
| (a) Ordinary shares fully paid | Shares | | Shares | |
| Balance at beginning of year | 551,737,756 | 40,929,558 | 479,771,962 | 39,922,037 |
| Issue of shares in capital raising | - | - | - | - |
| Issue of shares in consideration for the DSS acquisition (see note 8) | - | - | 71,965,794 | 1,007,521 |
| Costs of capital raising | - | - | - | - |
| Balance at end of year | <u>551,737,756</u> | <u>40,929,558</u> | <u>551,737,756</u> | <u>40,929,558</u> |

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share.

(b) Options

Options granted during 2021 and on issue at balance date are as follows. No options were issued, exercised or forfeited during 2024 or 2023.

| | No. of Options | Weighted Average Exercise Price | Weighted Average Remaining contractual life (years) |
|---|-----------------------|--|--|
| Date and details of grant/exercise/forfeit | | | |
| Consideration Options granted and issued 14 July 2021 | 50,000,003 | \$0.06 | 5.0 |
| Facilitation Options granted and issued 14 July 2021 | <u>25,000,000</u> | \$0.06 | 5.0 |
| Balance at 31 December 2023 | <u>75,000,003</u> | \$0.06 | 2.5 |
| Balance at 31 December 2024 | <u>75,000,003</u> | \$0.06 | 1.5 |

This table does not include the 30,000,000 share options that were granted but not issued as disclosed in note 17(b). Further details are disclosed in note 17(b). No other share options were granted during 2024 or 2023.

(c) Performance rights

Performance rights granted during the year or prior year and on issue at balance date are as follows.

No performance rights were issued, exercised or forfeited during 2023.

| | No. of Performance rights | Weighted Average Exercise Price | Weighted Average Remaining contractual life (years) |
|--|----------------------------------|--|--|
| Date and details of grant/exercise/forfeit | | | |
| Performance rights granted and issued 14 July 2021 | 10,000,000 | - | 5.0 |
| Performance rights cancelled/ lapsed 9 December 2022 | <u>(5,000,000)</u> | - | 3.6 |
| Balance at 31 December 2023 | <u>5,000,000</u> | - | 2.5 |
| Performance rights issued 26 June 2024 | <u>30,000,000</u> | - | 1.9 |
| Balance at 31 December 2024 | <u>35,000,000</u> | - | 1.4 |

Further details of performance rights are disclosed in note 17(c). No other performance rights were granted during 2024 or 2023.

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12. EARNINGS PER SHARE

(a) Basic earnings per share

| | CONSOLIDATED | |
|--|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Basic (loss) per share (cents per share) | (0.17) | (0.25) |
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic (loss) per share | 551,737,756 | 522,951,438 |
| Net loss used in the calculation of basic (loss) per share | (926,617) | (1,292,389) |

(b) Diluted earnings per share

| | CONSOLIDATED | |
|--|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Diluted (loss) per share (cents per share) | (0.17) | (0.25) |
| Weighted average number of ordinary shares outstanding during the year used in calculation of diluted (loss) per share | 551,737,756 | 522,951,438 |
| Net (loss) used in the calculation of diluted (loss) per share | (926,617) | (1,292,389) |

Due to the Group being in a loss position, options and performance rights are considered anti-dilutive and therefore earnings per share are not diluted by unexercised options or performance rights.

13. AUDITOR'S REMUNERATION

| | CONSOLIDATED | |
|--|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Remuneration as Auditor of the Company | 40,854 | 36,887 |
| | <u>40,854</u> | <u>36,887</u> |

14. SEGMENT REPORTING

The Board of Directors, which is the chief operating decision maker, has determined the operating segment based on geographical location. The Group has one reportable segment: mineral exploration and evaluation in Australia.

The Australian segment incorporates the Group's mineral exploration and evaluation in Australia along with head office and treasury functions. Consequently financial information for the sole operating segment is identical to the information presented in these financial reports.

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15. RELATED PARTY TRANSACTIONS AND BALANCES

Konkera Corporate received \$120,000 (2023: \$120,000) during the year for accounting and administrative services. Director fees of \$30,000 for Evan Cranston were paid to Konkera Corporate in 2023.

Konkera Corporate is a related parties of former Non-Executive Director, Evan Cranston.

Mr Grosvenor, Mr Pearse and Mr Whiddon are also reimbursed \$750 per month for telephone, computer, office and related costs and expenses.

All related party transactions are on normal arms' length terms.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following people have been designated as Key Management Personnel for the year:

- Mr Brett Grosvenor – Non-Executive Director (appointed 7 September 2023)
- Mr James Pearse – Non-Executive Director (appointed 27 June 2023)
- Mr Glenn Whiddon – Non-Executive Director (appointed 27 June 2023)
- Mr Kumar Arunachalam – Non-Executive Director (appointed 31 May 2024)
- Ms Oonagh Malone –Company Secretary

Remuneration by Category

Key Management Personnel

| | CONSOLIDATED | |
|---------------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Short-term | 314,873 | 344,408 |
| Post-employment | 2,888 | 17,000 |
| Share-based payment | 103,798 | 276,992 |
| | <u>421,559</u> | <u>638,400</u> |

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the year and no balance outstanding at year end.

Other transactions and balances with Key Management Personnel

There were no other transactions with Key Management Personnel, other than as disclosed in notes 15 and 17.

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17. SHARED BASED PAYMENTS

(a) Employee Securities Incentive Plan

On 31 May 2024, the Company received shareholder approval to establish the Employee Securities Incentive Plan (ESIP) under which the Company may issue equity securities to attract, motivate and retain key employees and other eligible participants, and provide them with the opportunity to participate in the future growth of the Company. Participation in the ESIP is at the discretion of the Board and no individual has or had a contractual right to participate in the plan or to receive any guaranteed benefits. No equity securities have been issued under this ESIP.

(b) Share options agreed but unissued.

The following share options were agreed to be issued in 2023 to each of the new directors James Pearse and Glenn Whiddon, pending shareholder approval that was to be sought at the next annual general meeting. This shareholder approval was received on 31 May 2024.

| Class and Number | Issue Price | Vesting condition and exercise price |
|---|-------------|--|
| 7,500,000 options expiring 14 July 2026 | \$0.001 | No vesting conditions and an exercise price of \$0.02 each |
| 7,500,000 options expiring 14 July 2026 | \$0.001 | No vesting conditions and an exercise price of \$0.04 each |

These options to be issued were valued using the Black-Scholes model, a \$0.001 per option future issue price, no expected dividends, and the following parameters. These options to be issued were fully expensed in 2023 as they vested on appointment. The future issue prices of \$0.001 per option were deducted from the Black-Scholes value per option to reduce the value for each option by \$0.001, and reduce the combined total value by \$30,000 for 30,000,000 options at \$0.001 per option.

If the above options were not approved by shareholders, or the 20,000,000 performance rights for James Pearse and Glenn Whiddon disclosed in note 17(c) were not approved by shareholders, the Company was required to make cash payments equal to the greater of the value of the equity securities (using standard valuation techniques) at the time of the preparation of the notice of meeting for the annual general meeting; or the average cash salary of the managing director / chief executive officer for the last two years, or in the event that there is no managing director / chief executive officer appointed at the time of shareholder approval, then the industry average for a full time managing director / chief executive officer of a similar peer group of ASX-listed companies as determined by an executive recruitment firm. These share-based payments were granted on 27 June 2023 when they commenced their directorships.

These rights to be issued options or alternative remuneration are classified as equity-settled share-based payments under Australian Accounting Standards because the Company's shareholders had the choice whether to settle in cash or equity instruments, the Company had no past practice of settling in cash, and the potential choice to settle in equity instruments had commercial substance. Consequently, there have been no adjustments to the valuations after the grant dates because no cash alternative has been paid.

| Number of Options | Exercise Price (\$) | Share Price at Grant Date (\$) | Expiry Date | Expected Term (years) | Annual Interest Rate | Volatility | Value per Option (\$) | Total Value (\$) |
|-------------------|---------------------|--------------------------------|--------------|-----------------------|----------------------|------------|-----------------------|------------------|
| 15,000,000 | 0.02 | 0.011 | 14 July 2026 | 3.047 | 3.91% | 96% | 0.004486 | \$67,290 |
| 15,000,000 | 0.04 | 0.011 | 14 July 2026 | 3.047 | 3.91% | 96% | 0.002900 | \$43,500 |

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17. SHARED BASED PAYMENTS (continued)

These 30,000,000 options were not issued in 2024 despite shareholder approval following revocations by James Pearce and Glenn Whiddon of their rights to receive these options. At 31 December 2023, the 30,000,000 options to be issued had a weighted average exercise price of \$0.03 and a weighted average remaining term of 2.54 years.

On 31 May 2024, shareholders also approved the issue to director Brett Grosvenor of the following options before he revoked his right to receive these options.

| Class and Number | Issue Price | Vesting condition and exercise price |
|---|-------------|--|
| 7,500,000 options expiring 14 July 2026 | \$0.001 | No vesting conditions and an exercise price of \$0.02 each |
| 7,500,000 options expiring 14 July 2026 | \$0.001 | No vesting conditions and an exercise price of \$0.04 each |

No amount has been recognised or de-recognised in 2024 for any of the above 45,000,000 options agreed to be issued because:

- The revocation by Brett Grosvenor meant that his proposed options never met the definition of a share-based payment arrangement.
- The revocations by James Pearce and Glenn Whiddon have no effect on the \$110,790 expensed for these proposed options in 2023 because these proposed options were fully vested and fully granted with a cash alternative pursuant to their appointment agreements in 2023. Their revocations also remove the Company's liability for the proposed cash alternative, creating no possible increase in value for these share-based payments that would require recognition in 2024.

No other options were issued, granted, lapsed or converted during 2024 or 2023. No amount (2023: nil) has been expensed over the vesting period for options granted in previous years.

(c) Performance Rights

The following performance rights were agreed to be issued in 2023 to each of the new directors James Pearce and Glenn Whiddon, pending shareholder approval that was to be sought at the next annual general meeting. This shareholder approval was received on 31 May 2024.

| Class and Number | Issue Price | Vesting condition and exercise price |
|-----------------------------------|-------------|--|
| 5,000,000 performance rights each | Nil | Vesting on appointment as a Non-Executive Director |
| 5,000,000 performance rights each | Nil | Vesting on 12 months service as a Non-Executive Director |

Both of these tranches of performance rights were valued at the share price of \$0.011 per share on the grant date of 27 June 2023, giving total values of:

- \$110,000 for the total of 10,000,000 performance rights vesting on appointment as non-executive director.
- \$110,000 for the total of 10,000,000 performance rights vesting on 12 months service as non-executive director.

As disclosed in note 17(b), if the above performance rights were not approved or the 30,000,000 options for James Pearce and Glenn Whiddon disclosed in note 17(b) were not approved by shareholders, the Company was required to make alternative cash payments. These rights to be issued performance rights were granted on 27 June 2023 when they commenced their directorships.

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17. SHARED BASED PAYMENTS (continued)

These rights to be issued performance rights or alternative remuneration are classified as equity-settled share-based payments under Australian Accounting Standards because the Company's shareholders had the choice whether to settle in cash or equity instruments, the Company had no past practice of settling in cash, and the potential choice to settle in equity instruments had commercial substance. Consequently, there have been no adjustments to the valuations after the grant dates because no cash alternative has been paid.

Expenses of nil (2023: \$110,000) and \$53,798 (2023: \$56,202) have been recognised respectively for these performance rights vesting on appointment and these performance rights vesting on 12 months service.

A further 10,000,000 performance rights were granted and issued to Brett Grosvenor following shareholder approval on 31 May 2024, with the following vesting conditions.

| Class and Number | Issue Price | Vesting condition and exercise price |
|------------------------------|-------------|--|
| 5,000,000 performance rights | Nil | Vesting on appointment as a Non-Executive Director on 7 September 2023 |
| 5,000,000 performance rights | Nil | Vesting on 12 months service as a Non-Executive Director on 7 September 2024 |

Both of these tranches of performance rights were valued at the share price of \$0.005 per share on the grant date of 31 May 2024, giving total values of:

- \$25,000 for the 5,000,000 performance rights vesting on appointment as non-executive director.
- \$25,000 for the 5,000,000 performance rights vesting on 12 months service as non-executive director.

Expenses of \$25,000 and \$25,000 have been recognised respectively during 2024 for his performance rights vesting on appointment and his performance rights vesting on 12 months service.

5,000,000 performance rights were issued in 2021 to former director, Peter Batten, which expire on 14 July 2026. The Board exercised its discretion not to cancel these following his resignation as a director effective 10 November 2023. Mr Batten received 1,000,000 of each of the below tranches with the following vesting conditions relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

| Tranche No. | Performance Rights | Vesting condition |
|-------------|--------------------|--|
| 1 | 1,000,000 | 20-day VWAP of Shares is equal to or greater than \$0.06 |
| 2 | 1,000,000 | 20-day VWAP of Shares is equal to or greater than \$0.09 |
| 3 | 1,000,000 | 20-day VWAP of Shares is equal to or greater than \$0.15 |
| 4 | 1,000,000 | 20-day VWAP of Shares is equal to or greater than \$0.25 |
| 5 | 1,000,000 | 20-day VWAP of Shares is equal to or greater than \$0.35 |

The total value of these performance rights of \$228,000 was expensed at the grant date in 2021 because the only vesting conditions were market based vesting conditions.

No other performance rights were on issue, issued, or converted during 2024 or 2023. No performance rights lapsed or ceased during 2024 or 2023.

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18. RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH LOSS AFTER INCOME TAX

| | CONSOLIDATED | |
|--|---------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Loss after income tax | (926,617) | (1,292,389) |
| Add: | | |
| - Depreciation | 1,452 | 3,105 |
| - Loss on disposal of plant and equipment | - | - |
| - Share based payments expensed | 103,798 | 276,992 |
| Deduct: | | |
| Changes in assets and liabilities during the year: | | |
| Increase in other current assets | (54) | (3,338) |
| Increase in trade and other receivables | (4,507) | (1,131) |
| Increase/ (decrease) in trade and other payables | 9,444 | (32,827) |
| Decrease in provisions | - | (25,760) |
| Net cash used in operations | <u>(816,484)</u> | <u>(1,075,348)</u> |

During 2023, the Company issued \$1,007,521 worth of shares as the purchase consideration for DSS as disclosed in note 8. There were no other non-cash financing or investing activities during 2024 or 2023.

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19. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's principal financial instruments comprise cash, short-term deposits and trade creditors.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks as summarised below.

Financial Risk

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, foreign exchange risk, equity market risk and credit risk.

| | CONSOLIDATED | |
|---------------------------------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Financial Asset | | |
| Cash and cash equivalents | 451,473 | 1,267,957 |
| | <u>451,473</u> | <u>1,267,957</u> |
| Other Current Financial Assets | | |
| Trade and other receivables | 14,606 | 10,099 |
| | <u>14,606</u> | <u>10,099</u> |
| Non-Current Financial Assets | | |
| Financial assets at fair value | 50,000 | 50,000 |
| | <u>50,000</u> | <u>50,000</u> |
| Financial Liabilities | | |
| Trade and other payables | 56,871 | 47,427 |
| | <u>56,871</u> | <u>47,427</u> |

Liquidity Risk and Liquidity Risk Management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

The Group does not have major funding in place. However, the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Group has access to a credit card facility totalling \$50,000. The credit card facility may be drawn at any time and may be terminated by the bank without notice. At 31 December 2024, \$50,000 (2023: \$49,192) of this facility was available for use.

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19. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk refers to the risk that counterparties will default on contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Banks and Financial Institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

| 2024 | Weighted Average Interest Rate % | Floating Interest Rate \$ | Fixed Interest Maturing in 1 Year or Less \$ | Non-Interest Bearing \$ | Total \$ |
|--|---|--|---|--|---------------------|
| Financial Assets | | | | | |
| Cash and cash equivalents | 2.51 | 137,398 | 300,000 | 14,075 | 451,473 |
| Receivables | - | - | - | 14,606 | 14,606 |
| Non current financial assets at fair value | 5.00 | - | 50,000 | - | 50,000 |
| Financial Liabilities | | | | | |
| Payables | - | - | - | (56,871) | (56,871) |
| Net Financial Assets | 3.01 | 137,398 | 350,000 | (28,190) | 459,208 |

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19. FINANCIAL INSTRUMENTS (continued)

| 2023 | Weighted Average Interest Rate % | Floating Interest Rate \$ | Fixed Interest Maturing in 1 Year or Less \$ | Non-Interest Bearing \$ | Total \$ |
|--|---|--|---|--|---------------------|
| Financial Assets | | | | | |
| Cash and cash equivalents | 3.60 | 251,840 | 1,000,000 | 16,117 | 1,267,957 |
| Receivables | - | - | - | 10,099 | 10,099 |
| Non current financial assets at fair value | 5.00 | - | 50,000 | - | 50,000 |
| Financial Liabilities | | | | | |
| Payables | - | - | - | (47,427) | (47,427) |
| Net Financial Assets | 3.76 | 251,840 | 1,050,000 | (21,211) | 1,280,629 |

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

| 2024 | Carrying Amount \$ | Profit \$ | -1% Equity \$ | Profit \$ | 1% Equity \$ |
|--|-----------------------------------|----------------------|------------------------------|----------------------|-----------------------------|
| Cash and cash equivalents | 451,473 | (4,374) | (4,374) | 4,374 | 4,374 |
| Trade receivables | 14,606 | - | - | - | - |
| Non-current financial assets at fair value | 50,000 | (500) | (500) | 500 | 500 |
| Trade and other payables | (56,871) | - | - | - | - |
| Total increase/(decrease) | 459,208 | (4,874) | (4,874) | 4,874 | 4,874 |

| 2023 | Carrying Amount \$ | Profit \$ | -1% Equity \$ | Profit \$ | 1% Equity \$ |
|--|-----------------------------------|----------------------|------------------------------|----------------------|-----------------------------|
| Cash and cash equivalents | 1,267,957 | (12,518) | (12,518) | 12,518 | 12,518 |
| Trade receivables | 10,099 | - | - | - | - |
| Non-current financial assets at fair value | 50,000 | (500) | (500) | 500 | 500 |
| Trade and other payables | (47,427) | - | - | - | - |
| Total increase/(decrease) | 1,280,629 | (13,018) | (13,018) | 13,018 | 13,018 |

19. FINANCIAL INSTRUMENTS (continued)

Price Risk

The Group is not directly exposed to any security price risk or commodity price risk. The Group has no financial instruments categorised by the following tiers, and no transfers between these tiers in 2024 or 2023.

Tier 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Tier 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Tier 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value Estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Unrecognised Financial Instruments

The Group does not have any unrecognised financial instruments.

Foreign exchange risk

The Group's only direct exposure to foreign exchange risk in 2024 and 2023 is limited to exposure to the currency fluctuations of United States Dollar (USD) denominated trade creditors in 2023. There were no foreign currency balances held at year end or at prior year end. Consequently, the Group had no exposure to foreign currency risk at the end of the year or at the end of the prior year.

Capital Management Risk

Capital is defined as the wealth owned or employed in the Group. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares and sell any financial assets held at fair value.

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20. RESERVES

Share-Based Payment Reserve

This reserve records the value of options and performance rights provided as payment for services received and assets acquired.

| | CONSOLIDATED | |
|---|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Movements | | |
| Opening balance | 4,878,550 | 4,601,558 |
| 10,000,000 performance rights to be issued vesting on directors' appointments* | - | 110,000 |
| 10,000,000 performance rights to be issued vesting on 12 months of service* | 53,798 | 56,202 |
| 15,000,000 options to be issued vesting immediately with \$0.02 exercise price* | - | 67,290 |
| 15,000,000 options to be issued vesting immediately with \$0.04 exercise price* | - | 43,500 |
| 5,000,000 performance rights vesting on director's appointments** | 25,000 | - |
| 5,000,000 performance rights vesting on 12 months of service** | 25,000 | - |
| Closing balance | <u>4,982,348</u> | <u>4,878,550</u> |

* During 2023, performance rights and options were agreed to be issued to each of directors James Pearse and Glenn Whiddon, pending shareholder approval that was received at the annual general meeting held on 31 May 2024. Refer to Note 17(b) for the options and 17(c) for the performance rights. No adjustment has been made to reflect James Pearse and Glenn Whiddon revoking their rights to receive these options.

** During 2024, performance rights and options were agreed to be issued to director Brett Grosvenor, pending shareholder approval that was received at the annual general meeting held on 31 May 2024. Refer to Note 17(b) for the options and 17(c) for the performance rights. No amount has been recognised for the 15,000,000 options that shareholders also approved for him, because his revocation of his right to receive these options led to these options never meeting the definition of a share-based payment arrangement.

The total amount expensed in 2024 of \$103,798 (2023: \$276,992) was recognised as a share based payment.

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21. COMMITMENTS AND CONTINGENCIES

Commitments

The serviced office agreements did not create any lease because these did not specify or effectively enable fixed office locations. There were no related commitments at the end of the year or the prior year.

The administrative services agreement creates the following commitment:

| | CONSOLIDATED | |
|---|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Administrative services commitment | | |
| Due within 1 year | 60,000 | 60,000 |
| Due greater than 1 year and less than 5 | - | - |
| Total | 60,000 | 60,000 |

Executive service agreements created the following commitments:

Executive services commitment

| | | |
|---|----------|----------|
| Due within 1 year | - | - |
| Due greater than 1 year and less than 5 | - | - |
| Total | - | - |

The Group had the following outstanding minimum exploration expenditure commitments:

Exploration expenditure commitment

| | | |
|---|---------------|---------------|
| Due within 1 year | 17,826 | 17,440 |
| Due greater than 1 year and less than 5 | - | - |
| Total | 17,826 | 17,440 |

Contingent liability

The Group has royalties payable of \$0.75 per tonne of silica, other sand or minerals extracted from the Muchea West Silica Sands Project, and a 1% net smelter royalty payable over all minerals extracted from the Down South Silica Sands Project.

Access by the Group to parts of the Muchea West Silica Sands Project that encroach upon the Muchea Air Weapons Range is permitted pursuant to an Access Deed with the Commonwealth of Australia, Department of Defence. This Access Deed may be terminated by the Commonwealth for a variety of reasons. The Company is not aware of any specific reason for the Department of Defence to terminate the Access Deed.

The Group has no other contingent liabilities.

22. SUBSEQUENT EVENTS

There were no other events subsequent to the end of the financial year ended 31 December 2024 which significantly affected or could significantly affect the operations of the Company in future financial years.

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23. CONTROLLED ENTITIES

Set out below are the Group's subsidiaries at 31 December 2024. Subsidiaries listed below had share capital consisting solely of ordinary shares, that were fully held directly by the Company. All subsidiaries were incorporated in Australia.

| | Country of Incorporation | Percentage Owned (%) | |
|--|--------------------------|----------------------|------|
| | | 2024 | 2023 |
| Subsidiaries of Carbine Resources Limited: | | | |
| Australian United Silica Corporation Pty Ltd ("Ausco") | Australia | 100 | 100 |
| Down South Silica Pty Ltd ("DSS") | Australia | 100 | 100 |

On 26 May 2023, the Company completed the acquisition of Down South Silica Pty Ltd ("DSS"), which owns the Down South Silica Sands Project as disclosed in note 8.

24. PARENT ENTITY INFORMATION

The following detailed information is for the parent entity, Carbine Resources Limited at 31 December 2024. The information presented here has been prepared using consistent accounting policies as discussed in note 1.

| | PARENT | |
|--|------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current assets | 478,769 | 1,293,672 |
| Non-current assets | 8,507,521 | 8,507,930 |
| Total assets | 8,986,290 | 9,801,602 |
| Current liabilities | 51,122 | 47,427 |
| Non-current liabilities | - | - |
| Total liabilities | 51,122 | 47,427 |
| Contributed equity | 40,929,558 | 40,929,558 |
| Accumulated losses | (36,976,738) | (36,053,933) |
| Share based payment reserve | 4,982,348 | 4,878,550 |
| Total equity | 8,935,168 | 9,754,175 |
| Loss for the year | (922,805) | (1,325,131) |
| Other comprehensive income for the year | - | - |
| Total comprehensive loss for the year | (922,805) | (1,325,131) |

Non-current assets included \$8,457,521 of investments in subsidiaries (2023: \$8,457,521) and fully impaired loans to subsidiaries totalling \$1,595,000 (2023: \$1,419,910).

Guarantees

There are no guarantees entered into by the parent entity in the financial year ended 31 December 2024 in relation to the debt of a subsidiary.

Contingent liabilities

There are no contingent liabilities of the Company or the Group other than as detailed in note 21.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(a) of the *Corporations Act 2001* and includes the required information for Carbine Resources Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

Tax residency

S295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Trusts and partnerships

Australian tax law generally does not contain residency tests for trusts and partnerships and these entities are typically taxed on a flow-through basis. Additional disclosures regarding the tax status of trusts and partnerships have been included where relevant.

| Name of entity | Type of entity | Trustee, partner, or participant in JV | % share capital | Country of incorporation | Australian resident or foreign resident | Foreign jurisdiction of foreign residents |
|--|----------------|---|-----------------------|-----------------------------|--|--|
| Carbine Resources Limited | Body corporate | N/A | N/A | Australia | Australian | N/A |
| Australian United Silica Corporation Pty Ltd | Body corporate | N/A | 100 | Australia | Australian | N/A |
| Down South Silica Pty Ltd | Body corporate | N/A | 100 | Australia | Australian | N/A |

DIRECTORS' DECLARATION

The Directors of Carbine Resources Limited declare that:

1. The consolidated financial statements comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and the accompanying notes, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position as at 31 December 2024 and of the performance for the year ended on that date of the Group.
2. The consolidated entity disclosure statement is true and correct.
3. Subject to the matter noted in Note 1, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
4. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations as required by section 295A.

Signed in accordance with a resolution of the Directors.



Mr James Pearce
Non-Executive Director

Dated at Perth this 31st day of March, 2025



Stantons

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31 March 2025

Board of Directors
Carbine Resources Limited
Suite 23, 513 Hay Street,
SUBIACO WA 6008

Dear Directors

RE: CARBINE RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Carbine Resources Limited.

As Audit Director for the audit of the financial statements of Carbine Resources Limited for the year ended 31 December 2024, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Eliya Mwale
Director



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CARBINE RESOURCES LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Carbine Resources Limited ("the Company") and its controlled entities ("Group"), which comprises the consolidated statement of financial position as at 31 December 2024, 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 year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 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 in the same terms if given to the directors as at the time of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. The Group has incurred a net loss after tax for the year ended 31 December 2024 of \$926,617 and experienced net cash outflows from operating activities of \$816,484. As at 31 December 2024, the Group had net current assets of \$426,178. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | How the matter was addressed in the audit |
|---|---|
| <p>Share based payments (refer to notes 1(n) and 17)</p> <p>As referred to in note 17, to the consolidated financial statements, in addition to share options and performance rights awarded in prior years, the Company awarded 10 million performance rights to a non-executive director. The total share-based payment expense recognised in the statement of profit or loss for the year amounted to \$103,798.</p> <p>The Company accounted for share-based payments in accordance with the accounting standard AASB 2: <i>Share-based Payment</i> (AASB 2).</p> <p>Due to the complex accounting treatment associated with the share-based payments, and the judgemental estimates used in determining the fair value, we consider the accounting for share-based payments to be a key audit matter.</p> | <p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> Obtaining an understanding of the share-based payment awards, reviewing agreements, board minutes and ASX announcements; Verifying the inputs and examining the assumptions used in the Group's valuation of the share-based payment awards; Assessing the fair value of the calculation through re-performance using appropriate inputs; Assessing the accounting treatment and its application in accordance with AASB 2; and Assessing the adequacy of the disclosures in note 17 in the financial report. |

| Key Audit Matters | How the matter was addressed in the audit |
|---|--|
| <p>Carrying Value of Exploration and Evaluation Expenditure (refer to Note 1(c) and Note 8).</p> <p>As at 31 December 2024, Capitalised Exploration and Evaluation expenditure totals \$8,421,350 comprising acquisition costs (Refer to Note 1(c) and note 8 to the financial report).</p> <p>The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the total balance (94% of total assets); and The necessity to assess management's application of the requirements of the accounting standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be presented. | <p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> Assessed the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; Reviewed the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators and the stage of the Group's projects against AASB 6; Evaluated the Group's documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: <ul style="list-style-type: none"> Minutes of the board and management; and Announcements made by the Group to the Australian Securities Exchange; and Evaluated the adequacy of disclosures in the consolidated financial statements in accordance with the relevant accounting standards. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement whether due to fraud and error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Carbine Resources Limited for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD (An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Eliya Mwale

Eliya Mwale
Director

West Perth, Western Australia
31 March 2025

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2024 (reporting period).

Board Composition

The skills, experience and expertise relevant to the position of each Director in office for the year and their term of office are detailed in the Directors' report.

When determining the independent status of a Director, the Board used the Guidelines detailed in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and has identified a director's independence in the Directors' Report.

Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

Compliance with ASX Recommendations

| Recommendation | Current Practice |
|--|--|
| <p>1.1 A listed entity should have and disclose a board charter setting out:</p> <p>(a) The respective roles and responsibilities of its board and management; and</p> <p>(b) Those matters expressly reserved to the board and those delegated to management.</p> | <p>The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review at www.carbineresources.com.au</p> |
| <p>1.2 A listed entity should:</p> <p>(a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>The Company has implemented a policy of undertaking the appropriate checks on all senior employees and directors before appointment or putting to shareholders for election.</p> <p>The Company provides all relevant information on all directors in its annual report and in the relevant notice of meeting when seeking election or re-election of a director.</p> |
| <p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.</p> | <p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.</p> |
| <p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | <p>The Company's organisation chart reflects the position of the Company Secretary within the Company structure in compliance with the recommendation. As the Board has not nominated a chair, the Company Secretary remains accountable to the Board as a whole.</p> |
| <p>1.5 A listed entity should:</p> <p>(a) Have and disclose a diversity policy;</p> <p>(b) Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) Disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> 1) the measurable objectives set for that period to achieve gender diversity; 2) the entity's progress towards achieving those objectives; and 3) either: <ol style="list-style-type: none"> A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or | <p>The Company has adopted a formal Gender Diversity Policy, a summary of which is provided above.</p> <p>Given the current status of the Company, the Company has not set measurable objectives for diversity.</p> <p>As at 31 December 2024 and as at the date of this report:</p> <ul style="list-style-type: none"> • The Board comprises four members, all of whom are male. • The senior executives comprises five people (defined by the Board as the directors and other key management personnel), four of whom are male and one female. • The whole organisation comprises five people, four of whom are male and one female. |

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| | <p>B. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> |
| <p>1.6 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>The Board Performance Evaluation Policy is available at www.carbineresources.com.au</p> <p>Due to the change in personnel during the previous and current reporting period, no evaluations were undertaken.</p> |
| <p>1.7 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>No formal evaluations were undertaken during the period.</p> |
| <p>2.1 The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or <p>(b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>The Board considers that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee.</p> |
| <p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and</p> | <p>The current Board is comprised of directors with a strong background in geological and mining</p> |

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| | diversity that the board currently has or is looking to achieve in its membership. | experience, corporate and commercial expertise and company administration which is appropriate for the current status of the Company. As the Company develops it will continue to evaluate the skills and diversity required for the Board and develop a matrix reflecting this to enable recruitment accordingly. |
| 2.3 | <p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p> | <p>With the exception of Mr Kumar Arunachalam, all of the current Directors are considered to be independent.</p> <p>The length of service of each director is noted in the Director's Report.</p> |
| 2.4 | A majority of the board of a listed entity should be independent directors. | The Company complies with this recommendation with three of the four Directors considered to be independent. |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | There is no appointed chair of the Board. |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively. | <p>The Company has an induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company.</p> <p>The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.</p> |
| 3.1 | A listed entity should articulate and disclose its values. | <p>The Company is committed to doing business based on its values of integrity, honesty and accountability.</p> <p>The Board has adopted a Code of Conduct, Securities Trading Policy, Social Media Policy, Whistleblower Policy, Continuous Disclosure Policy and Shareholder Communication Policy which detail frameworks for acceptable corporate behaviour.</p> |
| 3.2 | <p>A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> | <p>The Company's Code of Conduct is available at www.carbineresources.com.au</p> <p>It is a requirement of the Board that it is informed of any material breaches, none of which occurred during the reporting period.</p> |

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| | (b) Ensure that the board or a committee of the board is informed of any material breaches of that code. |
| <p>3.3 A listed entity should:</p> <p>(a) Have and disclose a whistleblower policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> | <p>The Company's Whistleblower Policy is available at www.carbineresources.com.au.</p> <p>It is a requirement of the Board that it is informed of any material incidents, none of which occurred during the reporting period.</p> |
| <p>3.4 A listed entity should:</p> <p>(a) Have and disclose a an anti-bribery and corruption policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.</p> | <p>The Company has an Anti-Bribery and Corruption Policy which is available on the Company's website.</p> |
| <p>4.1 The board of a listed entity should:</p> <p>(a) Have an audit committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the chair of the board; <p>and disclose:</p> <ol style="list-style-type: none"> 3) the charter of the committee; 4) the relevant qualifications and experience of the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or <p>(b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>The Company does not have an audit committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfils the duties of the audit committee and abides by the adopted Audit Committee Charter (available at www.carbineresources.com.au).</p> <p>The Directors require that they receive reports regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> <p>The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.</p> |
| <p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly</p> | <p>The Board receives a section 295A declaration from the equivalent of the CEO and CFO for the half yearly and full year report as part of the approval process for these reports.</p> |

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| | maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively. | |
| 4.3 | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. | The Board receives fortnightly updates regarding the financial position of the Company which allows the Directors to assess the integrity of unaudited periodic reports such as the quarterly cash flow reports. |
| 5.1 | A listed entity should have a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1. | The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at www.carbineresources.com.au . |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | The Board approves all material market announcements made by the Company prior to release to the ASX and is notified once release has occurred. |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | The Company complies with this recommendation. |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | The Company complies with this recommendation and all relevant information can be found at www.carbineresources.com.au . |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly. |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes by lodgement of a proxy form. The Company has implemented an online voting system to further encourage participation by shareholders. |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands. | The Company puts all resolutions at shareholder meetings to a poll. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods. |

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| <p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>The Company does not have a risk committee due to the current size of the Board and Company. The Company has adopted a policy whereby the full Board, including Executive Directors, fulfil the duties of the risk committee and abides by the adopted Risk Management Policy (available on the Company's website).</p> <p>The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> |
| <p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>The Board reviews its risk management strategy annually and considers it to be sound.</p> |
| <p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.</p> |
| <p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>Other than the exposure to economic risk that is standard for exploration and development companies, the Company does not currently have any material exposure to any environmental and social sustainability risks.</p> <p>In managing economic risks, the Company monitors cash expenditure and capital reserves accordingly.</p> |

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| <p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee.</p> <p>The Board considers industry peers when evaluating the remuneration for all directors and executives. The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.</p> |
| <p>8.2 A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>The Company discloses its policies on remuneration in the Remuneration Report set out in its annual report.</p> |
| <p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>The Company recognises that Directors, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at the Company's website, www.carbineresources.com.au) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p> |

ASX ADDITIONAL INFORMATION

The following information is based on share registry information processed up to and including 26 March 2024.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares in the Company is:

| Holding Range | Number of Holders | Total Units | % Issued Share Capital |
|------------------|-------------------|--------------------|------------------------|
| 1 – 1,000 | 47 | 7,917 | 0.00% |
| 1,001 – 5,000 | 91 | 273,036 | 0.05% |
| 5,001 – 10,000 | 105 | 824,842 | 0.15% |
| 10,001 – 100,000 | 478 | 21,720,598 | 3.94% |
| 100,001 and over | 286 | 528,911,363 | 95.86% |
| Total | 1,007 | 551,737,756 | 100.00% |

There are 776 holders of unmarketable parcels comprising a total of 30,075,548 ordinary shares.

Carbine Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. The Company is listed on the Australian Securities Exchange under the code CRB. The home exchange is Perth.

There are 551,737,756 ordinary fully paid shares currently listed on the ASX of which none are subject to restriction or escrow.

There is no current on-market buy-back.

Voting Rights – Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Substantial Shareholders

The following substantial shareholder notices have been provided to the Company:

| Shareholder | Relevant Interest |
|---------------------|-------------------|
| Mr Robert Jewson | 35,982,897 |
| Mr Peter Gianni | 35,982,897 |
| Sivagami Selvakumar | 26,666,667 |

Twenty Largest Holders of Quoted Shares

| | Shareholder | Number Held | % of Issued Shares |
|--------------|---|--------------------|--------------------|
| 1 | Mr Peter Romeo Gianni | 35,982,897 | 6.52% |
| 2 | Mr Robert Andrew Jewson | 35,982,897 | 6.52% |
| 3 | Mrs Sivagami Selvakumar | 26,666,667 | 4.83% |
| 4 | Mining and Exploration Investment Consultants PL | 25,500,000 | 4.62% |
| 5 | Investment Securities Nominees Pty Ltd <Accumulation A/C> | 24,500,000 | 4.44% |
| 6 | Triplestar Capital Pte Ltd | 18,666,660 | 3.38% |
| 7 | Pinghua Liu | 16,666,667 | 3.02% |
| 8 | GR Engineering Services Limited | 14,298,053 | 2.59% |
| 9 | Mr Graeme John Clatworthy <Clatworthy Family No 1 A/C> | 14,250,000 | 2.58% |
| 10 | Motte & Bailey Pty Ltd <Bailey Super Fund A/C> | 13,035,131 | 2.36% |
| 11 | Icerig Nominees Pty Ltd | 10,000,000 | 1.81% |
| 12 | BT Portfolio Services Limited <Warrell Holdings S/F A/C> | 9,722,459 | 1.76% |
| 13 | Mr Bradley Keith Moir | 7,894,619 | 1.43% |
| 14 | Mr Chiang Hao Wong | 7,116,002 | 1.29% |
| 15 | Lawrence Crowe Consulting Pty Ltd <L C C Super Fund A/C> | 6,800,000 | 1.23% |
| 16 | BT Portfolio Services Ltd <Cranston S/F A/C> | 6,750,000 | 1.22% |
| 17 | BT Portfolio Services Ltd <Cranston Super Fund A/C> | 6,730,874 | 1.22% |
| 18 | Bonneville Investments Pty Ltd ATF Bonneville Investments Trust | 6,000,000 | 1.09% |
| 19 | Tirumi Pty Ltd <Tirumi Super Fund A/C> | 5,787,231 | 1.05% |
| 20 | Kobia Holdings Pty Ltd | 5,451,667 | 0.99% |
| Total | | 297,801,824 | 53.98% |

Unquoted Equity Securities

| Quantity | Class | Number of Holders |
|-------------------|--|-------------------|
| 75,000,003 | Options exercisable at \$0.06 each on or before 14 July 2026 | 7 |
| 1,000,000 | Performance rights vesting on 5 day VWAP of \$0.06 expiring 14 July 2026 | 1 |
| 1,000,000 | Performance rights vesting on 5 day VWAP of \$0.09 expiring 14 July 2026 | 1 |
| 1,000,000 | Performance rights vesting on 5 day VWAP of \$0.15 expiring 14 July 2026 | 1 |
| 1,000,000 | Performance rights vesting on 5 day VWAP of \$0.25 expiring 14 July 2026 | 1 |
| 1,000,000 | Performance rights vesting on 5 day VWAP of \$0.35 expiring 14 July 2026 | 1 |
| 15,000,000 | Performance rights vesting on holder's appointment as a non-executive director of the Company expiring 31 May 2026 | 3 |
| 15,000,000 | Performance rights vesting on 12 months service as a non-executive director of the Company expiring 31 May 2026 | 3 |

Holders of Unquoted Securities Holding More than 20% of Each Class

| Class | Holder | Number |
|---|---------------------------------------|------------|
| Options exercisable at \$0.06 each on or before 14 July 2026 | Golden Triangle Capital P/L <Gt3 A/C> | 25,000,000 |
| Performance rights vesting on 5 day VWAP of \$0.06 | Mr Peter John Robert Batten | 1,000,000 |
| Performance rights vesting on 5 day VWAP of \$0.09 | Mr Peter John Robert Batten | 1,000,000 |
| Performance rights vesting on 5 day VWAP of \$0.15 | Mr Peter John Robert Batten | 1,000,000 |
| Performance rights vesting on 5 day VWAP of \$0.25 | Mr Peter John Robert Batten | 1,000,000 |
| Performance rights vesting on 5 day VWAP of \$0.35 | Mr Peter John Robert Batten | 1,000,000 |
| Performance rights vesting on holder's appointment as a non-executive director of the Company expiring 31 May 2026 | Lilijam Pty Ltd | 5,000,000 |
| | Salvador Consulting Pty Ltd | 5,000,000 |
| | Mr Glenn Whiddon | 5,000,000 |
| Performance rights vesting on 12 months service as a non-executive director of the Company expiring 31 May 2026 | Lilijam Pty Ltd | 5,000,000 |
| | Salvador Consulting Pty Ltd | 5,000,000 |
| | Mr Glenn Whiddon | 5,000,000 |

Schedule of Mining Tenements

| Project | Licence Number | Location | Interest |
|---|----------------|-------------------|----------|
| Muchea West Silica Sands Project | E70/4905 | Western Australia | 100% |
| Muchea West Silica Sands Project | MLA70/1422* | Western Australia | 100% |
| Muchea West Silica Sands Project | MLA70/1433* | Western Australia | 100% |
| Muchea West Silica Sands Project | E70/6622 | Western Australia | 100% |
| Muchea West Silica Sands Project | E70/6623 | Western Australia | 100% |
| Muchea West Silica Sands Project | E70/6624 | Western Australia | 100% |
| Muchea West Silica Sands Project | E70/6625 | Western Australia | 100% |
| Down South Silica Project | E70/5823 | Western Australia | 100% |
| Down South Silica Project | E70/6414 | Western Australia | 100% |
| Down South Silica Project | E70/6415 | Western Australia | 100% |

* During the financial year ended 31 December 2024, the Company made an application for mining licence MLA 70/1433 over the same area covered by MLA70/1422 via its wholly owned subsidiary, Australian United Silica Corporation Pty Ltd. As MLA70/1422 and MLA 70/1433 are over the same area only one application will ultimately progress towards grant.

Company Secretary

Ms Oonagh Malone

Registered Office

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Share Registry

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