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APPENDIX 4D

Half-year Report

Results for Announcement to the Market

1. Details of reporting period

Current reporting period:	Half-year ended 30 June 2023
Previous corresponding reporting period:	Half-year ended 30 June 2022

2. Results for announcement to the market

	% Change	30 June 2023 $	30 June 2022 $
Revenues from ordinary activities	↑ 1,649%	549,182	31,406
Loss from ordinary activities after tax attributable to members	↑ 5%	(854,593)	(812,973)
Net loss for the period attributable to members	↑ 5%	(854,593)	(812,973)

The increase in revenue from ordinary activities resulted from the research and development grant received in relation to the continued research and development of the Group's Boomerang Green Kaolin deposit.

3. Net tangible assets per share

	30 June 2023 $	31 December 2022 $
Net tangible assets per share	0.007	0.009

4. Gain or loss of control over entities

There was no change in the period.

5. Dividends

There were no dividends paid or declared during the period and the directors have not recommended the payment of a dividend.

6. Dividend reinvestment plans

The Group does not have a dividend reinvestment plan.

7. Associates and joint ventures

On 9 August 2022, the Group entered into a binding Farm-In Agreement with Australian Critical Minerals Limited (ASX: ACM) in respect of the Group's Rankin Dome Project comprising three tenements being E77/2709, E77/2753 & E77/2768. At the end of the current and corresponding reporting periods the Group held a 100% interest in the Rankin Dome Project tenements.

On 28 November 2022, the Group entered into a binding Terms Sheet Agreement with Sentinel Exploration Limited to acquire a 70% interest in the lithium and related minerals in tenement E70/5452 ("Kirup Project").

8. Information about audit or review

This Appendix 4D is based on the attached half-year financial report which has been reviewed by the Group's auditors, Elderton Audit Pty Ltd. A copy of Elderton's review report can be found on page 5.

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Kula Gold Limited

and its controlled entities

ABN 83 126 741 259

Half-year report

for the half-year ended 30 June 2023

Corporate Information

Board of Directors
Mr Mark Stowell
Mr Mark Bojanjac
Mr John Hannaford

Company Secretary
Mr Keith Bowker

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Half-year report
for the half-year ended 30 June 2023

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Directors' report

The directors submit herewith the financial report of Kula Gold Limited ("Kula" or "the Company") and its controlled entities ("the Group") for the half-year ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

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

Mr Mark Stowell

Mr Mark Bojanjac

Mr John Hannaford

Mr Simon Adams

The above-named directors held office during and since the end of the half-year except for:

- Mr Simon Adams – resigned 2 November 2022

Review of operations

The loss of the Group for the half-year ended 30 June 2023, after accounting for income tax, amounted to $854,593 (30 June 2022 $812,973).

During the half-year, the Company continued with its mineral exploration activities in Western Australia.

Kirup Project – Lithium – 70% LCT mineralisation rights (30% Sentinel Exploration Limited)

Reconnaissance mapping and rock chip sampling has identified the Mustang Lithium and Cobra Lithium Prospects.

The Mustang Lithium Prospect sits in the northern part of E70-5452, in an area of NNW trending magnetic lineaments, comprises a series of NNW striking pegmatitic bodies that occur within intercalated felsic gneiss and amphibolite sequences. Preliminary mapping has identified several pegmatite bodies with probable strike lengths approximately 1km and greater than 100m wide.

Reconnaissance mapping and rock chip sampling has detected bladed spodumene and pegmatite providing a walk-up drill target to test for LCT mineralisation below the weathered zone, estimated to be 15-50m as is evident at the nearby Greenbushes Mine. A RC drilling program is due to commence in September.

The Cobra Lithium Prospect sits in the central part of E70-5452, on a regional NE magnetic lineament.

Pegmatites with high lithium content (240.8ppm and 71.9ppm, being the highest anomalous analysis for Kula's exploration team) containing muscovites, tourmalines and garnets (fractionated minerals) have been mapped out across a substantial contiguous prospect area of ~2km in strike length and >300m wide. Recent mapping continues to increase the dimensions of this prospect.

The mineralogy of pegmatites is composed of predominantly quartz, feldspar, tourmaline, muscovite, garnet, others (to be determined). Generally, poorly foliated and with a grainsize – locally very coarse, up to 10cm crystals of feldspars and muscovite crystals up to ~5cm.

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Southern Cross Project – Lithium – 100%

Rock and soil sampling with numerous anomalous lithium, tantalum and beryllium pathfinder results have advanced the Taliah, Sasha & Nadia Lithium Prospects surprisingly quickly.

Extensive follow up UFF soil programmes have been completed on all three prospects with results due in the September quarter.

Brunswick Project – Lithium & Gold – 100%

The Company completed a RC drilling programme of 4 holes for 360m at the DBGM Prospect to test structural gold and lithium targets from surface pegmatites. Results received confirmed no significant lithium or gold results however, the Company will continue to plan further exploration activities. BHP diamond drill hole core assayed 0.8m @ 6.8g/t gold from 39.8m.

Westonia Gold Project (Southern Cross WA) 100%

The Company completed an Air Core & RC drilling programme testing six high-priority targets at the 'eye' structure during the half-year. Whilst assay results received provided no intersections of significance, extensive geophysical interpretation has identified the need for further exploration work in the future.

Rankin Dome Project – Rare Earth Elements & Lithium - 100% (ACM earning 51%)

The Company reported a significant advancement of the Rankin Dome Joint Venture following the successful listing of its joint venture partner, Australian Critical Minerals Limited (ASX: ACM) on the Australian Stock Exchange.

With existing geochemistry, mapping and geophysics already performed, the project is ready for a proposed 1,000m of RC drilling in the September quarter.

Marvel Loch Airfield Project – Kaolin & Gold – 100%

The Company is continuing discussions to advance development of the large Boomerang Green Kaolin Deposit of 93.3 million tonnes, near excellent infrastructure in Southern Cross WA.

Engineering studies continued for downstream processing on site to produce metakaolin products for the Green Construction Industry. Mineralogical/metallurgical test work by Sedgman has been completed confirming the suitability of the raw material for green cement as well as many uses such as paint, rubber and pesticide production.

On 1 July 2023, the Company received a Research and Development Grant for $548,879 in relation to the continued research and development of its Boomerang Green Kaolin Deposit. Discussions with potential acquirers and developers of the project continue with a view to monetising this asset.

Subsequent events

Subsequent to the half-year under review, the Company undertook the following activities:

On 16 August 2023, the Company announced Kirup lithium drilling targets at the Mustang, Cobra Prospects and at the new Falcon and Thunderbird Prospects.

The Mustang Prospect will be the first to be drill tested with a 1,200m RC drilling campaign scheduled for mid-September 2023.

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Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the half-year report.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

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

On behalf of the Directors



Mr Mark Stowell
Chairman
4 September 2023
Perth, Western Australia

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AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Kula Gold Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2023 there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kula Gold Limited and the entities it controlled during the period.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Director

4 September 2023
Perth
Western Australia

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AUDIT PTY LTD

Independent Auditor's Review Report

To the members of Kula Gold Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kula Gold Limited, which comprises the consolidated condensed statement of financial position as at 30 June 2023, the consolidated condensed statement of profit or loss and other comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Kula Gold Limited's financial position as at 30 June 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Kula Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kula Gold Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

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Conclusion

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

(a) giving a true and fair view of Kula Gold Limited's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Director

4 September 2023

Perth
Western Australia

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Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

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

On behalf of the Directors



Mr Mark Stowell
Chairman
4 September 2023
Perth, Western Australia

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Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 30 June 2023

	Note	Consolidated Half-year ended 30 June 2023 $	Consolidated Half-year ended 30 June 2022 $
Continuing operations			
Other income	4	549,182	31,406
Administration expenses		(456,643)	(338,041)
Share-based payments	9.1	(39,677)	(29,182)
Exploration and evaluation expenditure		(907,455)	(476,228)
Finance costs		-	(928)
Loss before tax		(854,593)	(812,973)
Income tax expense		-	-
Loss for the period	5	**(854,593)**	**(812,973)**
Other comprehensive expense			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive loss for the period		**-**	**-**
Total comprehensive loss for the period		**(854,593)**	**(812,973)**
Loss attributable to:			
Owners of Kula Gold Limited		**(854,593)**	**(812,973)**
Total comprehensive loss attributable to:			
Owners of Kula Gold Limited		**(854,593)**	**(812,973)**
Loss per share from continuing operations:			
Basic and diluted (cents per share)	6	(0.23)	(0.38)

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

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Condensed consolidated statement of financial position
as at 30 June 2023

	Note	Consolidated 30 June 2023 $	Consolidated 31 Dec 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		557,555	1,764,307
Receivables and other assets		612,436	488,709
Total current assets		**1,169,991**	**2,253,016**
Non-current assets			
Property, plant and equipment		47,642	52,525
Right-of-use assets		-	8,874
Exploration tenement	7	1,811,902	1,379,019
Total non-current assets		**1,859,544**	**1,440,418**
Total assets		**3,029,535**	**3,693,434**
LIABILITIES			
Current liabilities			
Trade and other payables		197,553	228,846
Provisions		10,761	10,761
Lease liability		-	9,690
Total current liabilities		**208,314**	**249,297**
Non-current liabilities			
Provisions		31,000	31,000
Total non-current liabilities		**31,000**	**31,000**
Total liabilities		**239,314**	**280,297**
Net assets		**2,790,221**	**3,413,137**
Equity			
Share capital	8	155,698,534	155,506,534
Reserves	9	792,059	766,856
Accumulated losses		(153,700,372)	(152,860,253)
Equity attributable to:			
Owners of Kula Gold Limited		2,790,221	3,413,137
Non-controlling interest		-	-
Total equity		**2,790,221**	**3,413,137**

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

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Condensed consolidated statement of changes in equity
for the half-year ended 30 June 2023

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Consolidated	Issued capital $	Share-based payment reserve $	Consolidation reserves $	Total reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2022	**152,838,508**	**151,047**	**398,758**	**549,805**	**(151,247,930)**	**2,140,383**
Loss for the period	-	-	-	-	(812,973)	(812,973)
Total other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(812,973)	(812,973)
Reversal of an unclaimed equity contribution received from Geopacific Resources Ltd	-	-	5,608	5,608	-	5,608
Share based payments	-	29,182	-	29,182	-	29,182
Lapsed employee incentive options	-	(5,408)	-	(5,408)	5,408	-
Balance at 30 June 2022	**152,838,508**	**174,821**	**404,366**	**579,187**	**(152,055,495)**	**1,362,200**
Balance at 1 January 2023	**155,506,534**	**362,490**	**404,366**	**766,856**	**(152,860,253)**	**3,413,137**
Loss for the period	-	-	-	-	(854,593)	(854,593)
Total other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(854,593)	(854,593)
Issue of shares as part consideration of the Kirup Project	192,000	-	-	-	-	192,000
Share-based payments	-	39,677	-	39,677	-	39,677
Lapsed employee incentive options	-	(14,474)	-	(14,474)	14,474	-
Balance at 30 June 2023	**155,698,534**	**387,693**	**404,366**	**792,059**	**(153,700,372)**	**2,790,221**

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

Condensed consolidated statement of cash flows
for the half-year ended 30 June 2023

	Consolidated	
	Half-year ended	
	30 June 2023 $	30 June 2022 $
Cash flows from operating activities		
Payments to suppliers and employees	(480,813)	(197,819)
Net cash used in operating activities	**(480,813)**	**(197,819)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,000)	(59,079)
Payments for exploration and evaluation expenditure	(1,113,542)	(1,368,891)
Research and development grant	389,300	-
Interest received	303	-
Net cash used in investing activities	**(725,939)**	**(1,427,970)**
Net decrease in cash and cash equivalents	**(1,206,752)**	**(1,625,789)**
Cash and cash equivalents at the beginning of the period	1,764,307	2,138,935
Cash and cash equivalents at the end of the period	**557,555**	**513,146**

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

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Notes to the consolidated financial statements
for the half-year ended 30 June 2023

1. General information

Statement of compliance

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

Basis of preparation

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

The accounting policies and methods of computation adopted in the presentation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2022 annual financial report for the financial year ended 31 December 2022. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

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

For the half year ended 30 June 2023, the Group incurred a loss from continuing operations of $854,593 (2022: $812,973), and recorded net cash outflows from operating and investing activities of $480,813 (2022: $197,819). At 30 June 2023, the Group had net current assets of $961,677 (31 December 2022: $2,003,719 with a cash balance of $557,555 (31 December 2022: $1,764,307).

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and is mindful of the funding requirements to meet these objectives.

The Directors consider the basis of going concern to be appropriate for the following reasons:

- the current cash balance of the Company relative to its fixed and discretionary expenditure commitments;
- given the Company's market capitalisation and the underlying prospects for the Company to raise further funds from the capital markets; and
- the fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Group's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

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1. General information (continued)

The Directors are confident that the Company can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. However, should the Company be unable to raise further required funding, there is uncertainty which may cast doubt as to whether or not the Company will be able to continue as a going concern and whether it will realise it assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

2. Operating segments

The Group operates in only one segment being mineral exploration in Western Australia.

3. Dividends

No dividends were paid or declared for the half-year ended 30 June 2023 and the directors have not recommended the payment of a dividend.

4. Other income

	30 June 2023 $	30 June 2022 $
Cost recovery of certain administration expenses	-	31,384
Research and development grant receivable	548,879	-
Interest on term deposit	303	22
	549,182	**31,406**

5. Loss for the period

	30 June 2023 $	30 June 2022 $
Other income	(549,182)	(31,406)
Depreciation	6,067	8,874
Employee benefit expenses	207,767	144,509
Exploration and evaluation expenditure[1]	907,455	476,228
Interest on right-of-use liabilities	-	928
Professional and consulting expenses	55,381	78,779
Share-based payments	39,677	29,182
Other administration expenses	187,428	105,879
	854,593	**812,973**

[1] Exploration and evaluation expenditure includes the following consideration for the acquisition of the 70% interest in the lithium and related minerals in the Kirup Project, tenement E70/5452;

- $130,000 for the reimbursement of exploration expenditure costs; and
- 12,000,000 fully paid ordinary shares in the Company at a deemed value of $0.016 per share, subject to a 12-month escrow period from 3 April 2023 (refer note 8).

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6. Loss per share

	30 June 2023 cents per share	30 June 2022 cents per share
Basic and diluted	**(0.23)**	**(0.38)**

6.1 Basic and diluted loss per share

The basic loss per share amounts are calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The diluted loss per share amount is considered the same as the basic loss per share amount given there are no in the money options on issue at the date of this report.

Loss for the year	30 June 2023 $	30 June 2022 $
Loss for the period attributable to Owners of Kula Gold Limited	**(854,593)**	**(812,973)**

Number of shares	30 June 2023 No.	30 June 2022 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**367,046,175**	**215,175,632**

7. Exploration tenement

	30 June 2023 $	31 Dec 2022 $
Balance at beginning of the period	1,379,019	408,189
Expenditure incurred during the period	432,883	970,830
	1,811,902	**1,379,019**

8. Share capital

	30 June 2023 $	31 Dec 2022 $
Fully paid ordinary shares	**152,838,508**	**152,838,508**

Fully paid ordinary shares	30 June 2023 No.	30 June 2023 $	31 Dec 2022 No.	31 Dec 2022 $
Balance at beginning of period	361,211,921	155,506,534	215,175,632	152,838,508
Share issue[1]	12,000,000	192,000		
Share placement[2]	-	-	25,000,000	500,000
Share placement[3]	-	-	67,242,383	1,344,848
Entitlement issue[4]	-	-	53,793,906	1,075,878
Share issue costs	-	-	-	(252,700)
	373,211,921	**155,698,534**	**361,211,921**	**155,506,534**

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8. Share capital (continued)

[1] On 4 April 2023, following shareholder approval at a General Meeting held on 18 May 2023, the Company issued 12,000,000 fully paid ordinary shares to Sentinel Exploration Limited at a deemed value of $0.016 per share as part consideration for a 70% interest in the lithium and related minerals in the Kirup Project, tenement E70/5452 (refer note 12).

[2] On 11 November 2022 following shareholder approval at a General Meeting held, the Company completed the second tranche of a share placement to sophisticated and professional investors issuing a total of 25,000,000 fully paid ordinary shares at an issue price of $0.02 per share to raise $500,000 before costs.

[3] On 28 September 2022, the Company completed the first tranche of a share placement to sophisticated and professional investors issuing a total of 67,242,383 fully paid ordinary share at an issue price of $0.02 per share to raise $1,344,848 before costs.

[4] On 15 September 2022, the Company completed a non-renounceable pro-rata entitlement offer issuing 53,793,906 fully paid ordinary shares to eligible shareholders on the basis of one fully paid ordinary share for every four fully paid ordinary shares held at an issue price of $0.02 per share to raise $1,075,878 before costs.

9. Reserves

	30 June 2023 $	31 Dec 2022 $
Share-based payment reserve (i)	387,693	362,490
Consolidation reserve (ii)	404,366	404,366
	792,059	**766,856**

(i) The share-based payment reserve is used to recognise the grant date fair value of unlisted options issued to directors, employees, contractors and stockbrokers.

(ii) The consolidation reserve represents the difference between the minority interest recognised and the equity contributions received from Geopacific Resources Ltd.

9.1 Movement in share-based payment reserve

	No.	30 June 2023 $	31 Dec 2022 $
Balance at start of the period	14,625,000	362,490	151,047
Share-based payment expense (iii)	1,300,000	39,677	216,851
Lapsed employee incentive options (iv)	(1,000,000)	(14,474)	(5,408)
	14,925,000	**387,693**	**362,490**

(iii) On 2 February 2023, the Company issued 1,300,000 unlisted options to employees under the Employee Incentive Option Plan ('EIOP'). The unlisted options have an exercise price of $0.06 and an expiry date of 1 July 2026. 50% of the unlisted options have vested with the balance vesting 2 February 2024.

(iv) During the period, 1,000,000 unlisted options under the EIOP, exercisable at $0.06 on or before 1 July 2026 lapsed.

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9. Reserves (continued)

For the unlisted options granted, the valuation model inputs used to determine the total fair value of $20,165 (2022: $222,869) at the various grant dates using the Black-Scholes Option Model are as follows:

EIOP Options series	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date	Total fair value
5	2 Feb 23	1 Jul 26	$0.027	$0.06	109.67%	3.24%	$0.016	$20,165
4	8 Nov 22	1 Jul 26	$0.0385	$0.06	107.10%	3.70%	$0.025	$57,068
N/A	7 Nov 22	7 Nov 25	$0.038	$0.08	107.09%	3.37%	$0.02	$120,109
3	18 Jul 22	1 Jul 26	$0.03	$0.06	93.65%	3.21%	$0.016	$45,692
2	16 Aug 21	1 Aug 25	$0.066	$0.085	106.00%	0.57%	$0.044	$26,683
1	28 Jun 21	1 Jul 26	$0.04	$0.06	107.71%	0.79%	$0.029	$90,263

For further details in relation to the EIOP terms and conditions refer to the remuneration report in the Company's annual financial report for the financial year ended 31 December 2022.

The total fair value of the unlisted options is expensed over the estimated vesting period. The share-based expense of $39,677 (2022: $29,182) was recognised in the consolidated statement of profit and loss and other comprehensive income for the period.

9.2 Movement in consolidation reserve

	30 June 2023 $	31 Dec 2022 $
Balance at start of the period	404,366	398,758
Reversal of an unclaimed equity contribution received from Geopacific Resources Ltd	-	5,608
	404,366	**404,366**

9.3 Options

The following options were in existence at the reporting date:

Option series	Number	Exercise price $	Expiry date
1, 3, 4, 5	8,350,000	0.06	1 July 2026
2	575,000	0.085	1 August 2025
N/A	6,000,000	0.08	7 November 2025

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9. Reserves (continued)

9.4 Performance Rights

On 4 April 2023, following shareholder approval at a General Meeting held on 18 May 2023, the Company issued 2,000,000 performance rights to Sentinel Exploration Limited as deferred consideration for a 70% interest in the lithium and related minerals in the Kirup Project, tenement E70/5452.

The performance rights convert to an amount of $2,000,000 payable in fully paid ordinary shares issued at the 10-day VWAP (commencing upon announcing the resource), with a minimum issue price of $0.04 on completion of a JORC maiden inferred resource on the Kirup Project of a minimum of 10mt of ore at a grade of 1% lithium (or metal equivalent) or greater within 5 years of the lithium rights being acquired (refer note 12).

As at the date of acquisition and as at 30 June 2023, the directors have assessed the fair value of the performance rights as nil, given the current stage of exploration on the Kirup tenement, E70/5452.

10. Commitments for expenditure

Exploration expenditure

The minimum annual exploration and evaluation expenditure to keep the Group's tenements in good standing is $581,500.

11. Contingent liabilities and contingent assets

Other than the deferred consideration, being the performance rights referred above in note 9.4, there has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 31 December 2022 annual financial report.

12. Related party transactions

The Company leases premises at Suite 2, 20 Howard Street, Perth from an entity that is controlled by Mr Mark Stowell. The terms of this lease are set at a rate that is considered to be arm's-length for comparable premises. The rent and outgoings paid for this premises during the half-year period ended 30 June 2023 was $18,521 (2022: $16,229).

The Company hired specialised XRF equipment from an entity that is controlled by Mr Mark Stowell on commercial arm's-length terms. The hire fees paid for this equipment during the half-year ended 30 June 2023 was nil (2022: $1,500).

The Company leases storage facilities at Unit 18, 6 Production Road, Canning Vale from an entity that is controlled by Mr John Hannaford. The terms of this lease are set at a rate that is considered to be arm's-length for comparable premises. The rent for this premises during the half-year period ended 30 June 2023 was $1,430 (2022: nil).

Reimbursement for exploration related expenses totalling $4,975 during the half-year ended 30 June 2023 were paid to an entity that is controlled by Mr Mark Stowell.

On 28 November 2022, the Company entered into a binding term sheet ('Agreement') with Sentinel Exploration Ltd ('Sentinel') to acquire a 70% interest in the lithium and related minerals in tenement E70/5452 ('Kirup Project').

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12. Related party transactions (continued)

Mr Mark Stowell is a current director of both Sentinel Exploration and the Company and Mr Simon Adams is a current director of Sentinel Exploration and a previous director of the Company, resigning on 2 November 2022. As a result, this transaction was considered a related party transaction, and was approved by shareholders at a General Meeting held on 31 March 2023.

The consideration was a follows:

- $200,000 for the reimbursement of exploration expenditure costs;
- Issued 12,000,000 fully paid ordinary shares at a deemed value of $0.016 per share, subject to a 12-month escrow period from 4 April 2023; and
- A deferred consideration amount of $2,000,000 payable in fully paid ordinary shares issued at the 10-day VWAP (commencing upon announcing the resource), with a minimum issue price of $0.04 on completion of a JORC maiden inferred resource on the Kirup Project of a minimum of 10mt of ore at a grade of 1% lithium (or metal equivalent) or greater within 5 years of the lithium rights being acquired.

Apart from the above, no key management personnel have entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving key management personnel interests existing at year-end.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

13. Subsequent events

Subsequent to the half-year under review, the Company undertook the following activities:

On 16 August 2023, the Company announced Kirup lithium drilling targets at the Mustang, Cobra Prospects and at the new Falcon and Thunderbird Prospects.

The Mustang Prospect will be the first to be drill tested with a 1,200m RC drilling campaign scheduled for mid-September 2023.

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