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Kula Gold Limited

ABN 83 126 741 259

Half-year report

for the half-year ended 30 June 2025

Corporate Information

Board of Directors
Mr Mark Stowell Chairman
Mr Ric Dawson
Mr Mark Bojanjac

Company Secretary
Mr Keith Bowker

Principal Place of Business & Registered Office
Suite 2, 20 Howard Street
PERTH, WA 6000

PO Box Z5207
St Georges Terrace
PERTH WA 6831

Telephone: +61 8 6144 0592
Email: cosec@kulagold.com.au
Website: www.kulagold.com.au

Auditor
Elderton Audit Pty Ltd
Level 32, 152 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 6324 2900
Website: www.eldertongroup.com

Share Registry
Automic Group
Level 5, 191 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664
Email: hello@automic.com.au
Website: www.investor.automic.com.au

Securities Exchanges
Australian Securities Exchange
Level 40, Central Park
152- 158 St Georges Terrace
PERTH WA 6000
Website: www.asx.com.au
ASX Code: KGD

Berlin Stock Exchange: BE Code: 7KL

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Half-year report
for the half-year ended 30 June 2025

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Directors' report

The directors submit herewith the financial report of Kula Gold Limited ("Kula" or "the Company") and its subsidiaries ("the Group") for the half-year ended 30 June 2025. 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 Ric Dawson

Mr Mark Bojanjac

The above-named directors held office during and since the end of the half-year.

Review of operations

The loss of the Group for the half-year ended 30 June 2025, after accounting for income tax, amounted to $657,260 (30 June 2024: $619,476).

During the half-year, the Company made significant progress across its portfolio of gold and critical mineral projects in Western Australia and Malawi. The Company's flagship Mt Palmer Gold Project continued to deliver high-grade gold results, while early-stage exploration at the Mustang Prospect and the newly acquired Wozi Niobium Project in Malawi expanded Kula's strategic footprint.

Mt Palmer Gold Mine – 80%

At the Mt Palmer Gold Mine, located near Southern Cross in Western Australia, Kula completed Stage 2 reverse circulation (RC) drilling, which returned multiple high-grade intercepts from shallow depths. Notable results included 3 metres at 35.9 grams per tonne (g/t) gold, including 1 metre at 83.6g/t, and 20 metres at 7.5g/t gold, including 6 metres at 23.8g/t. These results confirmed the presence of multiple north-south mineralised structures and reinforced the potential for low-cost open-pit development.

In addition to drilling success, the Company announced a maiden JORC 2012-compliant resource estimate for the historic tailings at Mt Palmer, comprising 98,534 tonnes at 0.63g/t gold for 1,996 ounces, with metallurgical testing indicating an average gold recovery of 86%. The tailings resource is located approximately 28 kilometres from the Marvel Loch processing facility, and Kula is evaluating potential processing options.

During the period, Kula also completed its earn-in expenditure obligations under the joint venture with Aurumin Limited (ASX: AUN), thereby securing an 80% interest in the Mt Palmer Gold Mine.

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Marvel Loch Project – 100%

The Company continued discussions to advance development of the large Boomerang Kaolin Deposit of 93.3 million tonnes (indicated resource of 15.2Mt & inferred resource of 78.1Mt), near excellent infrastructure in Southern Cross Western Australia.

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.

Discussions with potential acquirers and developers of the project continue with a view to monetising this asset.

Kirup Project – 70% (30% Sentinel Exploration Limited)

Exploration at the Mustang Gold Prospect, part of the Kirup Project in the South West region of Western Australia, continued to show promise. A maiden drill intercept of 2 metres at 2.3g/t gold was reported, supported by nearby rock chip assays of 4.3g/t and 4.8g/t gold.

Kula is actively seeking joint venture or divestment opportunities for the Kirup Project while continuing to refine its geological understanding through soil sampling, drone magnetics, and planned follow-up drilling.

Wozi Niobium Project – 100%

Internationally, Kula expanded into the critical minerals sector with the acquisition of the Wozi Niobium Project in southern Malawi. The exploration licence was formally granted by the Malawi Mining and Minerals Regulatory Authority during the period. Historical trenching at Wozi returned broad zones of niobium and tantalum mineralisation, including 145 metres at 0.55% Nb_2O_5 and 192 metres at 0.49% Nb_2O_5.

Kula has commenced fieldwork to validate these results, including mapping, soil sampling, and rock-chip collection, with a maiden drilling program scheduled for the December 2025 quarter.

Rankin Dome Project – 100% (ACM earning 51%)

The Company also announced its withdrawal from the Rankin Dome Joint Venture, allowing it to focus resources on higher-priority assets.

Kula continues to operate with a lean and disciplined exploration model, supported by government initiatives such as the Western Australian Exploration Incentive Scheme (EIS). The Board remains committed to unlocking shareholder value through targeted exploration, strategic partnerships, and responsible capital management.

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Subsequent events

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

- On 14 August 2025, the Company completed a placement to professional and sophisticated investors issuing 115,384,615 fully paid ordinary shares at an issue price of $0.0065 to raise $750,000 before costs.

- On 1 August 2025, 575,000 unlisted options exercisable at $0.085 issued under the Employee Incentive Option Plan ('EIOP') expired.

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
9 September 2025
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 2025 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

9 September 2025
Perth
Western Australia

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kula Gold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Kula Gold Limited (the 'Company') and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year ended on that date; and

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

Material Uncertainty related to Going Concern

We draw attention to the note 1 to the financial statements, which describes that the Group has incurred losses and negative operating cash flows during the half-year and remains dependent on raising additional funding to continue operations. While directors believe the Group can continue as a going concern based on existing funding arrangements, the ability to secure future capital remains uncertain. Most exploration spending is discretionary and may be reduced if needed. However, if sufficient funding is not obtained, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Operational and Asset Valuation Risks

The Group faces operational risks related to exploration activities and regulatory approvals. Asset values depend on successful project development or sale, with potential impairment if funding or outcomes are not achieved.

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Independence

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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Director's Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its financial performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd

Rafay Nabeel
Director

9 September 2025
Perth
Western Australia

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Directors' declaration

The directors declare that, in the directors' opinion:

(a) the attached consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Mr Mark Stowell
Chairman
9 September 2025
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 2025

	Note	Consolidated Half-year ended 30 June 2025 $	Consolidated Half-year ended 30 June 2024 $
Continuing operations			
Other income	4	41,048	291,802
Administration expenses		(389,331)	(492,361)
Share-based payments	10.1	(27,530)	(13,167)
Exploration and evaluation expenditure		(266,388)	(403,694)
Finance costs		(15,059)	(2,056)
Loss before tax		(657,260)	(619,476)
Income tax expense		-	-
Loss for the period	5	**(657,260)**	**(619,476)**
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		**(657,260)**	**(619,476)**
Loss attributable to:			
Owners of Kula Gold Limited		**(657,260)**	**(619,476)**
Total comprehensive loss attributable to:			
Owners of Kula Gold Limited		**(657,260)**	**(619,476)**
Loss per share from continuing operations:			
Basic and diluted (cents per share)	6	(0.08)	(0.13)

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 2025

	Note	Consolidated 30 June 2025 $	Consolidated 31 Dec 2024 $
ASSETS			
Current assets			
Cash and cash equivalents		54,632	39,314
Receivables and other assets		43,083	105,084
Total current assets		**97,715**	**144,398**
Non-current assets			
Property, plant and equipment		30,005	35,092
Right-of-use assets		20,845	31,267
Exploration tenement	7	2,175,611	1,664,539
Total non-current assets		**2,226,461**	**1,730,898**
Total assets		**2,324,176**	**1,875,296**
LIABILITIES			
Current liabilities			
Trade and other payables		239,334	332,892
Borrowings	8	348,793	467,477
Provisions		8,908	10,761
Lease liability		23,200	11,522
Total current liabilities		**620,235**	**822,652**
Non-current liabilities			
Lease liability		-	22,069
Total non-current liabilities		**-**	**22,069**
Total liabilities		**620,235**	**844,721**
Net assets		**1,703,941**	**1,030,575**
Equity			
Share capital	9	159,185,034	157,942,785
Reserves	10	1,022,954	934,577
Accumulated losses		(158,504,047)	(157,846,787)
Equity attributable to:			
Owners of Kula Gold Limited		1,703,941	1,030,575
Non-controlling interest		-	-
Total equity		**1,703,941**	**1,030,575**

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 2025

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Consolidated	Issued capital $	Share-based payment reserve $	Consolidation reserves $	Total reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2024	**156,243,065**	**403,339**	**404,366**	**807,705**	**(155,439,840)**	**1,610,930**
Loss for the period	-	-	-	-	(619,476)	(619,476)
Total other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(619,476)	(619,476)
Issue of share capital	1,660,000	-	-	-	-	1,660,000
Share issue costs	(103,860)	-	-	-	-	(103,860)
Share based payments	-	13,167	-	13,167	-	13,167
Balance at 30 June 2024	**157,799,205**	**416,506**	**404,366**	**820,872**	**(156,059,316)**	**2,560,761**
Balance at 1 January 2025	**157,942,785**	**530,211**	**404,366**	**934,577**	**(157,846,787)**	**1,030,575**
Loss for the period	-	-	-	-	(657,260)	(657,260)
Total other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(657,260)	(657,260)
Issue of share capital	1,390,209	-	-	-	-	1,390,209
Share issue costs	(147,960)	60,847	-	60,847	-	(87,113)
Share-based payments	-	27,530	-	27,530	-	27,530
Balance at 30 June 2025	**159,185,034**	**618,588**	**404,366**	**1,022,954**	**(158,504,047)**	**1,703,941**

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 2025

	Consolidated	
	Half-year ended	
	30 June 2025 $	30 June 2024 $
Cash flows from operating activities		
Payments to suppliers and employees	(349,841)	(371,032)
Net cash used in operating activities	**(349,841)**	**(371,032)**
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(759,794)	(808,625)
Interest received	1,664	105
Net cash used in investing activities	**(758,130)**	**(808,520)**
Cash flows from financing activities		
Proceeds from issue of shares	1,237,289	1,574,000
Proceeds from issue of unlisted options	-	110
Payment of share issue costs	(87,112)	(103,860)
Proceeds from loans and borrowings	147,218	108,000
Repayment of loans and borrowings	(174,106)	(36,000)
Interest paid on borrowings	-	(493)
Net cash from financing activities	**1,123,289**	**1,541,757**
Net increase in cash and cash equivalents	**15,318**	**362,205**
Cash and cash equivalents at the beginning of the period	39,314	393,378
Cash and cash equivalents at the end of the period	**54,632**	**755,583**

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 2025

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 2024 annual financial report for the financial year ended 31 December 2024. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

As disclosed in the condensed consolidated financial statements for the period ended 30 June 2025, the Group incurred a loss of $657,260 (2024: $619,476), had net cash outflows from operating activities of $349,841 (2024: $371,032), had cash outflows from investing activities of $758,130 (2024: $808,520) and had cash inflows from financing activities of $1,123,289 (2024: $1,541,757). At 30 June 2025, the Group had net assets of $1,703,941 (31 December 2024: $1,030,575), and cash and cash equivalents of $54,632 (31 December 2024: $39,314).

As such, the directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- On 14 August 2025, the Company completed a placement to professional and sophisticated investors issuing 115,384,615 fully paid ordinary shares at an issue price of $0.0065 to raise $750,000 before costs.
- On 22 March 2024, the Company entered into an At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM provides the Company with up to $1,000,000 of standby equity capital over a period to 31 January 2029. As security for the ATM, the Company issued 24,000,000 fully paid ordinary shares to Acuity Capital at nil consideration.
- 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.
- 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)

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the condensed consolidated financial statements.

In the event that the Group is unsuccessful in the matters set out above in relation to obtaining future funds through capital markets, there is a material uncertainty whether the Group will continue as a going concern, and therefore whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in these financial statements.

The financial statements does not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2. Operating segments

The Group operates in two segments being mineral exploration in Western Australia and Malawi.

3. Dividends

No dividends were paid or declared for the half-year ended 30 June 2025 and the directors have not recommended the payment of a dividend.

4. Other income

	30 June 2025 $	30 June 2024 $
Research and development grant receivable	-	187,628
Duty receivable (refer note 10.4)	-	104,069
Cost recovery	32,500	-
Fuel tax credits	7,013	-
Interest on term deposit	1,535	105
	41,048	**291,802**

5. Loss for the period

	30 June 2025 $	30 June 2024 $
Other income	(41,048)	(291,802)
Depreciation	15,509	15,319
Employee benefit expenses	248,770	259,599
Exploration and evaluation expenditure	266,388	403,694
Interest on right-of-use liabilities	1,100	1,563
Interest on borrowings	14,088	-
Professional and consulting expenses	30,477	43,125
Share-based payments	27,530	13,167
Other administration expenses	94,446	174,811
	657,260	**619,476**

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6. Loss per share

	30 June 2025 cents per share	30 June 2024 cents per share
Basic and diluted	**(0.08)**	**(0.13)**

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 2025 $	30 June 2024 $
Loss for the period attributable to Owners of Kula Gold Limited	**(657,260)**	**(619,476)**

Number of shares	30 June 2025 No.	30 June 2024 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**843,604,774**	**481,001,439**

7. Exploration tenement

	30 June 2025 $	31 Dec 2024 $
Balance at beginning of the period	1,664,539	1,460,337
Capitalised exploration and evaluation expenditure	511,072	204,202
	2,175,611	**1,664,539**

The Company is of the view that the Mt Palmer Gold Mine (tenements E77/2210, E77/2423, E77/2668, M77/0406 & P77/4527) and the Boomerang Kaolin Deposit (tenement E77/2621, the Company has lodged applications for mining licence M77/1302 and a miscellaneous licence L77/359) meets the criteria of Aus 7.2 of AASB 6 where the Company has a 93.3mt resource (15.2mt indicated and 78.1mt inferred) being the Boomerang Kaolin Deposit and a 98,534t at 0.63g/t inferred resource at the Mt Palmer Gold Mine Tailings.

8. Borrowings

	30 June 2025 $	31 Dec 2024 $
Current		
Loans from related parties (refer note 13)	348,793	467,477
	348,793	**467,477**

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9. Share capital

	30 June 2025 $	31 Dec 2024 $
Fully paid ordinary shares	**921,253,685**	**643,211,921**

Fully paid ordinary shares	**30 June 2025**		**31 Dec 2024**	
	No.	**$**	**No.**	**$**
Balance at beginning of period	643,211,921	157,942,785	419,365,768	156,243,065
Share Entitlement Offer[1]	211,600,000	1,058,000	-	-
Share Entitlement Offer[2]	66,441,764	332,209	-	-
Share issue[3]	-	-	25,000,000	250,000
Share placement[4]	-	-	121,000,000	1,210,000
Share issue[5]	-	-	24,000,000	-
Share placement[6]	-	-	50,000,000	400,000
Share placement[7]	-	-	3,846,153	50,000
Share issue costs[1,4,5]	-	(147,960)	-	(210,280)
	921,253,685	**159,185,034**	**643,211,921**	**157,942,785**

[1] On 27 February 2025, the Company issued 211,600,000 fully paid ordinary shares at an issue price of $0.005 per share to raise $1,058,000 under the shortfall of the one for two non-renounceable rights issue. The costs associated with the entitlement offer was $147,960, which includes the valuation of 20,000,000 unlisted options exercisable at $0.015 expiring 31 May 2027 issued to Euroz Hartleys Limited (or nominee) being $60,847.

[2] On 31 January 2025, the Company issued 66,441,764 fully paid ordinary shares at an issue price of $0.005 per share to raise $332,209 via a one for two non-renounceable rights issue.

[3] On 10 July 2024, the Company issued 25,000,000 fully paid ordinary shares at a deemed issue price of $0.01 per share to Aurumin Limited for the acquisition of 51% of the Mt Palmer Gold Mine Tenements and Mining Information.

[4] On 6 June 2024, the Company completed a share placement to sophisticated and professional investors issuing a total of 121,000,000 fully paid ordinary shares at an issue price of $0.01 per share to raise $1,210,000 before costs of $185,280, which includes the valuation for 10,000,000 unlisted options exercisable at $0.015 expiring 31 May 2027 issued to Euroz Hartleys Limited (or nominee) being $89,885.

[5] On 22 March 2024, the Company announced that it had entered into an At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM provides the Company with up to $1,000,000 of standby equity capital over the period to 31 January 2029. As security for the ATM, the Company issued 24,000,000 fully paid ordinary shares to Acuity Capital at nil consideration. The Company paid a facility fee of $25,000 to Acuity Capital for the ATM.

[6] On 29 February 2024, the Company completed the first tranche of a share placement to sophisticated and professional investors issuing a total of 39,250,000 fully paid ordinary shares at an issue price of $0.008 per share to raise $314,000. Following shareholder approval at the Annual General Meeting held on 17 May 2024, the Company completed the share placement and issued a total of 10,750,000 fully paid ordinary shares to directors at an issue price of $0.008 per share to raise a further $86,000.

[7] Following shareholder approval at a General Meeting held on 19 January 2024, the Company completed the share placement and issued a total of 3,846,153 fully paid ordinary shares to directors at an issue price of $0.013 per share to raise a further $50,000.

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10. Reserves

	30 June 2025 $	31 Dec 2024 $
Share-based payment reserve (i)	618,588	530,211
Consolidation reserve (ii)	404,366	404,366
	1,022,954	**934,577**

(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.

10.1 Movement in share-based payment reserve

	30 June 2025 No.	31 Dec 2024 No.	30 June 2025 $	31 Dec 2024 $
Unlisted options	**69,925,000**	**42,425,000**	**618,588**	**530,211**
Unlisted options				
At the beginning of the period	42,425,000	14,925,000	530,211	403,339
ESIP option allotment[1]	7,500,000	-	3,413	-
Option allotment[2]	20,000,000	-	60,847	-
ESIP option allotment[3]	-	7,500,000	10,479	9,958
Option allotment[4]	-	10,000,000	-	89,885
Option allotment[5]	-	5,000,000	8,141	15,607
Option allotment[5]	-	5,000,000	5,497	10,539
ESIP option allotment[6]	-	-	-	883
	69,925,000	**42,425,000**	**618,588**	**530,211**

[1] On 27 February 2025, the Company issued 7,500,000 unlisted options to an employee under the Employee Incentive Option Plan ('EIOP'). The unlisted options have an exercise price of $0.015 and an expiry date of 31 May 2027. 50% vested on grant of the options and the remaining 50% will vest on 27 February 2026.

[2] On 27 February 2025, the Company issued 20,000,000 unlisted options exercisable at $0.015 expiring 31 May 2027 to Euzoz Hartley Limited (or nominee) for Lead Manager of the entitlement issue completed 21 February 2025.

[3] On 12 July 2024, the Company issued 7,500,000 unlisted options to employees under the EIOP. The unlisted options have an exercise price of $0.025 and an expiry date of 30 June 2027. The unlisted options have fully vested.

[4] On 10 July 2024, the Company issued 10,000,000 unlisted options exercisable at $0.015 expiring 31 May 2027 to Euroz Hartleys Limited (or nominee) for Lead Manager of the share placement completed on 6 June 2024.

[5] At the General Meeting held on 19 January 2024, shareholder approval was obtained to issue 10,000,000 unlisted options to Mr Ric Dawson following his appointment as Managing Director on 18 October 2023.

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10. Reserves (continued)

10.1 Movement in share-based payment reserve (continued)

5,000,000 unlisted options have an exercise price of $0.02 and an expiry date of 1 July 2026 and 5,000,000 unlisted options have an exercise price of $0.05 and an expiry date of 1 July 2027. The unlisted options will vest once the Company's market capitalisation reaches $12,000,000.

[6] On 2 February 2023, the Company issued 1,300,000 unlisted options to employees under the EIOP. The unlisted options have an exercise price of $0.06 and an expiry date of 1 July 2026. The unlisted options have fully vested.

For the unlisted options granted, the valuation model inputs used to determine the total fair value of $83,683 (2024: $231,031) 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
7	27 Feb 25	31 May 27	$0.0055	$0.015	138.75%	3.93%	$0.003	$22,836
N/A	27 Feb 25	31 May 27	$0.0055	$0.015	138.75%	3.93%	$0.003	$60,847
6	12 Jul 24	30 Jun 27	$0.012	$0.025	140.14%	4.05%	$0.008	$62,700
N/A	10 Jul 24	31 May 27	$0.012	$0.015	138.75%	4.07%	$0.009	$89,885
N/A	19 Jan 24	1 Jul 26	$0.013	$0.02	125.83%	3.93%	$0.008	$38,237
N/A	19 Jan 24	1 Jul 27	$0.013	$0.05	125.83%	3.86%	$0.008	$40,209
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 2024.

The total fair value of the unlisted options is expensed over the estimated vesting period. The share-based expense of $27,530 (2024: $13,167) was recognised in the consolidated statement of profit and loss and other comprehensive income for the period.

10.2 Movement in consolidation reserve

There was no movement in the consolidation reserve for the periods ended 30 June 2025 or 31 December 2024.

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10. Reserves (continued)

10.3 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
N/A	6,000,000	0.08	7 November 2025
N/A	5,000,000	0.02	1 July 2026
N/A	5,000,000	0.02	1 July 2027
6	7,500,000	0.025	30 June 2027
N/A, 7	37,500,000	0.015	31 May 2027

10.4 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 ("Sentinel") as deferred consideration for a 70% interest in the lithium and related minerals in the Kirup Project, tenement E70/5452.

On 28 June 2024, a variation agreement was executed to:

- include 70% of all gold, base metal and non-LCT mineral rights acquired for the reimbursement of costs of $10,000 as a result of the new epithermal potential.
- The 2,000,000 performance rights that convert to fully paid ordinary shares in the capital of the Company were cancelled as a result of the current market and economic conditions of lithium and replaced with a 1% net smelter royalty.

As a result of the above variation made to the contingent consideration, being the cancellation of the 2,000,000 performance rights, the duty paid was reassessed and resulted in a refund of $104,069 received in the prior period.

11. Commitments for expenditure

Exploration expenditure

The minimum annual exploration and evaluation expenditure to keep the Group's tenements in good standing is $533,195 (2024: $758,840).

12. Contingent liabilities and contingent assets

Other than the deferred consideration, being the performance rights referred above in note 10.4, there has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 31 December 2024 annual financial report.

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13. Related party transactions

During the financial period, Mr Mark Stowell (or his nominee) received director fees of $4,500 (2024: $4,500) and consulting fees of $34,375 (2024: $41,112).

On 27 September 2024, the Company entered a new loan facility agreement with Merchant Holdings Pty Ltd, a company controlled by My Mark Stowell. This agreement provided a loan facility for $500,000 available for draw down for 3 months from the date of the agreement. In terms of the agreement interest accrues at the rate of 7.65% per annum on the outstanding principal with a default interest rate of 20% should the loan facility not be repaid within 3 months. The default interest rate has been waived to date. Since 27 September 2024, the loan has been drawn down by $832,218 (2024: $460,000, to 30 June 2025: $147,218 and subsequent to the period end $225,000). Interest of $28,410 has been accrued to the date of this report (2024: $7,477, to 30 June 2025: $14,088 and subsequent to the period end $6,845. On 31 January 2025, the Company issued 21,176,966 fully paid ordinary shares at an issue price of $0.005 to entities related to Mr Mark Stowell via the non-renounceable pro rata entitlement offer prospectus lodged with ASIC and ASX on 6 January 2025. On 28 February 2025, a cash payment of $164,106 was paid and on 6 March 2025, a cash payment of $10,000 was paid. As at 30 June 2025, the loan balance was $348,793 (31 December 2024: $467,477) and at the date of this report the loan balance was $581,733.

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 2024 was $17,134 (2024: $17,423).

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').

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.

On 28 June 2024, a variation agreement was executed to:

- include 70% of all gold, base metal and non-LCT mineral rights acquired for the reimbursement of costs of $10,000 as a result of the new epithermal potential.
- The 2,000,000 performance rights that convert to fully paid ordinary shares in the capital of the Company was cancelled as a result of the current market and economic conditions of lithium and replaced with a 1% net smelter royalty.

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13. Related party transactions (continued)

As a result of the above variation made to the contingent consideration, being the cancellation of 2,000,000 performance rights, the duty paid was reassessed and resulted in a refund of $104,069 received in the prior period.

During the financial period, Mr Ric Dawson (or his nominee) received director fees of $3,000 (2024: $3,000) and consulting fees of $33,000, which included the issue of 1,425,000 fully paid ordinary shares at an issue price of $0.005 per share via the non-renounceable pro rata entitlement offer prospectus lodged with ASIC and ASX on 6 January 2025. (2024: $82,500, which included the issue of 750,000 fully paid ordinary shares at an issue price of $0.008 per share, shareholder approval was obtained at the Company's Annual General meeting held on 17 May 2024).

During the financial period, Mr Mark Bojanjac (or his nominee) received director fees of $3,000 (2024: $3,000) and consulting fees of $13,200, which included the issue of 2,625,000 fully paid ordinary shares at an issue price of $0.005 per share via the non-renounceable pro rata entitlement offer prospectus lodged with ASIC and ASX on 6 January 2025. (2024: $19,800, which included the issue of 1,000,000 fully paid ordinary shares at an issue price of $0.008 per share, shareholder approval was obtained at the Company's Annual General Meeting held on 17 May 2024).

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.

14. Subsequent events

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

- On 14 August 2025, the Company completed a placement to professional and sophisticated investors issuing 115,384,615 fully paid ordinary shares at an issue price of $0.0065 to raise $750,000 before costs.

- On 1 August 2025, 575,000 unlisted options exercisable at $0.085 issued under the Employee Incentive Option Plan ('EIOP') expired.

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