For personal use only

REY RESOURCES LIMITED

A.B.N. 84 108 003 890

CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

For personal use only

CORPORATE DIRECTORY

Directors
Ms Min Yang - Non-Executive Chairman
Mr Wei Jin - Managing Director
Mr Yan Zhao- Executive Director
Mr Geoff Baker - Non-Executive Director
Mr Qianrui (Stanley) Fu – Non-Executive Director

Company Secretary
Mr William Kuan

Registered Office
Suite 2, 3B Macquarie Street
Sydney NSW 2000

Tel + 61 (02) 9251 9088
Fax +61 (02) 9251 9066
www.reyresources.com

Share Registry
Boardroom Pty Limited
Level 8
210 George Street
Sydney NSW 2000

Auditor
SW Audit
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000

Securities Exchange
Australian Securities Exchange (ASX)
ASX Code: REY

CONTENTS PAGE

	Page
Directors' Report	1 – 5
Auditor's Independence Declaration	6
Consolidated Statement of Profit or loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Interim Financial Statements	11 – 18
Directors' Declaration	19
Independent Auditor's Review Report	20 - 21

For personal use only

For personal use only

DIRECTORS' REPORT

The Directors of Rey Resources Limited ("Rey" or "the Company") and its subsidiaries ("the Group") present their report together with the consolidated interim financial statements for the half-year ended 31 December 2024 and the auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name
Ms Min Yang – Non-Executive Chairman
Mr Wei Jin – Managing Director
Mr Yan Zhao – Executive Director
Mr Geoff Baker – Non-Executive Director
Mr Qianrui (Stanley) Fu – Non-Executive Director

Company Secretary

Mr William Kuan

Principal Activities

The principal activities of Rey are exploring for and developing energy resources in Western Australia's Canning Basin. The Company currently holds a 40% interest in the Canning Basin petroleum permits EP457 (known as the "Fitzroy Blocks") and a 100% interest in EP487 (known as the "Derby Block"). It also holds 2 exploration licences (E04/1519, E04/1770) and mining licence applications (M04/453) for Duchess Paradise Coal Project in the Canning Basin. The Company has also invested in a Surat gas project in Queensland.

Review and results of operations

Financial Results

Net loss of the Group after income tax amounted to $1,615,468 for the half-year ended 31 December 2024, an increase of approximately 29% compared with the loss of $1,248,755 for the corresponding period last year.

Finance costs amounted to $1,230,596 (2023: $1,020,642) which was principally interest accrued for the loans granted by ASF Group Limited ("ASF") and Wanyan Liu ("Liu"), shareholders of the Company. As at 31 December 2024, the Company has available loan facilities from ASF and Liu of $2 million and $5.09 million respectively.

Corporate

On 2 September 2024, the Company announced the extension of its on-market buyback program for a further 12 months from 16 September 2024. During the reporting period, the Company bought back 13,108 shares at a price of $0.055 per share.

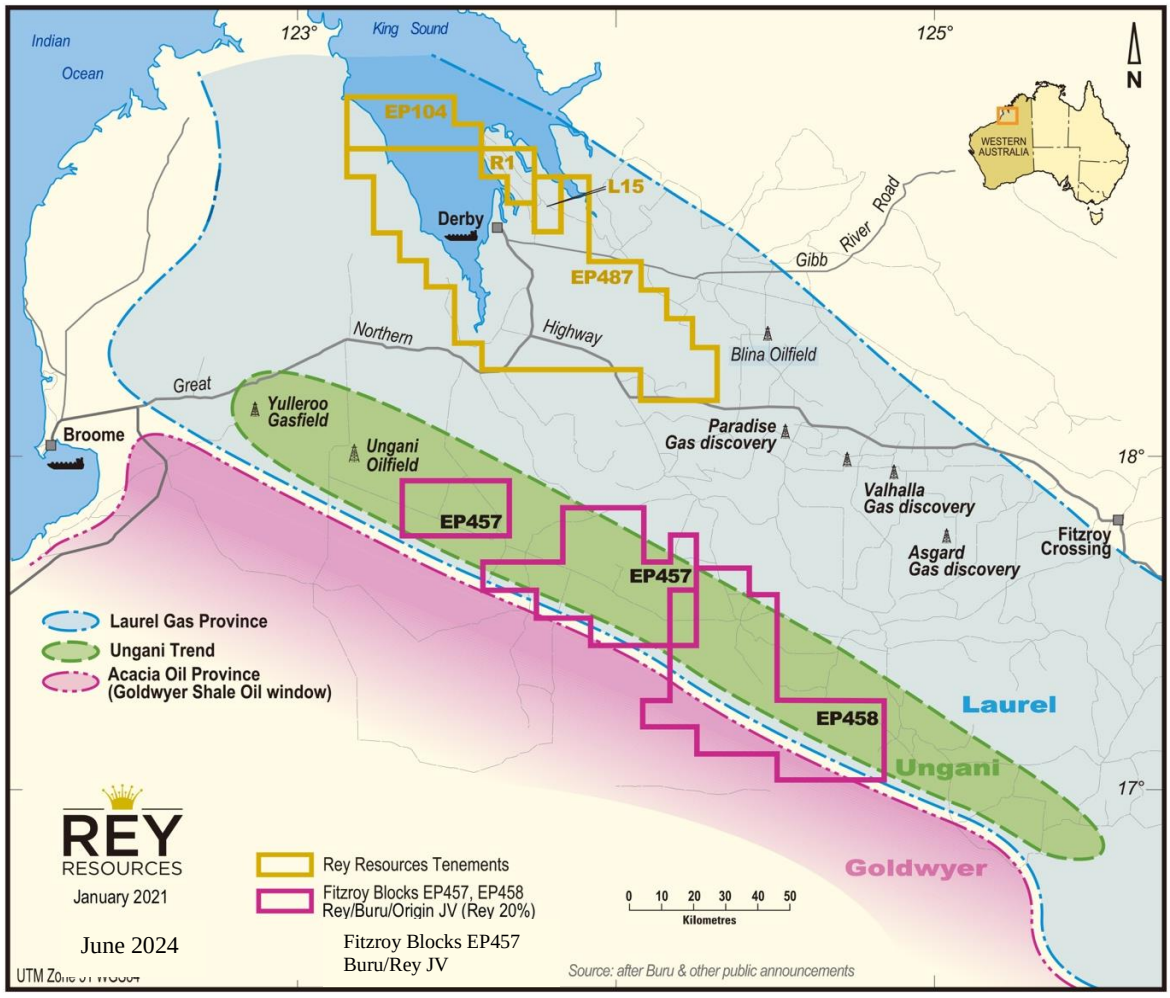
For personal use only

Operating Review

1. Oil and Gas

1.1 Fitzroy Blocks (EP457 & EP458)

The Fitzroy Blocks are located in the Canning Basin in the northwest of Western Australia (refer Figure 1 below).



June 2024

Fitzroy Blocks EP457
Buru/Rey JV

Figure 1: The three major prospective trends relative to Fitzroy Blocks EP457 and EP458 and Derby Block EP487.

Rey, through its subsidiary Rey Oil & Gas Pty Ltd, is holding 40% interest (including 6.664% free carried to production) in EP457 with the remaining 60% interest held by Buru. Rey and Buru will continue to maintain the JV relationship in EP457 with the same participant interests of each party. Buru, being the Operator, is working with department for the revision of the work program to vantage seismic line reprocessing. Rey supports the work proposal from the Operator.

EP458 was also part of the Fitzroy Blocks and Rey held 100% interest since Buru being the JV partner withdrawn from the permit in early 2024. However, after further technical review, Rey decided to withdraw EP458 from this block due to no drilling target. The fully surrender application was lodged to the department for assessment in the third quarter of 2024. As to the balance sheet date, no decision was received from the department.

For personal use only

1.2 Derby Block (EP487)

The Company currently holds a 100% interest in petroleum exploration permit EP487, the Derby Block, via its 100% owned subsidiaries Rey Lennard Shelf Pty Ltd and Rey Derby Block Pty Ltd.

The Derby Block is considered to be predominantly a Wet Laurel Basin Centred Gas (BCG) play which is regionally extensive throughout the Canning Basin (refer to Figures 2 below) and has been the subject of exploration elsewhere in the Canning Basin by other parties in 2015, resulting in encouraging flow tests by Buru at Valhalla and Asgard.

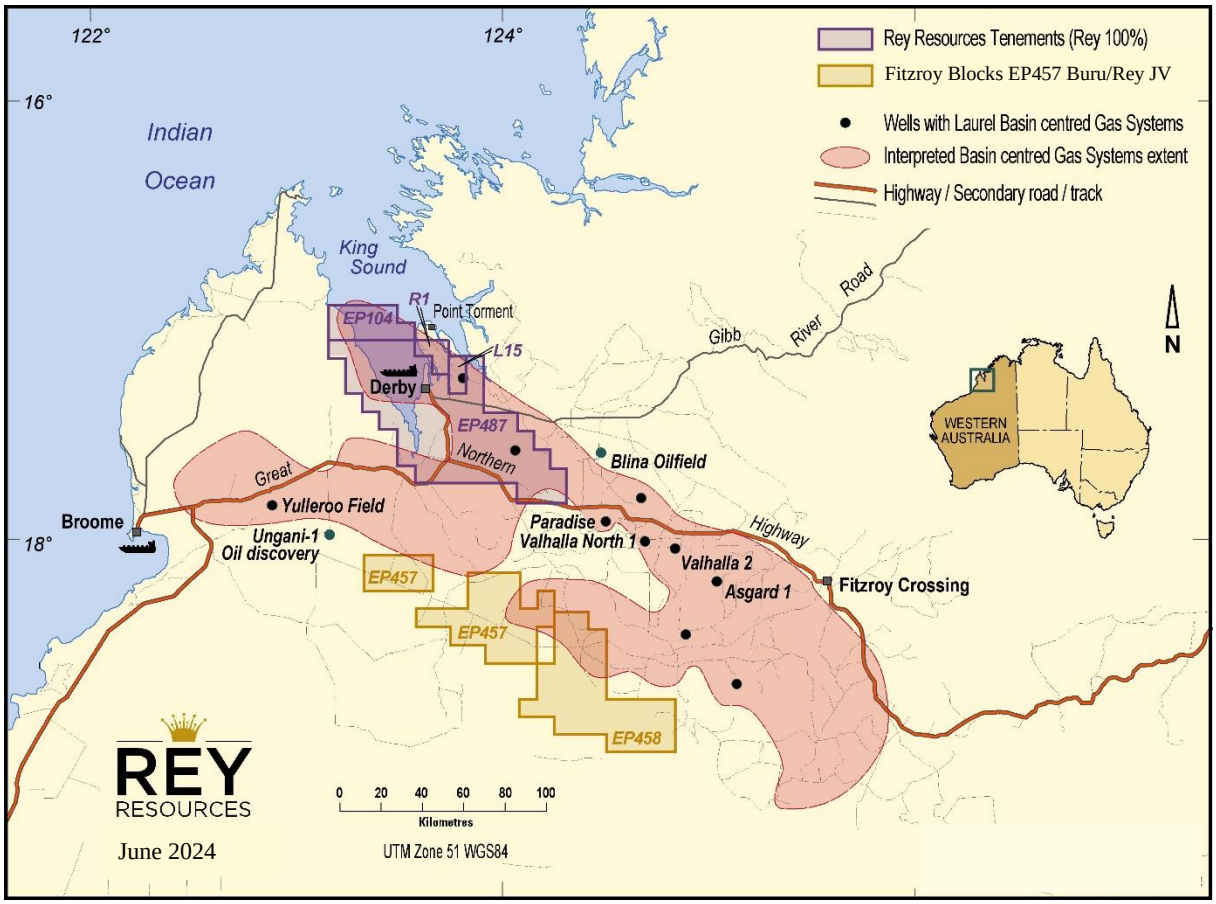


Figure 2: Interpreted extent of the Laurel Basin gas system in relation to Rey's petroleum interests (after Buru and others).

Throughout the reporting period, Rey diligently continued the commitment to conducting the 3D seismic survey across both Butler prospect and East Yeeda area.

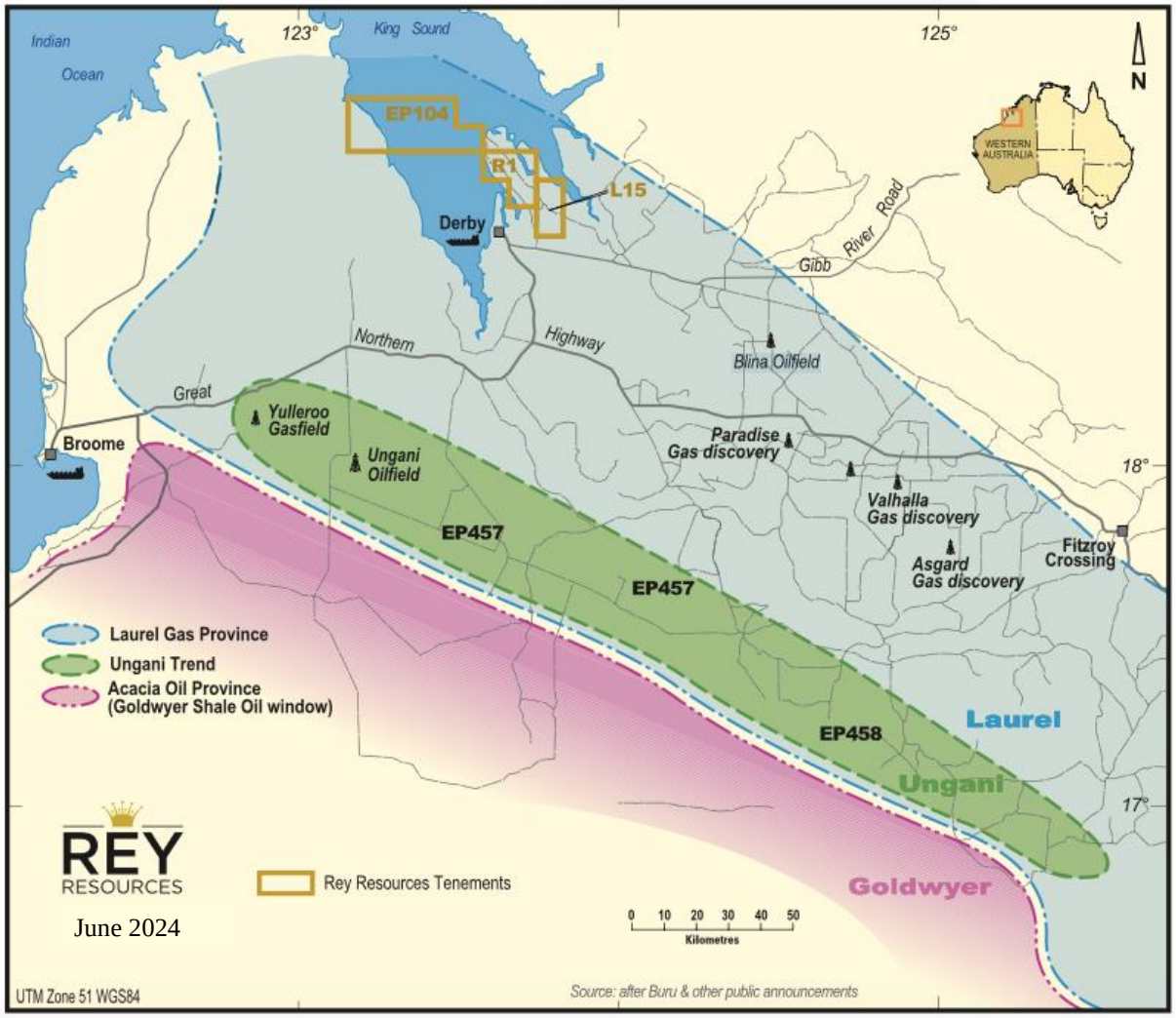
The environmental plan which covered the proposed 3D Seismic survey area and based on the onsite inspection has been lodged to the department for assessment during the period.

Stakeholder engagement work was also conducted during the period. Heritage survey was completed on Warrwa People's land over northeast corner of the proposed survey area and the heritage report has been received. Rey is working with Warrwa People to understand the survey result and heritage sensitive area for future work program. Rey is also trying to connect with Walalakoo Aboriginal Corporate to conduct the heritage survey across other Aboriginal Title Holder's land. Further mails and phone calls were also delivered to the landowner to secure land access.

1.3 Lennard Shelf Blocks – EP104, R1 and L15

In August 2024, Rey executed the Binding Cooperation Framework Agreement with China Guoxin Investment Holdings Co. Limited ("Guoxin") for the disposal of Gulliver Productions Pty Ltd which holds 100% interest in the Lennard Shelf Blocks comprising EP104, a Retention Lease (R1) and one Production Licence (L15).

For personal use only



June 2024

Figure 3: Location of Lennard Shelf Blocks.

Rey is currently assisting Guoxin on a flow testing and reproduction plan program, the initial plan has been discussed with Guoxin's technical team and detailed plan is under drafting.

2. Coal

Duchess Paradise Project

Rey's thermal coal tenements are located in the Fitzroy Trough of the Canning Basin, north of Western Australia. The Canning Basin is well situated to feed the strong Asian demand for Australian export thermal coal for power generation.

Rey actively engaged in communication with Native Title holders and has committed to participate the proposed face-to-face meeting for discussion. The case has now been referred to National Native Title Tribunal for remediation. The first meeting was held in early December 2024 and the Protocol has been sent back with comments, to the Native Title holders for review. As at the date of this report, Rey has not received any response.

Further information

Further details of operations during the six months ended 31 December 2024 are reported in the Quarterly Activity Reports released to the ASX and available on the Company's website.

Subsequent Events

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Lead Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' report for the half-year ended 31 December 2024.

This report has been made in accordance with a resolution of Directors.

Ms Min Yang
Chairman

13 March 2025
Sydney, NSW, Australia

For personal use only

SW
Accountants & Advisors

Take the lead

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF REY RESOURCES LIMITED

For personal use only

As lead auditor, I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

SW

SW Audit
Chartered Accountants

RMuller

René Muller
Partner

Sydney, 13 March 2025

Brisbane
Level 15
240 Queen Street
Brisbane QLD 4000
T + 61 7 3085 0888

Melbourne
Level 10
530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

Perth
Level 18
197 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000
T + 61 2 8059 6800

SW Audit ABN 39 533 589 331. Liability limited by a scheme approved under Professional Standards Legislation. SW Audit is an independent member of ShineWing International Limited.

sw-au.com

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	NOTES	31 Dec 2024 $	31 Dec 2023 $
Other Income		**1,444**	-
Less expenses:			
Administrative expenses		**(319,785)**	(176,088)
Employee benefit expense	4	**(66,531)**	(52,025)
Loss from operating activities		**(384,872)**	(228,113)
Finance cost		**(1,230,596)**	(1,020,642)
Loss before income tax expense		**(1,615,468)**	(1,248,755)
Income tax		**-**	-
Loss for the period		**(1,615,468)**	(1,248,755)
Other comprehensive income		**-**	-
Total comprehensive loss for the period, attributable to owners of the company		**(1,615,468)**	(1,248,755)
Basic and diluted loss per share (cents)	5	**(0.76)**	(0.59)

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

For personal use only

For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	NOTES	31 Dec 2024 $	30 June 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents		**276,191**	268,695
Trade and other receivables	6	**3,597**	2,550
Prepayments		**55,543**	2,557
Total Current Assets		**335,331**	273,802
Non-Current Assets			
Property, plant and equipment	7	**2,380**	2,380
Financial assets	8	**766,500**	766,500
Exploration and evaluation expenditure	9	**29,708,888**	33,061,513
Total Non-Current Assets		**30,477,768**	33,830,393
Total Assets		**30,813,099**	34,104,195
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**209,565**	287,929
Employee benefits	11	**15,141**	11,661
Loans and borrowings	12	**599,362**	536,775
Total Current Liabilities		**824,068**	836,365
Non-current Liabilities			
Loans and borrowings	12	**20,864,540**	19,350,231
Provision	14	**-**	3,176,915
Total non-current liabilities		**20,864,540**	22,527,146
Total Liabilities		**21,688,608**	23,363,511
Net Assets		**9,124,491**	10,740,684
EQUITY			
Share capital	13	**86,496,879**	86,497,604
Reserves		**(429)**	(429)
Accumulated losses		**(77,371,959)**	(75,756,491)
Total equity		**9,124,491**	10,740,684

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Share capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2023	86,506,580	(429)	(66,355,919)	20,150,232
Total comprehensive income:				
Loss for the period	-	-	(1,248,755)	(1,248,755)
Total comprehensive income for the period	-	-	(1,248,755)	(1,248,755)
Transactions with owners recorded directly in equity:				
Contributions by and distributions to owners				
Share Buyback	-	-	-	-
Balance at 31 Dec 2023	86,506,580	(429)	(67,604,674)	18,901,477
Balance at 1 July 2024	86,497,604	(429)	(75,756,491)	10,740,684
Total comprehensive income:				
Loss for the period	-	-	(1,615,468)	(1,615,468)
Total comprehensive income for the period	-	-	(1,615,468)	(1,615,468)
Transactions with owners recorded directly in equity:				
Contributions by and distributions to owners				
Share Buyback	(725)	-	-	(725)
Balance at 31 Dec 2024	86,496,879	(429)	(77,371,959)	9,124,491

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

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	31 Dec 2024 $	31 Dec 2023 $
Cash flows from operating activities		
Payments to suppliers and employees	**(392,240)**	(198,934)
BAS (payments)/refund	**(1,046)**	(445)
Net cash used in operating activities	**(393,286)**	(199,379)
Cash flows from investing activities		
Proceeds from sale of exploration and evaluation asset	**398,394**	-
Payments for exploration expenditure	**(345,300)**	(580,447)
Net cash used in investing activities	**53,094**	(580,447)
Cash flows from financing activities		
Finance costs	**(1,111,591)**	(1,358,551)
Proceeds from loans and borrowings	**1,460,000**	2,430,000
Share buy back	**(721)**	-
Net cash generated from financing activities	**347,688**	1,071,449
Net increase/(decrease) in cash and cash equivalents	**7,496**	291,623
Cash and cash equivalents at 1 July	**268,695**	240,270
Cash and cash equivalents at 31 December	**276,191**	531,893

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

For personal use only

1. REPORTING ENTITY

Rey Resources Ltd (the "Company") is a company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2024 is available upon request from the Company's registered office or at www.reyresources.com.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with *AASB 134 Interim Financial Reports* and the *Corporations Act 2001*. They do not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2024. The consolidated interim financial statements were approved by the Board of Directors on 13 March 2025.

(b) Going concern basis

The consolidated interim 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 ordinary course of business.

For the half-year ended 31 December 2024 the Group incurred a loss after tax of $1,615,468 and incurred operating and investing cash outflows of $340,192. As at 31 December 2024, the Group's current liabilities exceeded current assets by $488,737. The Group also had exploration expenditure commitments of $3,117,655 for the twelve months from 31 December 2024.

The Directors have considered the following, in their assessment of the future funding of the Group:

- The Group had cash of $276,191 as at 31 December 2024.
- The Company has a $2 million loan facility from ASF Group Limited, which is available for draw down until 30 April 2026.
- The Company has a $5.09 million remaining loan facility from Ms Wanyan Liu, which is available for draw down until 30 April 2026.
- The Group has prepared a cashflow forecast for the period to 31 March 2026. The cashflow forecast reflects:
  - The need to raise additional funding during the forecast period;
  - The need to renegotiate to extend the repayment of the loans from ASF Group Limited and Ms Wanyan Liu beyond their respective maturity dates;
  - Obtained the written confirmation from both ASF Group Limited and Ms Wanyan Liu that:
    - i) they will not call the loans owing from the Group within 12 months from the date of these consolidated interim financial statements;
    - ii) they have the intention to extend the loan facilities listed above for at least 12 months from the date of this financial statements; and
  - The need to defer or farm out the Group's share of certain petroleum interests to meet committed and forecast expenditures.

For personal use only

2. BASIS OF PREPARATION (continued)

(b) Going concern basis (continued)

Rey is pursuing funding alternatives in the form of debt and equity, including discussions with existing shareholders, and with third parties for farming out certain petroleum interests.

The Directors believe that sufficient funding will be sourced, the repayment of loans extended, the loans will not be recalled and farm out parties will be sourced in the timeframes required and that the adoption of the going concern basis of preparation is therefore appropriate. The requirement to raise the necessary funding to meet its commitments and secure farm out parties, or defer expenditure, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and to be able to pay its debts as and when they fall due, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated interim financial statements.

(c) Basis of measurement

The consolidated interim financial statements are prepared on the historical cost basis.

(d) Functional and presentation currency

The consolidated interim financial statements are presented in Australian Dollars which is the Company's and the Group's functional currency.

(e) Use of estimates and judgements

The preparation of the consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Valuation of financial assets

The financial assets are measured at fair value in accordance with AASB 9 *Financial Instruments*. In determining the fair value, key assumptions would need to be included from a market participant's perspective in accordance with AASB 13. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on the information from both external and internal sources. The Group has measured the value based on the recent transaction price. Should these significant assumptions and estimation uncertainties change subsequent to the reporting date, it may result in a material adjustment to the carrying amounts of assets in future periods.

For personal use only

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2024.

New standards and interpretations
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (”AASB”) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. EMPLOYEE BENEFIT EXPENSE

	31 Dec 2024 $	31 Dec 2023 $
Salaries and fees	**58,481**	44,325
Superannuation	**8,050**	7,700
	66,531	52,025

5. LOSS PER SHARE

	31 Dec 2024 $	31 Dec 2023 $
Basic loss per share (cents)	**(0.76)**	(0.59)
Diluted loss per share (cents)	**(0.76)**	(0.59)

The calculation of basic loss per share was based on the loss attributable to shareholders of $1,615,468 (2023: loss $1,248,755) and a weighted average number of ordinary shares outstanding during the half year of 211,561,263 (2023: 211,717,539).

The diluted loss per share for the half-year ended 31 December 2024 and 2023 were the same as the basic loss per share.

6. TRADE AND OTHER RECEIVABLES

	31 Dec 2024 $	30 June 2024 $
Included in receivables are as follows:		
Current		
Other receivables	**3,597**	2,550
	3,597	2,550

7. PROPERTY, PLANT & EQUIPMENT

	31 Dec 2024 $	30 June 2024 $
Plant and equipment		
At cost	**180,716**	180,716
Accumulated depreciation	**(178,336)**	(178,336)
	2,380	2,380

For personal use only

8. FINANCIAL ASSETS

	31 Dec 2024 $	30 June 2024 $
Measured at FVTPL		
Investment in PZE Limited [1]	**766,500**	766,500
	766,500	766,500

1. Pursuant to a term sheet signed on 18 December 2020 between the Company, Southernpec (Australia) Pty Ltd ("SouthnA") which holds significant interests in 7 conventional gas production licences in Surat Gas Project located at Surat Basin in Queensland and Southernpec Holdings Pty Ltd, the Company would acquire up to 75% equity interest in SouthnA in three stages of which 10% for $400,000 under the first stage was paid in December 2020. The parties further entered into a Supplementary Terms Sheet in May 2021 for the modification of second stage investment and the subscription of additional 10% equity interest in SouthnA by the Company for $300,000, which was paid in May 2021.

In June 2022 Rey executed a share buy-back deed with SouthnA pursuant to which SouthnA bought back all the fully paid ordinary shares in SouthnA held by the Company (including the conversion of $67,000 loan granted by the Company into additional shares in SouthnA) for 7.5 million fully paid ordinary shares representing approximately 5.8% in the issued capital of PZE Limited ("PZE") as of 30 June 2023. PZE is a public company incorporated in Australia. PZE acquired the Surat Gas Project from SouthnA by the issue of 35.5 million fully paid ordinary shares in PZE at an issue price of $0.10 per share to SouthnA. As the Group does not have board representation and hold less than 20% of the voting power at PZE, the Group concluded that it had no significant influence in PZE and it is not an associate company of the Group. As a result, the investment is accounted for as financial assets measured at fair value.

9. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2024 $	30 June 2024 $
Costs carried forward in respect of:		
Duchess Paradise [(i)]	**21,898,411**	21,870,181
EP457 and EP458 [(ii)]	**3,588,864**	3,422,208
EP104 [(iii)]	**-**	400,000
R1 [(iii)]	**-**	2,662,206
L15 [(iii)]	**-**	514,709
EP487 [(iv)]	**4,221,613**	4,192,209
Costs carried forward	**29,708,888**	33,061,513

(i) Exploration and evaluation expenditure recognised in Duchess Paradise (coal project) is held solely by the Group.

(ii) Exploration and evaluation expenditure recognised on EP457 and EP458 tenements (Petroleum project) under joint venture agreement with Buru Energy Limited. This amount includes the Group's proportionate share of exploration assets held by the respective joint venture entities. On 21 December 2020, a binding letter of agreement had been executed between Rey, Buru and Origin pursuant to which both Buru and Rey will farm-out 20% of their respective participating interest in each of EP457 and EP458 to Origin. On 15 April 2021, a formal farm-in agreement was executed between the parties and 40% interests in each of the tenements were accordingly transferred to Origin. On 13 February 2023, Rey announced that Origin has decided to withdraw from the Canning Basin and the 40% interests in each of the tenements previously assigned to Origin under the farm-in agreement will be assigned back to Buru and Rey equally in accordance with the pre-farmin equities. In early 2024, Buru decided to withdraw from EP458 JV. Accordingly, Buru is now holding a participating interest of 60% in EP457, with Rey holding the remaining 40% in EP457 and 100% in EP458.

(iii) Acquisition costs and the exploration and evaluation expenditure recognised on EP104, R1 and L15 (Petroleum projects) which are held solely by the Group. On 1 August 2024, Rey announced that it has executed a binding Cooperation Framework Agreement with GuoXin Investment Holdings Co., Limited for the sale of Gulliver Productions Pty Ltd, a wholly owned subsidiary of the Company and holder of R1, L15 and EP104, for a total cash consideration of $400,000.

(iv) Exploration and evaluation expenditure recognised on EP487 (Petroleum project) which is held solely by the Group.

	31 Dec 2024 $	30 June 2024 $
At cost	**29,708,888**	33,061,513
	29,708,888	33,061,513
Movements in carrying amount:		
Opening balance	**33,061,513**	39,161,191
Expenditure capitalised	**346,743**	1,107,273
Impairment of capitalised exploration expenditure	**(122,453)**	(6,819,265)
Disposal of EP104, R1 and L15	**(3,576,915)**	-
Adjustment of restoration provision for L15, R1	**-**	(387,686)
	29,708,888	33,061,513

For personal use only

9. EXPLORATION AND EVALUATION EXPENDITURE (continued)

For further information on exploration expenditure refer to note 16 on commitments. The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or evaluation stage is dependent on successful development and commercial exploitation, or alternatively sale of the respective areas, or the securing and maintaining of rights to tenure.

10. TRADE AND OTHER PAYABLES

	31 Dec 2024 $	30 June 2024 $
Unsecured liabilities		
Sundry payables and accrued expenses	**209,565**	287,929
	209,565	287,929

11. EMPLOYEE BENEFITS

	31 Dec 2024 $	30 June 2024 $
Current:		
Employee benefits	**15,141**	11,661
	15,141	11,661

12. LOANS AND BORROWINGS

	31 Dec 2024 $	30 June 2024 $
Current:		
Wanyan Liu [1]	**599,362**	536,775
ASF Group Ltd [2]	**-**	-
	599,362	536,775
Non-current:		
Wanyan Liu [1]	**19,910,000**	18,450,000
ASF Group Ltd [2]	**954,540**	900,231
	20,864,540	19,350,231

1. An unsecured loan of $500,000 was granted by Wanyan Liu ("Liu"), a substantial shareholder of the Company, with maturity date on 31 March 2021 and interest bearing 12% per annum ("First Liu Loan"). On 18 April 2019, the Company entered into another loan agreement with Liu for the granting of $3 million additional loan ("Second Liu Loan"), with maturity date on 31 December 2020 and interest bearing at 12% per annum payable quarterly by cash. On 17 July 2019, the Company entered into a new loan agreement with Liu pursuant to which Liu agreed to grant a further loan facility of $3 million ("Third Liu Loan") to the Company maturing 31 December 2021 and interest bearing 12% per annum. On 25 June 2020, the Company announced that Liu agreed to increase the Second Liu Loan from $3 million to $5 million and extend the maturity date from 31 December 2020 to 31 October 2021. On 30 April 2021, the Company announced that Liu agreed to consolidate the aforesaid three loan facilities and to increase the loan facility amount to a total of $12.5 million and extend the maturity date to 31 October 2022. Subsequently the loan facility amount was further increased to a total of $25 million and the maturity date was further extended to 30 April 2026.

2. An unsecured loan of $3.8 million was granted by ASF Group Ltd, a substantial shareholder of the Company, with maturity date on 31 December 2019 and interest bearing at 12% per annum. On 31 December 2019, the Company announced that it has agreed with ASF to reduce the facility amount from $3.8 million to $2 million and to extend the maturity date of the loan facility to 31 March 2020, which was subsequently further extended to 30 April 2026.

   The principal had been fully repaid in the financial year ended 30 June 2021 and as at 31 December 2024, the outstanding amount of $954,540 represented accrued unpaid interests and the total $2 million loan facility remains available for draw down.

For personal use only

13. ISSUED CAPITAL

	6 months to 31 Dec 2024		12 months to 30 June 2024	
	$	Number	$	Number
Ordinary Shares				
At the beginning of the reporting date	**86,497,604**	**211,574,012**	86,506,580	211,717,539
Share buy back [1]	**(725)**	**(13,108)**	(8,976)	(143,527)
On issue at the end of the period	**86,496,879**	**211,560,904**	86,497,604	211,574,012

1. On 2 September 2024, the Company announced the extension of its on-market buyback program for a further 12 months from 16 September 2024. During the reporting period, the Company bought back 13,108 shares at a price of $0.055 per share.

14. PROVISION

	31 Dec 2024	30 June 2024
	$	$
Restoration provision (L15, R1)	-	3,176,915
	-	3,176,915

The restoration provision relates to the West Kora 1 well and disused production facilities in Production License L15, which was estimated based upon converting the well to a water well following confirmation from the pastoral lease owner and removing the tank farm and restoring the site back to its original condition.

The provision has been calculated on an assumption that management expects that the cash out flow will not be incurred until approximately 2029.

The provision was reversed with the sale of Gulliver at the end of the period.

15. CONTINGENCIES

Parent Entity Guarantee in respect of the debt of subsidiaries
The Company provides loan or debt guarantee to its wholly owned subsidiary companies. As of 31 December 2024 and 30 June 2024, no subsidiaries hold any debt or loan balances with third parties.

16. COMMITMENTS

At 31 December 2024, the total commitments for both mineral exploration tenements and the Group's share in petroleum exploration permits in which it has joint venture interests for the following five years are $26,373,184 (30 June 2024: $47,523,636). These obligations may be varied from time to time, subject to approval by the DMP.

	Mineral	Petroleum	Total
	$	$	$
Year 1	104,712	3,012,943	3,117,655
Year 2-5	104,712	23,150,817	23,255,529
Total	209,424	26,163,760	26,373,184

For personal use only

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurement principles adopted in this report are consistent with those applied in the Group's Annual Financial Statements for the year ended 30 June 2024.

The Group's financial instruments consist mainly cash and cash equivalents, trade and other receivables, investment, trade and other payables, and loan and borrowings.

	31 Dec 2024 $	30 June 2024 $
Financial assets measured at amortised cost		
- Cash and cash equivalents	**276,191**	268,695
- Trade and other receivables	**3,597**	2,551
Financial assets measured at FVTPL		
- Investment in PZE Ltd	**766,500**	766,500
Total financial assets	**1,046,288**	1,037,746
Financial liabilities measured at amortised cost		
Trade and other payables	**209,565**	287,929
Total financial liabilities	**209,565**	287,929

Financial assets measured at FVTPL

The Group accounts for its investment in PZE Limited as financial assets measured at FVTPL. The reporting date, fair value of the investment approximates to the cost as it is a recent transaction completed within 12 month with a unrelated party.

The investment is categorised into Level 3 fair value hierarchy as defined in AASB 13 *Fair Value Measurement*. Techniques which use inputs that have significant effect on the recorded fair value that are not based on observable market date.

31 Dec 2024	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
- Investment in PZE Ltd	-	-	766,500	766,500

31 Dec 2023	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
- Investment in PZE Ltd	-	-	766,500	766,500

For the half-year ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2 or transfer into or out of Level 3.

For personal use only

18. OPERATING SEGMENTS

The Group operates in two segments, mineral exploration and development and petroleum exploration in one geographical location, Western Australia. The consolidated financial results from these segments are equivalent to the financial statements of the Group.

Operating segment information

Consolidated	**Mineral 6 months ended 31 Dec 2024 $**	Mineral 6 months ended 31 Dec 2023 $	**Petroleum 6 months ended 31 Dec 2024 $**	Petroleum 6 months ended 31 Dec 2023 $	**Corporate 6 months ended 31 Dec 2024 $**	Corporate 6 months ended 31 Dec 2023 $	**Total 6 months ended 31 Dec 2024 $**	Total 6 months ended 31 Dec 2023 $
Revenue								
Total Reportable segment revenue	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	**(1,230,596)**	(1,020,642)	**(1,230,596)**	(1,020,642)
Administration cost	-	-	-	-	**(384,872)**	(228,113)	**(384,872)**	(228,113)
Profit/(loss) before income tax benefit	-	-	-	-	**(1,615,468)**	(1,248,755)	**(1,615,468)**	(1,248,755)
income tax benefit	-	-	-	-	-	-	-	-
Loss after income tax benefit	-	-	-	-	**(1,615,468)**	(1,248,755)	**(1,615,468)**	(1,248,755)
Capital Expenditure	**(28,231)**	(31,929)	**(196,059)**	(548,518)	-	-	**(224,290)**	(580,447)
Assets								
Other Assets	-	-	-	-	**1,104,211**	1,306,223	**1,104,211**	1,306,223
Segment assets	**21,898,411**	21,805,386	**7,810,477**	17,768,868	-	-	**29,708,888**	39,574,254
Total assets	**21,898,411**	21,805,386	**7,810,477**	17,768,868	**1,104,211**	1,306,223	**30,813,099**	40,880,477
Liability								
Other liabilities	-	-	-	-	**21,688,608**	18,581,783	**21,688,608**	18,581,783
Segment liabilities	-	-	-	3,397,218	-	-	-	3,397,218
Total Liabilities	-	-	-	3,397,218	**21,688,608**	18,581,783	**21,688,608**	21,979,001

19. SUBSEQUENT EVENTS

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

For personal use only

DIRECTORS' DECLARATION

In the opinion of the Directors of Rey Resources Limited ("the Company"):

1. the consolidated interim financial statements and notes, as set out on pages 7 to 18, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of financial position of the Group as at 31 December 2024 and of its performance for the half-year period ended on that date; and

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

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Ms Min Yang
Chairman

13 March 2025
Sydney, NSW, Australia

For personal use only

SW Accountants & Advisors

Take the lead

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF REY RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Rey Resources Limited (the Company and its subsidiaries (the 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, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

a. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the consolidated interim financial statements which indicates that the Group incurred a net loss of $1,615,468 and had operating and investing cash outflows of $340,192 for the six months ended 31 December 2024. The Group's current liabilities exceeded current assets by $488,737 as at 31 December 2024. As stated in Note 2(b), these conditions, along with other matters as stated in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

For personal use only

Take the lead

Responsibility of the Directors' for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

SW

SW Audit
Chartered Accountants

Renè Muller
Partner

Sydney, 13 March 2025

For personal use only