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Auris Minerals Limited

INTERIM CONSOLIDATED FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

ASX CODE: AUR

AURIS MINERALS LIMITED AND ITS CONTROLLED ENTITIES
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ABN 77 085 806 284

Directors

Neville Bassett	Non-Executive Chair
Craig Hall	Non-Executive Director
Mike Hendriks	Managing Director

Company Secretary

Chris Achurch

Registered Office and Principal Place of Business

Level 3, 18 Richardson Street
West Perth WA 6005
Tel: +61 8 6109 4333
Email: general@aurisminerals.com.au
Web: www.aurisminerals.com.au

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000
Tel: 1300 288 664 / +61 (0) 9698 5414
Email: hello@automicgroup.com.au
Web: automicgroup.com.au

Auditors

Elderton Audit Pty Ltd
Level 32, 152 St Georges Terrace
Perth WA 6000

Australian Securities Exchange

Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code

Ordinary fully paid shares: AUR
Options: AURO

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DIRECTORS' REPORT

The directors present their report together with the interim financial report of Auris Minerals Limited and its controlled entities for the six months ended 31 December 2022 and the independent auditor's review report thereon.

1. Directors

The directors of the Company at any time during or since the end of the interim period are set out below. Directors were in office for the entire period unless otherwise stated.

Name	Position	Appointment date
Mr Neville Bassett	Non-Executive Chair	Appointed 20 April 2018
Mr Craig Hall	Non-Executive Director	Appointed 1 August 2018
Mr Mike Hendriks	Managing Director	Appointed 20 November 2020

2. Review and results of operations

Operating Review

The consolidated loss of the Group for the half-year ended 31 December 2022 after providing for income tax amounted to $1,240,379 (2021: loss of $388,664).

Review of Operations

Operations Overview - Bryah Basin

Auris is exploring for base metals and gold in the Bryah Basin of Western Australia. Auris has consolidated a tenement portfolio of 1,241km², which is divided into eight well-defined project areas: Forrest, Cashman, Cheroona, Doolgunna, Morck Well, Feather Cap, Milgun and Horseshoe Well, (Figure 1).

During September 2019, Auris entered into a Farm-in with Sandfire in relation to the Cashman Project tenements, E51/1053 and E51/1120, (the Cashman JV) and during February 2020, Auris and Northern Star Resources Limited (NST) entered into a Farm-in agreement with Sandfire in relation to tenements, E51/1391, E51/1837 and E51/1838 (the Cheroona JV). As from the 4 August 2022, the Cheroona and Cashman project tenements were withdrawn from their respective farm-in agreements.

In February 2018, Auris entered a Farm-in Agreement with Sandfire in relation to the Morck Well and Doolgunna Projects (the Morck Well JV). Following notification by SFR of their withdrawal from the Joint Venture effective 19 January 2023, Auris will manage exploration on all tenements, including those that are subject to arrangements with third parties.

DIRECTORS' REPORT

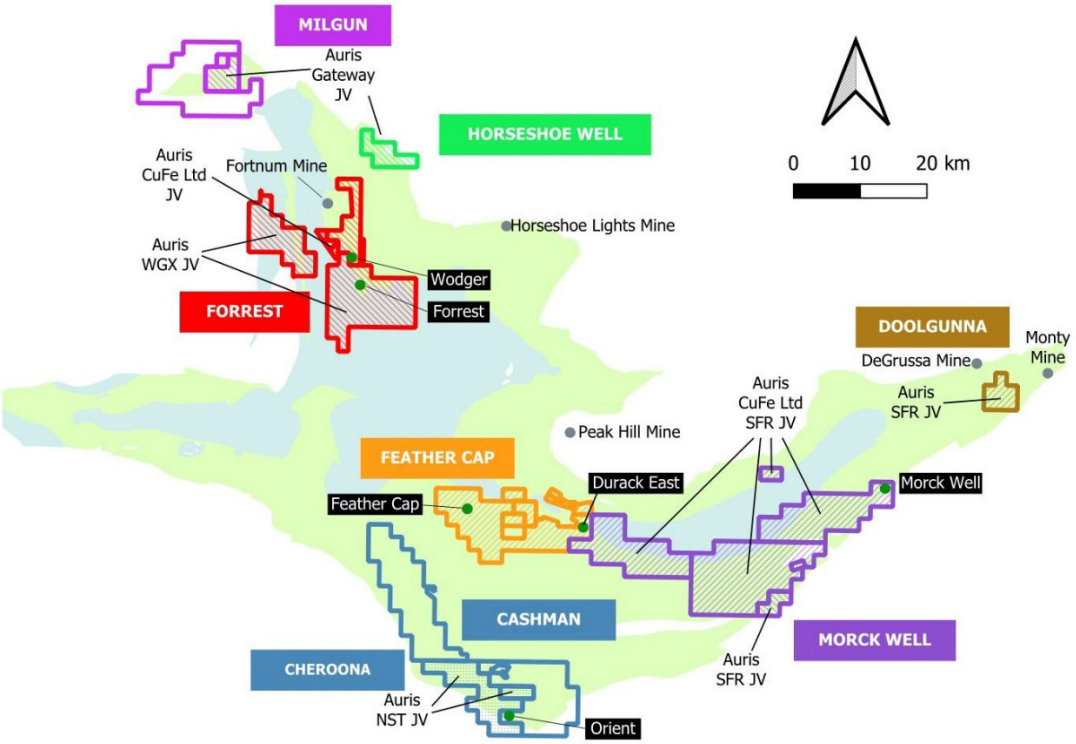

Figure 1: Auris' copper-gold exploration tenement portfolio, with Sandfire (SFR), Northern Star (NST), Westgold (WGX), Fe Ltd and Gateway JV areas indicated

Notes:

1. The Forrest Project tenements E52/1659 and E52/1671 have the following outside interests:
   - Auris 80%; Westgold Resources Ltd 20% (ASX:WGX). Westgold Resources Ltd interest is free carried until a Decision to Mine
   - Westgold Resources Ltd own the gold rights over the Auris interest.
2. The Forrest Project tenements P52/1494-1496 have the following outside interests:
   - Auris 80%; CuFe Ltd 20% (ASX:CUF). CuFe Ltd interest is free carried until a Decision to Mine
3. The Forrest Project tenements P52/1493 has the following outside interests:
   - Westgold Resources Ltd own the gold rights over the Auris interest.
4. The Cheroona Project tenements E51/1391, E51/1837 have the following outside interests:
   - Auris 70%; Northern Star Resources Ltd 30% (ASX:NST)
5. The Horseshoe Well Project tenement E52/3291 has the following outside interests:
   - Auris 85%; Gateway Projects WA Pty Ltd 15% (Gateway Projects free carried until a Decision to Mine)
6. The Milgun Project tenement E52/3248 has the following outside interests:
   - Auris 85%; Gateway Projects WA Pty Ltd 15% (Gateway Projects free carried until a Decision to Mine)
7. The Morck Well Project tenements E51/1033, E52/1613 and E52/1672 have the following outside interests:
   - Auris 80%; CuFe Ltd 20% (ASX:CUF). CuFe Ltd interest is free carried until a Decision to Mine

Morck Well JV

Citra Prospect

Results were received from a diamond drill hole (MWDD0006 – Refer ASX Announcement 25 October 2022) completed during the June 2022 quarter. A maximum result of 2m @ 0.15% Cu from 1,039m was returned. The drill hole was designed to test an interpreted rift and transform structure intersection proximal to mapped exhalative sediments.

A total 2 RC drill holes (MWRC0053-0054) for 897m of RC drilling was completed to evaluate potential up-dip extensions of several minor mineralised horizons in MWDD0006 containing minor bornite, chalcopyrite and chalcocite in an interpreted rift and transform structure intersection proximal to mapped exhalite sediments. No significant results were returned from the RC drilling.

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DIRECTORS' REPORT

DHEM was completed on drill holes MWDD0006 and MWRC0053 during the reporting period. No anomalies interpreted to be associated with bedrock conductors were identified. Damaged PVC resulted in MWRC0054 not being able to be DHEM surveyed.

McLean Well Prospect

A total of seven (7) RC drill holes for 1,052m were completed at the McLean Well Prospect, (Refer ASX Announcement 25 January 2023). The drilling comprised six (6) exploration drill holes (MWRC0055-0060) for 1,000m and one (1) water bore (MWWE0012) for 52m.

Drilling conditions were difficult, water and swelling clays prevented the drilling of holes to planned depth, with all holes unable to reach fresh rock, finishing in weathered saprolite.

All results have been received from the completed RC drilling, (Refer ASX Announcement 25 January 2023). Significant results returned from the drilling comprise:

- 23m @ 0.50% Zn and 0.10% Pb from 125m (MWRC0055)
- 32m @ 0.19% Zn from 80m (MWRC0060)

Significant lead-zinc±copper results have been intersected within completed drilling at McLean Well on adjacent drill lines, spaced 400m apart. The significant results remain open along strike and at depth. The intersected significant results to date are interpreted to be located within a supergene enrichment zone within the weathered profile.

Sandfire is currently compiling all reports and exploration data for handover to Auris. Upon receipt, Auris will conduct a detailed review to determine the next steps and future exploration plans.

Cashman / Cheroona Projects

A technical review was initiated following the withdrawal of Sandfire Resources from the respective farm-in agreements (see ASX release dated 20 July 2022) effective 4 August 2022.

The data review has successfully highlighted two main zones of gold mineralisation. The most significant gold anomalous zone encompasses the Orient Copper Gold Prospect, which is in the north of the gold anomalism zone which trends over 2 kilometres in a northeast/southwest direction.

The gold anomalism is interpreted to be associated with the basal contact of the DeGrussa Formation, in contact with the Doolgunna Formation. The northern portion of the anomalism trends into the Degrussa Formation where the DeGrussa/Doolgunna contacts reverts to a trend of northwest /southeast.

Anomalous results from drilling within the anomalous gold zone include:

- 10m @ 0.75g/t Au from 25m (CHAC1205)*
- 5m @ 0.86g/t Au from 96m (OTRC004)*

The northern extent of the above interpreted gold anomalous zone has a copper association highlighted by anomalous copper results within drilling at the Orient prospect including 33m @ 0.28% Cu from 0m and highly significant rock chip anomalism returning results up to 12.8% Cu, 41.7g/t Au, 0.38% Zn, 0.35% Pb and 337ppm As.

Another significant gold anomalous zone is located approximately 800 metres to the east of the Orient prospect and is interpreted to trend east-southeast for approximately 1 kilometre. The anomalous zone is poorly defined, with significant results being intersected in three air core drill holes completed at a spacing of 100m x 400m. Significant results from the drilling within the anomalous gold zone include:

- 1m @ 9.72g/t Au from 40m (CHAC0780)*
- 10m @ 0.13g/t Au from 10m (CHAC0732)*
- 5m @ 0.60g/t Au from 25m (CHAC1185)*

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DIRECTORS' REPORT

* - Refer ASX Announcements dated 28 January 2020, 20 April 2020, 17 July 2020, 23 October 2020 and 10 July 2017.

Exploration Activities

Auris is in the process of reviewing the Morck Well Project to determine next steps and future exploration plans.

Targeted exploration work continues to progress over all projects within the Bryah Basin portfolio and Auris will continue to actively assess new project opportunities

The ongoing review of tenements resulted in the relinquishment of three non-core tenements.

3. Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the reporting date which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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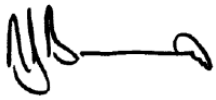
DIRECTORS' REPORT

4. Auditor's independence declaration

The auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the six months ended 31 December 2022.

This report is made with a resolution of the directors.



NEVILLE BASSETT

NON-EXECUTIVE CHAIR

Dated at West Perth this 10th day of March 2023.

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ELDERTON
AUDIT PTY LTD

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Auditor's Independence Declaration

To those charged with the governance of Auris Minerals Limited,

As auditor for the review of Auris Minerals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the independence requirements of 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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Director

10 March 2023
Perth

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		31 Dec 2022	31 Dec 2021
		$	$
Finance income		36,215	3,736
Other income		135,805	11,407
Administrative expenses		(309,431)	(403,287)
Finance costs		-	(520)
Impairment of exploration and evaluation expenditure	5	(1,102,968)	-
Loss before income tax		**(1,240,379)**	**(388,664)**
Income tax benefit		-	-
Loss from continuing operations		**(1,240,379)**	**(388,664)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		**(1,240,379)**	**(388,664)**
Loss per share			
Basic and diluted loss per share		(0.003)	(0.008)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Dec 2022 $	30 Jun 2022 $
ASSETS			
Cash and cash equivalents		3,118,165	3,571,022
Trade and other receivables		44,345	59,198
Total current assets		**3,162,510**	**3,630,220**
Property, plant and equipment		141,517	157,441
Exploration assets	5	20,340,816	21,023,597
Total non-current assets		**20,482,333**	**21,181,038**
TOTAL ASSETS		**23,644,843**	**24,811,258**
LIABILITIES			
Trade and other payables		67,018	113,547
Provisions	6	134,175	13,682
Total current liabilities		**201,193**	**127,229**
Provisions	6	29,360	29,360
Total non-current liabilities		**29,360**	**29,360**
TOTAL LIABILITIES		**230,553**	**159,589**
NET ASSETS		**23,414,290**	**24,654,669**
EQUITY			
Issued capital	7	130,689,277	130,689,277
Reserves	8	2,186,070	2,186,070
Accumulated losses		(109,461,057)	(108,220,678)
TOTAL EQUITY		**23,414,290**	**24,654,669**

The interim consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued capital $	Accumulated losses $	Reserves $	Total equity $
For the six months ended 31 December 2022					
Opening balance at 1 July 2022		**130,689,277**	**(108,220,678)**	**2,186,070**	**24,654,669**
Loss for the period		-	(1,240,379)	-	(1,240,379)
Total comprehensive loss for the period		-	(1,240,379)	-	(1,240,379)
Balance as at 31 December 2022		**130,689,277**	**(109,461,057)**	**2,186,070**	**23,414,290**
For the six months ended 31 December 2021					
Opening balance at 1 July 2021		**130,689,277**	**(106,950,203)**	**320,615**	**24,059,689**
Loss for the period		-	(388,664)	-	(388,664)
Total comprehensive loss for the period		-	(388,664)	-	(388,664)
Transactions with owners and other transfers					
Issue of options	8	-	-	2,383,130	2,383,130
Option issue costs	8	-	-	(197,060)	(197,060)
Transferred to retained earnings		-	320,615	(320,615)	-
Balance as at 31 December 2021		**130,689,277**	**(107,018,252)**	**2,186,070**	**25,857,095**

The interim consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Dec 2022 $	31 Dec 2021 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(319,150)	(474,016)
Interest received	36,215	3,736
Other income	42,345	-
Lease income	4,800	3,600
Net cash outflow from operating activities	**(235,790)**	**(466,680)**
Cash flows from investing activities		
Payments for exploration and evaluation	(287,067)	(554,280)
Payments for property, plant and equipment	-	(99,277)
Proceeds from disposal of tenements	70,000	-
Net cash outflow from investing activities	**(217,067)**	**(653,557)**
Cash flows from financing activities		
Proceeds from issue of options	-	2,383,130
Option issue costs	-	(197,060)
Net cash inflow from financing activities	**-**	**2,186,070**
Net (decrease)/increase in cash and cash equivalents	**(452,857)**	**1,065,833**
Cash and cash equivalents at the beginning of the period	3,571,022	3,334,587
Cash and cash equivalents at the end of the period	**3,118,165**	**4,400,420**

The interim consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL REPORT

1. Basis of preparation

Auris Minerals Limited (the Company or Auris Minerals) is a company domiciled and incorporated in Australia. The address of the Company's registered office is Level 3, 18 Richardson Street, West Perth WA 6005. The interim consolidated financial report of the Company as at and for the six months ended 31 December 2022 comprises the Company and its wholly owned subsidiaries (together referred to as the "Group").

The interim consolidated report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full year financial report. It is recommended that the interim consolidated financial report be read in conjunction with the annual report for the year ended 30 June 2022 and considered together with any public announcements made by the Company during the six months ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules. The annual report of the Company as at and for the year ended 30 June 2022 is available on request from the Company's registered office or at www.aurisminerals.com.au.

This interim consolidated financial report was approved by the Board of Directors on 10 March 2023.

2. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board 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.

3. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report as at and for the year ended 30 June 2022.

4. Operating segments

The Group operates within one reportable segment, being the exploration and evaluation of mineral tenements in Western Australia. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

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NOTES TO THE CONSOLIDATED FINANCIAL REPORT (continued)

5. Exploration assets

	31-Dec-22
	$
Carrying amount at 1 July 2022	21,023,597
Costs incurred during the period	295,134
Stamp duty provision	125,053
Impairment of exploration and evaluation expenditure	(1,102,968)
Carrying amount at 31 December 2022	**20,340,816**

Impairment of exploration and evaluation expenditure of $1,102,968 follows managements' review of the Company's tenement portfolio and relates to the relinquishment of three non-core tenements during and subsequent to the reporting period.

6. Provisions

	31-Dec-22
Current provisions	$
Employee leave benefits	9,122
Stamp duty	125,053
	134,175

Carrying amount at 1 July 2022	13,682
Employees leave benefits provision adjustment	(4,560)
Stamp duty	125,053
Carrying amount at 31 December 2022	**134,175**

The stamp duty provision has been reinstated at the reporting date following correspondence received from the Office of State Revenue (WA). The provision had previously been reversed at 30 June 2022 and relates to a share purchase acquisition by Auris Exploration Pty Ltd for movable property, and an adjustment for the value of gold inventory during the 2012 financial year.

Non-current provisions	$
Environmental provision	29,360
	29,360

Carrying amount at 1 July 2022	29,360
Movements	-
Carrying amount at 31 December 2022	**29,360**

A provision has been made in respect of environmental rehabilitation on tenements based on the disturbance criteria as determined by the Department of Mines and Petroleum.

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (continued)

7. Issued capital

Movement in ordinary shares	Number	$
Issued capital at 1 July 2022	476,625,957	130,689,277
Movements	-	-
Issued capital at 31 December 2022	**476,625,957**	**130,689,277**

Movement in listed options

Options expiring on or before	Exercise price	On issue 1 Jul 2022	Issued	Exercised	Expired	On issue 31 Dec 2022
30 Nov 2023	$0.08	476,625,957	-	-	-	476,625,957
		476,625,957	**-**	**-**	**-**	**476,625,957**

8. Reserves

	$
Reserves at 1 July 2022	2,186,070
Movements	-
Reserves at 31 December 2022	**2,186,070**

9. Events subsequent to reporting date

No matters or circumstances have arisen since the end of the reporting date which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

10. Contingent Liabilities and Assets

The Group had no contingent assets or liabilities as at 31 December 2022.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Auris Minerals Limited (the Company), I state that:

In the opinion of the directors of Auris Minerals Limited:

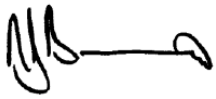
a. The consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2022 and the performance for the half-year ended on that date;

   ii. complying with Accounting Standard 134: Interim Financial Reporting and the Corporations Regulations 2001.

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

Signed in accordance with a resolution of the directors



NEVILLE BASSETT

NON-EXECUTIVE CHAIR

Dated at West Perth this 10th day of March 2023.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Auris Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Auris Minerals Limited (the 'Company') and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 Auris Minerals Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Auris Minerals Limited's financial position as at 31 December 2022 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 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.

Responsibility of Management 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 Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Director

10 March 2023
Perth

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