



Iltani Resources Limited

ABN 21 649 345 308

For the period ending - 31 December 2022

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Iltani Resources Limited

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31 December 2022

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Iltani Resources Limited
Corporate directory
31 December 2022

Directors	Mr Donald Garner (Executive Director) Mr Anthony Reilly (Non-Executive Director) Mr Justin Mouchacca (Non-Executive Director)
Company secretary	Mr Justin Mouchacca
Registered office	Level 21, 459 Collins Street Melbourne, VIC 3000 Ph: (03) 8630 3321
Principal place of business	Level 21, 459 Collins Street Melbourne, VIC 3000
Auditor	William Buck Level 20, 181 William Street Melbourne, VIC 3000

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Iltani Resources Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the company for the period ended 31 December 2022.

Directors

The following persons were directors of the company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Donald Garner (Executive Director)
Mr Anthony Reilly (Non-Executive Director)
Mr Justin Mouchacca (Non-Executive Director and Company Secretary)

Principal activities

During the financial period, the principal continuing activities of Iltani Resources is the data compilation and consolidation of exploration tenements around the gold and copper project in Queensland. Iltani is also pursuing a listing on the ASX in order to fund exploration activities in Queensland.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Review of operations

The loss for the company after providing for income tax amounted to \$80,152 (31 December 2021: \$76,134).

Iltani currently has a low level of direct activities on the Queensland projects, with a focus on compiling historical work and integrating that data into a sophisticated geological model. Iltani is intending to list on the ASX in the second half of 2023 to raise capital to explore the Queensland Project. On successful raising, the Company intends to initiate exploration activities in Queensland.

Significant changes in the state of affairs

On 12 December 2022 the Company issued 1,565,000 fully paid ordinary shares with an issue price of \$0.16 (16 cents) per share raising \$250,400.

During December 2022 the Company acquired the Herberton Project from Cromarty Resources Pty Ltd (**Cromarty**) (in liquidation) pursuant to a sale and purchase agreement dated 12 December 2022 for \$380,000 in cash (excluding GST). The Herberton Project consists of 4 granted exploration licences which includes the Northern Base Metal Project (Queensland), the Rookwood Project (Queensland), the Mount Read Volcanics Project (Tasmania) and the Southern Gold Project (Queensland) (collectively the Projects) and are 100% legally and beneficially held by Iltani.

There were no other significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial period

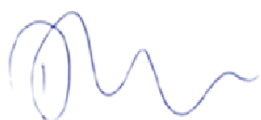
On 15 February 2023, the Company issued 1,597,500 fully paid ordinary shares with an issue price of \$0.16 (16 cents) per share, raising \$255,600.

On 2 May 2023 the Company repaid the related party loan amounting to \$50,000.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Donald Garner
Managing Director

2 May 2023

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

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



J. C. Luckins

Director

Melbourne, 2nd May 2023

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Iltani Resources Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Expenses			
IPO costs		-	(38,252)
Corporate and administrative expenses		(77,348)	(37,882)
Tenement management expenses		(2,804)	-
		<u> </u>	<u> </u>
Loss before income tax expense		(80,152)	(76,134)
Income tax expense		-	-
		<u> </u>	<u> </u>
Loss after income tax expense for the period attributable to the owners of Iltani Resources Limited		(80,152)	(76,134)
Other comprehensive income for the period, net of tax		-	-
		<u> </u>	<u> </u>
Total comprehensive income for the period attributable to the owners of Iltani Resources Limited		<u><u> </u></u>	<u><u> </u></u>
		Cents	Cents
Basic earnings per share	11	(0.61)	(1.55)
Diluted earnings per share	11	(0.61)	(1.55)

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

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Iltani Resources Limited
Statement of financial position
As at 31 December 2022

	31 December	30 June 2022
Note	2022	2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	51,420	172,488
Goods and services tax credits receivable	6,842	71,865
Prepayments	11,894	-
Total current assets	<u>70,156</u>	<u>244,353</u>
Non-current assets		
Exploration and evaluation	5 479,730	88,986
Total non-current assets	<u>479,730</u>	<u>88,986</u>
Total assets	<u>549,886</u>	<u>333,339</u>
Liabilities		
Current liabilities		
Trade and other payables	52,111	39,286
Borrowings	6 50,000	-
Total current liabilities	<u>102,111</u>	<u>39,286</u>
Total liabilities	<u>102,111</u>	<u>39,286</u>
Net assets	<u>447,775</u>	<u>294,053</u>
Equity		
Issued capital	7 850,274	616,400
Accumulated losses	<u>(402,499)</u>	<u>(322,347)</u>
Total equity	<u>447,775</u>	<u>294,053</u>

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

Iltani Resources Limited
Statement of changes in equity
For the period ended 31 December 2022

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	-	(35,383)	(35,383)
Loss after income tax expense for the period	-	(76,134)	(76,134)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(76,134)	(76,134)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	<u>616,400</u>	<u>-</u>	<u>616,400</u>
Balance at 31 December 2021	<u><u>616,400</u></u>	<u><u>(111,517)</u></u>	<u><u>504,883</u></u>

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	616,400	(322,347)	294,053
Loss after income tax expense for the period	-	(80,152)	(80,152)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(80,152)	(80,152)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 7)	<u>233,874</u>	<u>-</u>	<u>233,874</u>
Balance at 31 December 2022	<u><u>850,274</u></u>	<u><u>(402,499)</u></u>	<u><u>447,775</u></u>

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

Iltani Resources Limited
Statement of cash flows
For the period ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(11,394)	(25,571)
Net cash used in operating activities		(11,394)	(25,571)
Cash flows from investing activities			
Payments for exploration and evaluation	5	(393,548)	(32,645)
Net cash used in investing activities		(393,548)	(32,645)
Cash flows from financing activities			
Proceeds from issue of shares	7	250,400	656,000
Payments for capital raising costs		(16,526)	(39,600)
Proceeds from borrowings		50,000	-
Net cash from financing activities		283,874	616,400
Net increase/(decrease) in cash and cash equivalents		(121,068)	558,184
Cash and cash equivalents at the beginning of the financial period		172,488	-
Cash and cash equivalents at the end of the financial period		<u>51,420</u>	<u>558,184</u>

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

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Note 1. General information

The financial statements cover Iltani Resources Limited as an individual entity. The financial statements are presented in Australian dollars, which is Iltani Resources Limited's functional and presentation currency.

Iltani Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 21, 459 Collins Street
Melbourne, VIC 3000
Ph: (03) 8630 3321

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 May 2023.

Note 2. Significant accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory or available for early adoption in the current reporting period. There has been no material impact on these financial statements arising from their adoption.

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Going concern

This financial report has been prepared on the going concern basis, which assumes 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 2022, the Company incurred a net loss of \$80,152, net cash outflows from operating activities of \$11,394, negative cashflows from investing activities of \$393,548 and had a cash balance as at 31 December 2022 of \$51,420. The Directors have assessed that these conditions indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. The assessment of the going concern assumption is based on the group's cash flow projections and application of a number of judgements and estimates, resulting in the conclusion of a range of reasonably possible scenarios. Included in the Directors going concern cash flow assessment is that sufficient funds can be secured if required by a combination of capital raisings and potential listing on the Australian Securities Exchange (ASX). Subsequent to the end of the half-year period, the Company raised \$255,600 through the issue of 1,597,500 fully paid ordinary shares with an issue price of \$0.16 (16 cents) per share.

Accordingly, the financial report has been prepared on the basis that the Company can continue normal business activities and meet its commitments as and when they fall due, and the realisation of assets and liabilities in the ordinary course of business.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

Identification of reportable operating segments

The Company has identified its operating segments based on the investment decisions of the board and used by the chief operating decision makers in assessing performance and in determining the allocation of resources. The Company operates in one segment being the evaluation and exploration of resources in the Oceania region.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Non-current assets - exploration and evaluation

	31 December	30 June 2022
	2022	2022
	\$	\$
Exploration and evaluation assets	<u>479,730</u>	<u>88,986</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Exploration and evaluation	Total
	\$	\$
Balance at 1 July 2022	88,986	88,986
Additions	380,000	380,000
Expenditure during the period	<u>10,744</u>	<u>10,744</u>
Balance at 31 December 2022	<u>479,730</u>	<u>479,730</u>

Note 5. Non-current assets - exploration and evaluation (continued)

Although planned, future anticipated exploration expenditure does not constitute a commitment or contingent liability under accounting standards, in the event that planned exploration expenditure under an area of interest is not met, there is a possibility that the regulatory authority charged with administering that area of interest has the ability to rescind the rights of the Company to explore and evaluate that area of interest, but not, however enforce payment of that planned expenditure.

During December 2022 the Company acquired the Herberton Project from Cromarty Resources Pty Ltd (**Cromarty**) (in liquidation) pursuant to a sale and purchase agreement dated 12 December 2022 for \$380,000 in cash (excluding GST). The Herberton Project consists of 4 granted exploration licences which includes the Northern Base Metal Project (Queensland), the Rookwood Project (Queensland), the Mount Read Volcanics Project (Tasmania) and the Southern Gold Project (Queensland) (collectively the Projects) and are 100% legally and beneficially held by Iltani.

Note 6. Current liabilities - borrowings

	31 December	30 June 2022
	2022	2022
	\$	\$
Short term borrowings	<u>50,000</u>	<u>-</u>

During the half-year period, the Company received a \$50,000 loan from a related party with the loan being unsecured, non-interest bearing and payable at call. This loan was repaid subsequent to the end of the half year period.

Note 7. Equity - issued capital

	31 December	30 June 2022	31 December	30 June 2022
	2022	2022	2022	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>14,565,100</u>	<u>13,000,100</u>	<u>850,274</u>	<u>616,400</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	13,000,100		616,400
Issue of shares to investors	12 December 2022	1,565,000	\$0.16	250,400
Capital raising costs		<u>-</u>	<u>-</u>	<u>(16,526)</u>
Balance	31 December 2022	<u>14,565,100</u>		<u>850,274</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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Note 7. Equity - issued capital (continued)

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 8. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 9. Commitments

	31 December 2022	30 June 2022
	\$	\$
<i>Planned Exploration Commitments</i>		
Within one year	485,000	485,000
One to five years	2,425,000	2,425,000
More than five years	3,016,200	-
	<u>2,926,200</u>	<u>2,910,000</u>

Within the mineral industry it is common practice for companies to farm-out, transfer or sell a portion of their exploration rights to third parties or to relinquish some exploration and mining tenements altogether, and as a result obligations will be significantly reduced or extinguished altogether.

Although planned, future anticipated exploration expenditure does not constitute a commitment or contingent liability under accounting standards, in the event that planned exploration expenditure under an area of interest is not met, there is a possibility that the regulatory authority charged with administering that area of interest has the ability to rescind the rights of the Company to explore and evaluate that area of interest, but not, however enforce payment of that planned expenditure.

Note 10. Events after the reporting period

On 15 February 2023, the Company issued 1,597,500 fully paid ordinary shares with an issue price of \$0.16 (16 cents) per share, raising \$255,600.

On 2 May 2023 the Company repaid the related party loan amounting to \$50,000.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 11. Earnings per share

	31 December 2022	31 December 2021
	\$	\$
Loss after income tax attributable to the owners of Iltani Resources Limited	<u>(80,152)</u>	<u>(76,134)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>13,163,032</u>	<u>4,901,969</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>13,163,032</u>	<u>4,901,969</u>
	Cents	Cents
Basic earnings per share	(0.61)	(1.55)
Diluted earnings per share	(0.61)	(1.55)

For the duration of the reporting period there were no instruments (options, performance rights, hybrid equity instruments) that could impact the calculation of diluted earnings per share.

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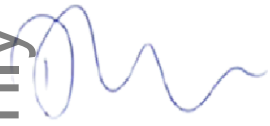
Iltani Resources Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the financial period ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Donald Garner
Managing Director

2 May 2023

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Iltani Resources Limited
Independent auditor's review report

REPORT ON THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the accompanying half-year financial report of Iltani Resources Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 half-year financial report of Iltani Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b. complying with Australian Accounting Standard 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Company incurred a net loss before income tax of \$80,152 and a net cash outflow from operations of \$11,394 for the half year ended 31 December 2022. These conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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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 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 Company'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.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 2nd May 2023