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LYCAON RESOURCES LIMITED
HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2023

ABN: 80 647 829 749

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CORPORATE DIRECTORY

DIRECTORS

Mr Adrian Di Menna	Non-Executive Chairman
Mr Thomas Langley	Technical Director
Mr Ranko Matic	Non-Executive Director

COMPANY SECRETARY

Ms Melanie Ross

REGISTERED OFFICE & CONTACTS

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ABN: 80 647 829 749

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LEEDERVILLE WA 6007

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Automic Pty Ltd

Level 5, 191 St Georges Terrace

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DIRECTORS' REPORT

Your Directors present their report, together with the half-year financial report on the consolidated entity ('the Group'), consisting of Lycaon Resources Limited ('Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

DIRECTORS

The names of Directors in office at any time during or since the end of the half-year are listed below. Directors have been in office during the whole of the financial half-year and up to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr Thomas Langley	Technical Director
Mr Ranko Matic	Non-Executive Director
Mr Adrian Di Menna	Non-Executive Chairman (appointed 29 November 2023)
Mr Patrick Burke	Non-Executive Chairman (resigned 29 November 2023)

PRINCIPAL ACTIVITIES

During the half-year, the principal activities of the Group consisted of mineral exploration.

REVIEW OF OPERATIONS

Operating result

The loss from continuing operations for the half-year ended 31 December 2023 after providing for tax amounted to \$301,124 (2022: \$373,564).

Exploration

During the half-year the exploration programs highlighted below were completed.

Bow River Prospect (Ni/Cu/Co±PGE)

A diamond drilling program was completed at the Bow River Project in the East Kimberley region of Western Australia during Q3 of 2023. The drill program consisted of two diamond drillholes to a depth of 800m and 786m each, with both drillholes intersecting visual Ni-Cu sulphides, Table 1, 2.

Sulphide mineralisation intersected in both drillholes shows a strong correlation to the upper limit of the modelled gravity anomaly between approximately 330-360m depth, with the remainder of the gravity anomaly untested over the >1km strike extent, Figure 3. Downhole electromagnetic (DHEM) surveys were completed on both diamond drillholes to a depth of 690m (BRDD001) and 760m (BRDD002) during Q4 of 2023. The DHEM survey results identified weak off-hole anomalies within close proximity of the drillholes. Drill samples were sent to ALS in Perth for priority assay with results showing a clear correlation between nickel and sulphides as well as nickel and copper, supporting nickel copper sulphides are present, Figure 1, 2.

Approximately one third of the samples show nickel enrichment above background levels of 300ppm, up to a peak of 742ppm Ni however, overall there were no results recording any significant nickel or copper mineralisation >1% Ni or Cu.

Drilling was planned to target the deeper more primitive part of the intrusion thought to be related to the highest density gravity anomaly. The recent drilling stepped out from the historical drilling centred on the nickel-copper gossan, to the west by 1.2km and drilled to a depth of 800m, far exceeding the deepest historical drillhole of 180m, Figure 4, 5.

DHEM surveys were completed to investigate potential conductors and, together with the assay data results, to assist in building greater geological confidence in the mineralisation model ahead of further drilling.

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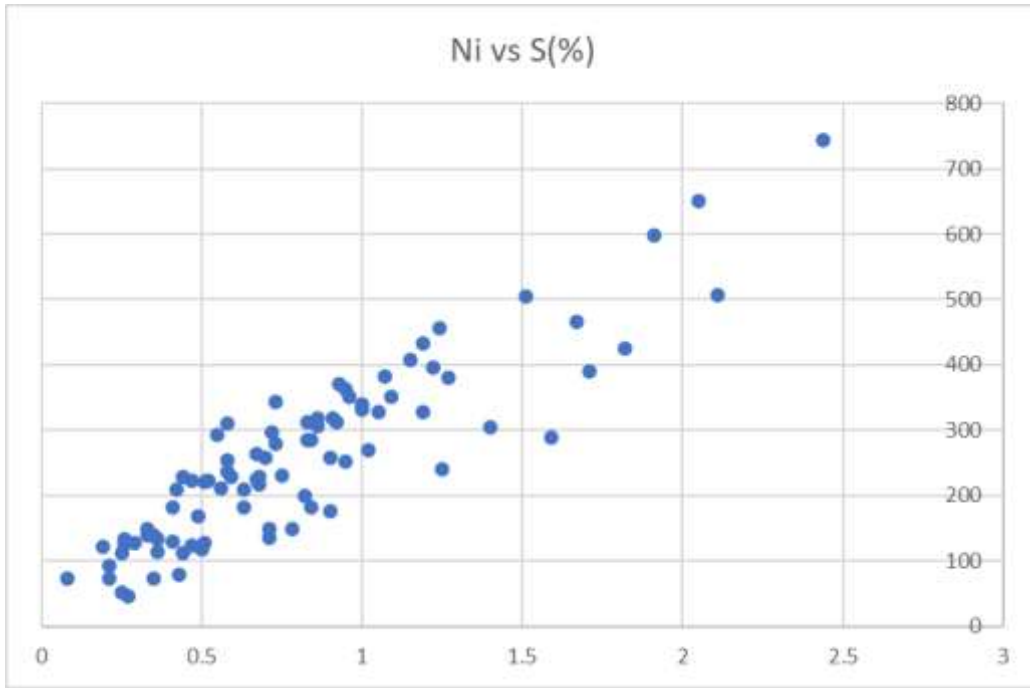


Figure 1. Nickel ppm (y axis) showing strong correlation to Sulphide % (x axis).

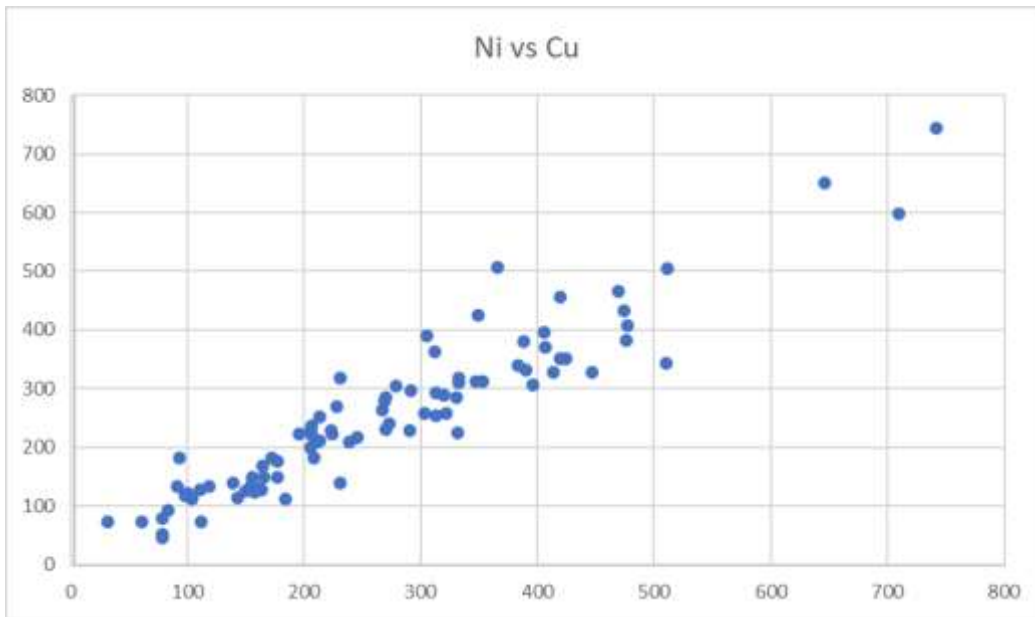


Figure 2. Nickel ppm (y axis) showing strong correlation to Copper % (x axis).



Figure 3. Photos showing examples disseminated and blebby sulphides in hole BRDD002. (Left) Nickel-Copper sulphides at 348m, (Right) Disseminated sulphides 338 – 342m
 Note core is NQ2 being 2 inches or 50mm in diameter

Table 1: Significant Sulphide Intervals – Visual Estimates

Hole ID	From (m)	To (m)	Interval (m)	Mineralisation Style	Sulphide Type	Sulphide %	Prospect
BRDD001	364.7	377.5	12.8	Disseminated/Blebby	Pyrrhotite, Pentlandite, Chalcopyrite	1 -5	Bow River
BRDD001	394.1	402.2	8.1	Disseminated/Blebby	Pyrrhotite, Pentlandite, Chalcopyrite	1 -5	Bow River
BRDD002	330.1	375.3	45.2	Disseminated/Blebby	Pyrrhotite, Pentlandite, Chalcopyrite	1 -5	Bow River

Table 2: Drillhole Collar Data (GDA94 MGaz52)

Hole ID	Easting	Northing	RL	Dip	Azimuth	EOH	Type	Prospect
BRDD001	427597	8134664	170	-70	0	800	Diamond	Bow River
BRDD002	427839	8134722	170	-75	120	786.3	Diamond	Bow River

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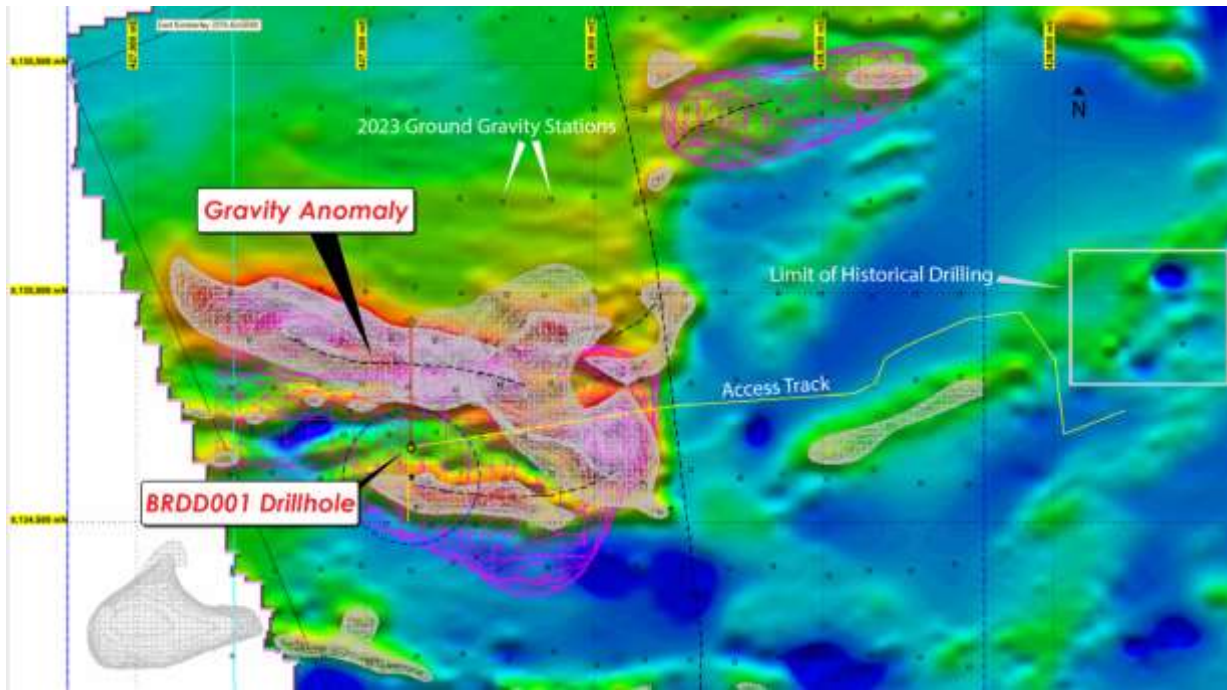


Figure 4. Drillhole BRDD001 (Azimuth 0 degrees) planned to intersect the gravity anomaly, between upper contact at 350m and 750m basal contact.

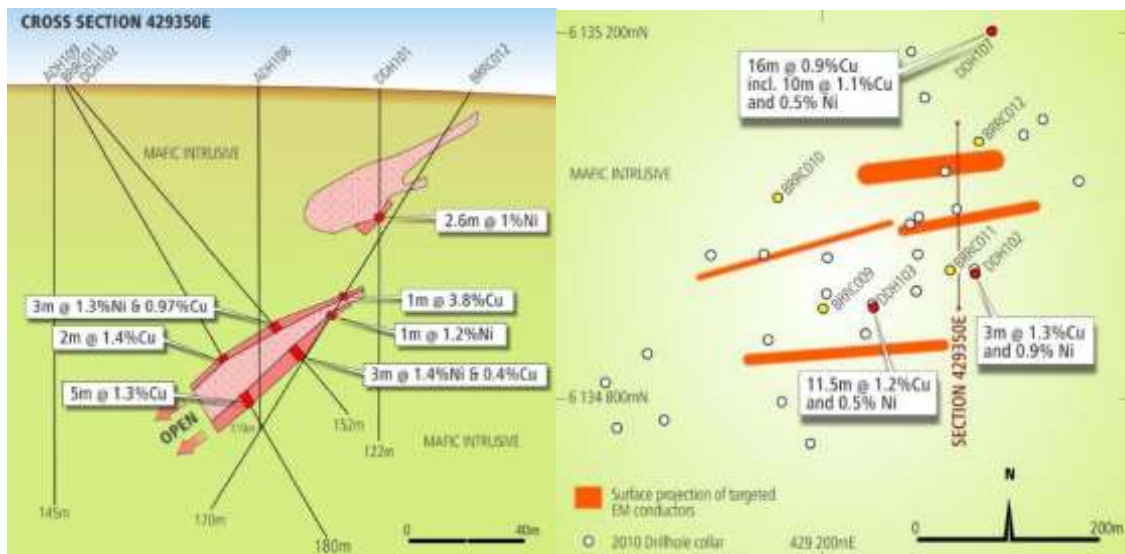


Figure 5. Location of historical drilling at Bow River nickel copper sulphide project.

Stansmore Project (Niobium, REE, IOCG)

The Company is currently working through the approvals processes required to enable heritage surveys and drilling to be undertaken as soon as possible. During Q3 of 2023 the Company executed the land access agreement with the Parna Ngururpa traditional owners at our West Arunta Stansmore Niobium-REE Project at an on-country meeting held in Balgo, Western Australia. The Company is aiming to complete heritage surveys and a diamond drilling program in the next few months, subject to the approvals processes being finalised.

The Stansmore carbonatite target consists of a regionally prominent 700m long magnetic feature analogous to WA1's discoveries and Encounter's Worsley prospect.

Recent discoveries by WA1 Resources and Encounter Resources have demonstrated the potential for the West Arunta region to host significant REE and IOCG type mineralisation systems, Figure 6. Previous shallow aircore drilling by BHP Minerals in 1982 recorded shallow cover of approximately ~5-10m depth.

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DIRECTORS' REPORT

Southern Geoscience Consultants (SGC) re-processed magnetic data over the Stansmore Carbonatite Project which highlighted multiple new targets identified prospective for Niobium-REE mineralisation, Figure 7. Southern Geoscience completed 3D geophysical inversion modelling of magnetic data to assist with targeting of drillholes ahead of a maiden drill program.

Alkaline systems are key drivers in the formation of IOCG and carbonatite-hosted REE deposits, with the region seeing a renewed exploration focus for these deposit types. Carbonatite deposits are an important source of REE and niobium production. This includes the world's largest REE mine, Bayan Obo in Inner Mongolia, Lynas Rare Earths' Mt Weld deposit and the world's three major operating niobium mines. Niobium is one of a suite of commodities identified by the Australian Government as critical minerals, being minerals (or elements) considered vital for the well-being of the world's economies, yet whose supply may be at risk of disruption.

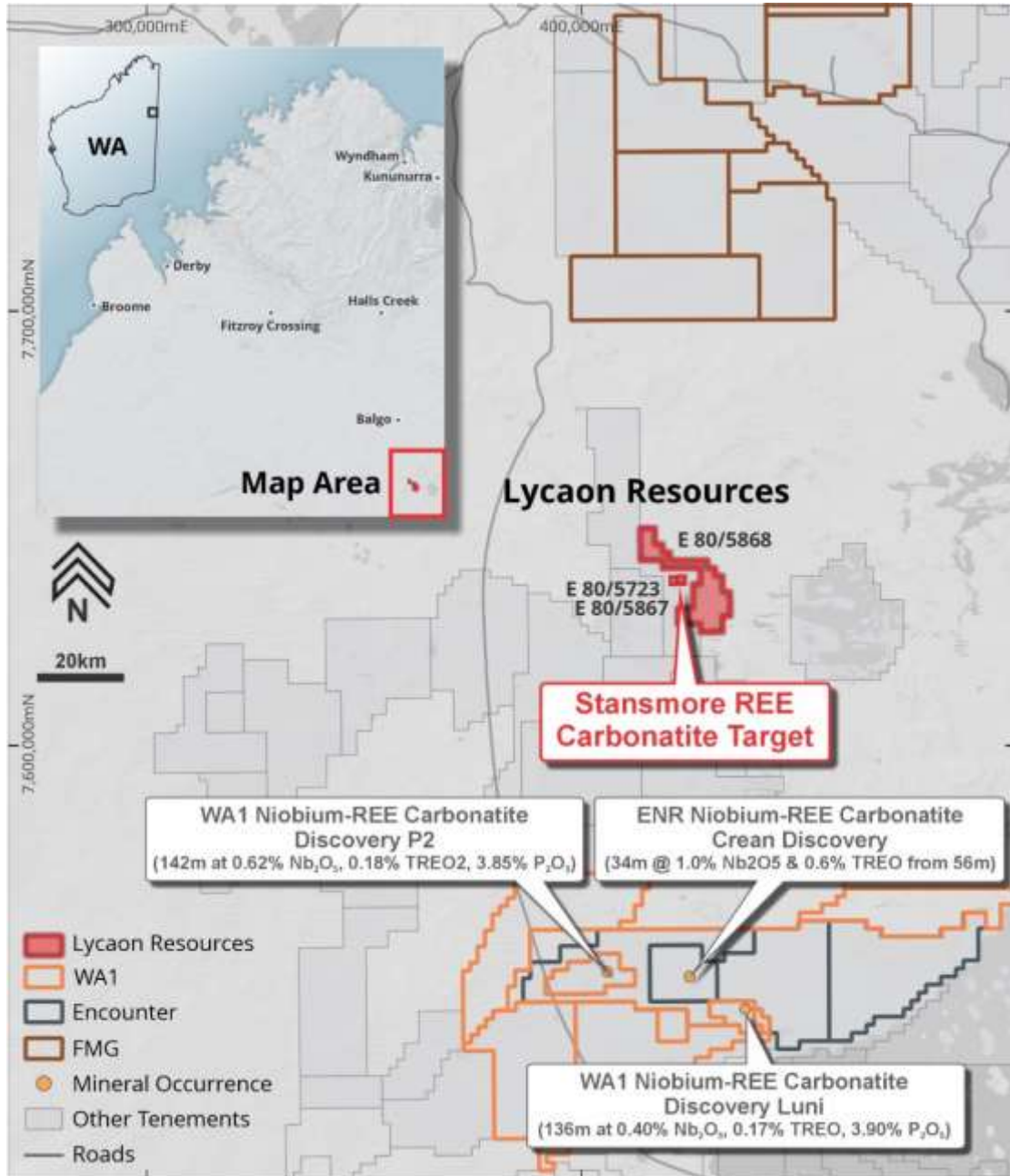


Figure 6. Stansmore Nb-REE Carbonatite ± IOCG Project Location Map.

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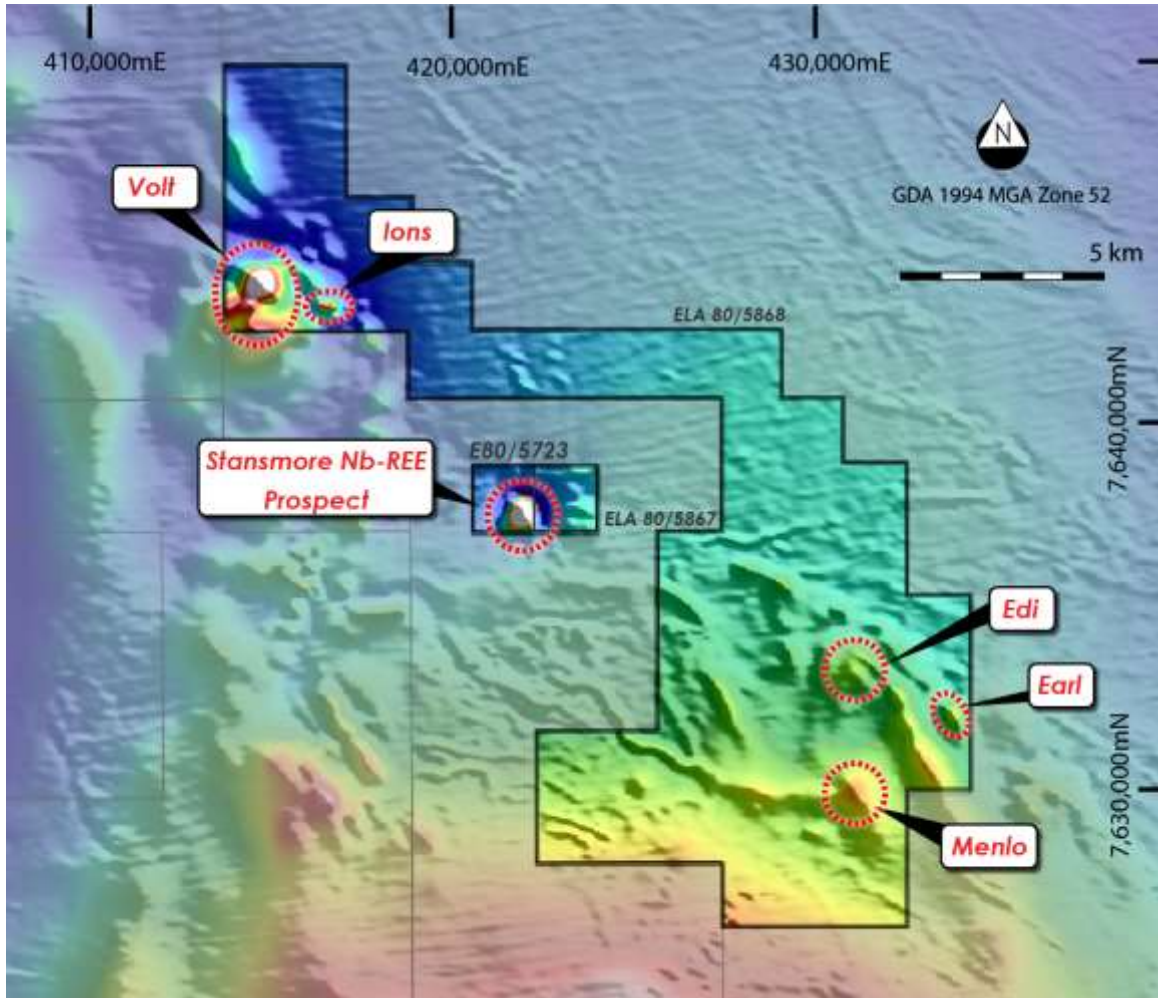


Figure 7. Reduced to Pole Magnetics (TMI grid) highlighting the prominent magnetic anomaly at Stansmore Prospect and other magnetic targets.

Gnewing Bore Project (Gold, Silver, Copper)

The Gnewing Bore Project is approximately 28km to the northwest of the Halls Creek townsite, within the Kimberley Region of Western Australia. Figure 8. Halls Creek is situated 350km south of Kununurra and is readily accessible via the sealed Great Northern Highway. The Project has generally good outcrop and easy access via stations tracks on the Moola Bulla pastoral lease.

An RC drilling program has been designed to test the 50m long, gossanous outcrop consisting of brecciated quartz material and iron oxides after sulphides. The Gnewing Bore Project represents a hydrothermal/epithermal gold-silver target, containing some low-level copper anomalism which appears primarily shear controlled. Historic work highlights high-tenor gold grades plus supporting silver and copper grades in the rock chip samples, with a lack of decent exploration work to sufficiently test the target's potential.

To date, notwithstanding its best and continuing efforts, the Company has unfortunately not been able to obtain the necessary heritage approvals to allow it to carry out its proposed drilling program.

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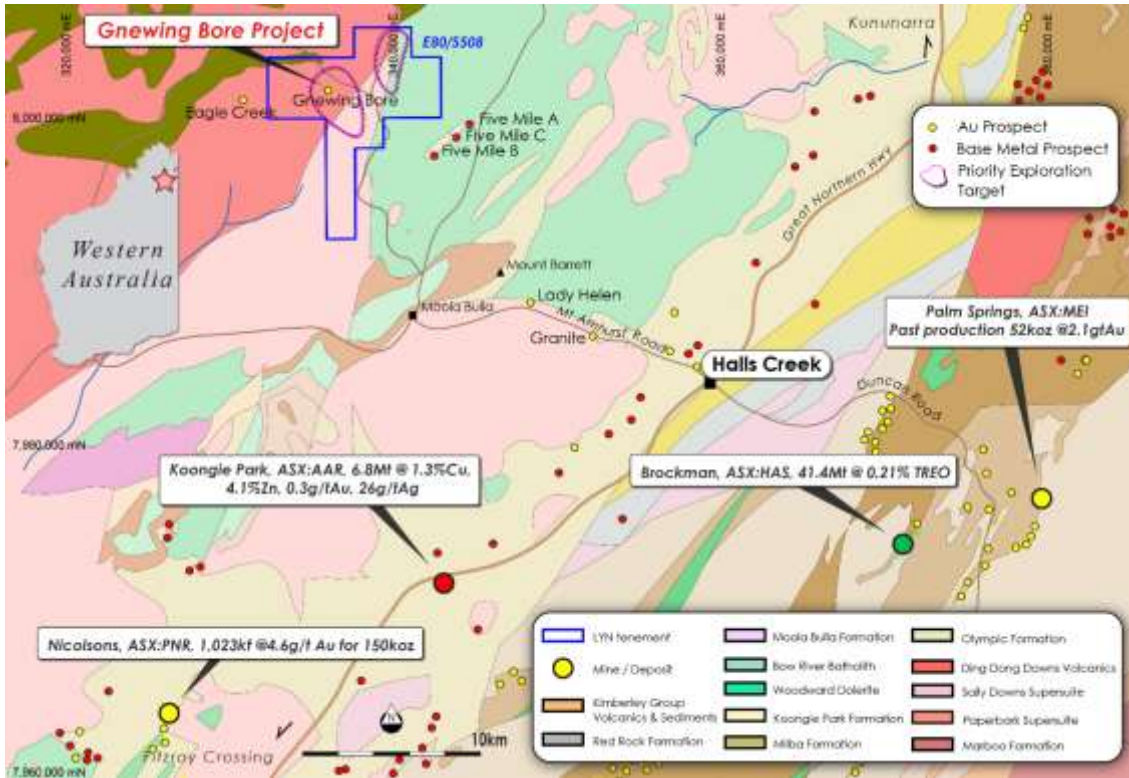


Figure 8. Gnewing Bore Project Location and Geology.

Competent Person's Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAAusIMM). Mr. Thomas Langley is a full-time employee of Lycaon Resources Limited, and is a shareholder, however Mr. Thomas Langley believes this shareholding does not create a conflict of interest, and Mr. Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

EVENTS AFTER THE REPORTING DATE

The Directors are not aware of any matters or circumstances that 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.

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DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this half-year financial report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors,



Adrian Di Menna

Non-Executive Chairman

Date: 21 February 2024

Perth

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Notes	31 December 2023 \$	31 December 2022 \$
Interest income		56,066	9,634
Accounting and company secretary fees		(53,000)	(71,200)
Audit fees		(9,500)	(9,156)
Directors fees		(48,400)	(48,000)
Professional fees		(30,000)	(45,000)
Legal expenses		(5,005)	(28,350)
Marketing		(140,149)	(105,923)
Exploration expenditure		(4,429)	-
Other expenses		(66,707)	(75,569)
Loss before income tax		(301,124)	(373,564)
Income tax expense		-	-
Loss for the period		(301,124)	(373,564)
Other comprehensive income		-	-
Total comprehensive loss for the period		(301,124)	(373,564)
Loss per share			
- Basic and diluted loss per share (cents)	10	(0.71)	(1.01)

The accompanying notes form part of this half-year financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**



	Notes	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,606,677	2,477,336
Other assets		198,127	240,438
Total current assets		2,804,804	2,717,774
Non-current assets			
Exploration and evaluation	5	2,575,078	1,513,799
Total non-current assets		2,575,078	1,513,799
Total assets		5,379,882	4,231,573
LIABILITIES			
Current liabilities			
Trade and other payables		106,804	81,315
Provisions		-	250,000
Total current liabilities		106,804	331,315
Total liabilities		106,804	331,315
Net assets		5,273,078	3,900,258
EQUITY			
Issued capital	6	7,632,010	6,041,369
Reserves	8	540,263	456,960
Accumulated losses		(2,899,195)	(2,598,071)
Total equity		5,273,078	3,900,258

The accompanying notes form part of this half-year financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2022	6,041,369	(997,003)	456,960	5,501,326
Loss for the period	-	(373,564)	-	(373,564)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	(373,564)	-	(373,564)
Transactions with owners in their capacity as owners				
Issue of capital	-	-	-	-
Share issue costs	-	-	-	-
Share based payments	-	-	-	-
Balance at 31 December 2022	6,041,369	(1,370,567)	456,960	5,127,762
	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2023	6,041,369	(2,598,071)	456,960	3,900,258
Loss for the period	-	(301,124)	-	(301,124)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	(301,124)	-	(301,124)
Transactions with owners in their capacity as owners				
Issue of capital	1,787,500	-	-	1,787,500
Share issue costs	(113,556)	-	-	(113,556)
Share based payments	(83,303)	-	83,303	-
Balance at 31 December 2023	7,632,010	(2,899,195)	540,263	5,273,078

The accompanying notes form part of this half-year financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Notes	31 December 2023	31 December 2022
		\$	\$
Cash flows from operating activities			
Interest received		47,594	9,634
Payments to suppliers and employees		(294,310)	(306,269)
Payments to exploration expenditure		(4,429)	(8,426)
Net cash outflow from operating activities		<u>(251,145)</u>	<u>(305,061)</u>
Cash flows from investing activities			
Payments for exploration and evaluation		(1,005,958)	(439,149)
Net cash outflow from investing activities		<u>(1,005,958)</u>	<u>(439,149)</u>
Cash flows from financing activities			
Proceeds from issue of shares		1,500,000	-
Share issue costs paid		(113,556)	-
Net cash inflow from financing activities		<u>1,386,444</u>	<u>-</u>
Net increase/(decrease) in cash held		129,341	(744,210)
Cash at the beginning of the period		2,477,336	3,589,250
Cash at the end of the period		<u>2,606,677</u>	<u>2,845,040</u>

The accompanying notes form part of this half-year financial report.

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1. Summary of significant accounting policies

Basis of preparation

The half-year financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the period ended 30 June 2023 and any public announcements made by Lycaon Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Reporting basis and conventions

The half-year financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group annual financial report for the period ended 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Lycaon Resources Limited at the end of the reporting period. A controlled entity is an entity over which Lycaon Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Exploration and evaluation

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserve.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact profit or loss and equity.

New and revised accounting standards and interpretations

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



2. 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. In the opinion of the Directors, there are no judgements, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Segment information

The Group has only one operating segment based on the information provided to the chief operating decision makers, being the board of Directors. Therefore, as the results are the same as the Group, no further disclosure is required.

	31 Dec 2023	30 June 2023
	\$	\$
4. Cash and cash equivalents		
Cash at bank	2,606,677	2,477,336

	31 Dec 2023	30 June 2023
	\$	\$
5. Exploration and evaluation		
Opening balance	1,513,799	1,570,732
Acquisitions during the period ^{1,2}	37,500	250,000
Expenditure incurred during the period	1,023,779	631,373
Impairment losses incurred during the period	-	(938,306)
Closing balance	2,575,078	1,513,799

¹On 13 November 2022, the Company via its wholly owned subsidiary, West Arunta Resources Pty Ltd, entered into a Binding Heads of Agreement with related party Thomas Langley to acquire 100% of exploration licence E80/5723.

In consideration for the acquisition, the Company was to issue 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.25 per share, equating to \$250,000. At 30 June 2023, the consideration of \$250,000 was capitalised and provided for as the rights to the tenement were granted at 30 June 2023.

The acquisition was subject to and conditional on certain conditions under the agreement, including shareholder approval. Shareholder approval was granted at the Company's general meeting held on 19 September 2023. On 20 September 2023, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.25 per share to Thomas Langley and a facilitation fee of 150,000 fully paid ordinary shares at a deemed issue price of \$0.25 per share to the facilitator of the transaction.

WEST ARUNTA RESOURCES PTY LTD	13 November 2022
Purchase consideration	\$
Shares issued (Note 6)	287,500
	<u>287,500</u>
Net assets acquired	
Exploration and evaluation ⁴	287,500
	<u>287,500</u>

² Management has determined that the acquisition of 100% of West Arunta Resources Pty Ltd does not meet the definition of a business under AASB 3 Business Combinations and as such, has been accounted for as an asset acquisition under AASB 116.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	No. of shares	No. of shares	\$	\$
6. Issued capital				
Ordinary shares – fully paid	44,056,251	36,906,251	7,632,010	6,041,369

Ordinary shares

Date	No. of shares	Issue price	\$	\$
1 July 2023 – Opening balance	36,906,251			6,041,369
3 August 2023 – Placement	6,000,000			1,500,000
20 September 2023 – Consideration shares for asset acquisition (Note 5)	1,000,000			250,000
20 September 2023 – Facilitation shares for asset acquisition (Note 5)	150,000			37,500
Capital raising costs	-			(196,859)
31 December 2023 – Closing balance	44,056,251			7,632,010

	31 Dec 2023	31 Dec 2022
	\$	\$
7. Share based payment transactions		
Options – recognised in equity (share issue costs)	83,303	-
	83,303	-

Options

During the half-year, the Group issued 600,000 options to brokers, with a total fair value of \$83,303. These options were granted and were recognised as a share issue cost.

For the options issued during the half-year, a Black Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk free rate	Dividend yield	Number of Options	Value per Option	Total Value	Vesting terms
		\$	\$	%	%	%	#	\$	\$	
3/08/2023	3/08/2026	0.25	0.375	100	3.78	-	600,000	0.1388	83,303	Immediately
							600,000		83,303	

	31 Dec 2023	30 June 2023
	\$	\$
8. Reserves		
Reserves		
Share based payments reserve	540,263	456,960
	540,263	456,960
Movements		
Balance at beginning of period	456,960	456,960
Share based payments recognised in equity as share issue costs (Note 7)	83,303	-
Balance at end of period	540,263	456,960

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (continued)**



9. Commitments for expenditure

Capital

There are no capital commitments at 31 December 2023 (30 June 2023: nil).

Exploration and evaluation

The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

	31 Dec 2023	30 June 2023
	\$	\$
The Group has tenement rental and expenditure commitments payable of:		
- Not later than 12 months	162,000	162,000
- Between 12 months and 5 years	272,500	270,000
- Over 5 years	570,000	570,000
	<u>1,004,500</u>	<u>1,002,000</u>

10. Earnings per share

	31 Dec 2023	31 Dec 2022
	\$	\$
Loss after income tax	(301,124)	(373,564)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>42,473,914</u>	<u>36,906,251</u>
Basic and diluted loss per share (cents)	(0.71)	(1.01)

11. Contingent assets and liabilities

The Group had no contingent liabilities as at 31 December 2023 (30 June 2023: Nil).

12. Events after the reporting date

The Directors are not aware of any matters or circumstances that 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.

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DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached interim 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 interim financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Group 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) of the *Corporations Act 2001*.

On behalf of the Directors,



Adrian Di Menna

Non-Executive Chairman

Date: 21 February 2024

Perth

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Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Lycaon Resources Ltd and its Controlled Entities for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 21st day of February 2024

Criterion Audit Pty Ltd

ABN 85 165 181 822

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Independent Auditor's Review Report

To the Members of Lycaon Resources Ltd

Conclusion

We have reviewed the half-year financial report of Lycaon Resources Ltd ("the Company") and its Controlled Entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Lycaon Resources Ltd 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 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and 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 ethical 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 the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year 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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a 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.

Criterion Audit

CRITERION AUDIT PTY LTD

Chris Watts

CHRIS WATTS CA
Director

DATED at PERTH this 21st day of February 2024

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