



CASPIN RESOURCES LIMITED
ABN 33 641 813 587
AND ITS CONTROLLED ENTITIES

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INTERIM FINANCIAL REPORT

For the half year ended 31 December 2023



Caspin Resources Limited
ABN 33 641 813 587

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Corporate directory

Directors	Mr Greg Miles Managing Director Mr Justin Tremain Non-Executive Chairman Dr Jon Hronsky Non-Executive Director
Company Secretary and Chief Financial Officer	Mr Steven Wood
Registered office	Ground Floor, 675 Murray Street, West Perth WA 6005 Postal Address: PO Box 558, West Perth WA 6872 Telephone: +61 8 6373 2000 E-mail: info@caspin.com.au Website: www.caspin.com.au
Principal place of business	Ground Floor, 675 Murray Street, West Perth WA 6005 Postal Address: PO Box 558, West Perth WA 6872 Telephone: +61 8 6373 2000 E-mail: info@caspin.com.au Website: www.caspin.com.au
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Auditor	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Thomson Geer Level 27, Exchange Tower 2 The Esplanade Perth WA 6000
Bankers	Westpac Level 4, Brookfield Place, Tower 2 123 St Georges Terrace Perth WA 6000
Stock exchange listing	Australian Securities Exchange Limited Level 40, Central Park 152-158 St George's Terrace Perth WA 6000 ASX Code: CPN

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Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Caspin Resources Limited (referred to hereafter as 'Caspin' or 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Review of operations

During the half year, Caspin continued exploration at both the Yarawindah Brook Project and the Mount Squires Project.

The loss for the consolidated entity after providing for income tax amounted to \$1,787,395 (31 December 2022: \$5,481,027).

Mount Squires Project

The Mount Squires Project lies within the West Musgrave region of Western Australia and is 100% owned by Caspin. Mount Squires is a large scale, greenfield-style gold and base metal project. The Company's main focus has been on the potential for the project to host large deposits of nickel and copper sulphide as demonstrated at the neighbouring West Musgrave Project being developed by BHP Group Ltd (BHP). Recent exploration programs have also demonstrated the potential for deposits of rare earth element (REE) and gold mineralisation. With tenement consolidation, the project now comprises two granted exploration licenses and three exploration license applications covering 550km².

During the half year period, the Company completed an extensive RC drilling campaign at multiple prospects across the Mount Squires Project.

Duchess Rare Earth discovery extended

The primary goal of the drill program at the Duchess Prospect was to step out and extend REE mineralisation from the initial discovery in drillhole MSAC0141 (**46m @ 0.71% TREO including 22m @ 1.25% TREO**). The Company drilled a pattern of 9 holes on approximately 100m centres stepping out from MSAC0141, particularly focussing on apparent geological contacts and faults that may control mineralisation (Figures 1&2). An additional 3 holes (MSRC0008-MSRC0010) were drilled to the southeast at Duchess East which has coincident base metal and REE mineralisation.

The program successfully identified broad extensions of mineralisation such as 27m @ 0.70% TREO including a higher-grade zone of **12m @ 1.15% TREO** comprising 1,662ppm neodymium (Nd₂O₃), 404ppm praseodymium (Pr₆O₁₁), 325ppm dysprosium (Dy₂O₃) and 54ppm terbium (Tb₄O₇) in MSRC0003 and 12m @ 0.81% TREO including a higher-grade zone of **6m @ 1.15% TREO** comprising 1,946ppm Nd₂O₃, 455ppm Pr₆O₁₁, 296ppm Dy₂O₃ and 51ppm Tb₄O₇ in MSRC0006. Drill hole MSRC0024 returned the highest-grade intersection on the project to date with a peak result of **2m @ 2.03% TREO** comprising 2,712ppm Nd₂O₃, 728ppm Pr₆O₁₁, 432ppm Dy₂O₃, 72ppm Tb₄O₇ from 126m, within a broader envelope of 17m @ 0.41% TREO from 117m. This is also one of the best heavy REE (HREE) intersections at the prospect as well, which typically averages a HREE ratio to TREO of >30% and as high as 70%.

Deleterious elements such as uranium and thorium are low, averaging less than 20ppm and 10ppm respectively.

The Company has confirmed that mineralisation is a volcanic-hosted, hydrothermal-style with mineralisation deposited along faults and lithological contacts. These faults and contacts have provided pathways for hydrothermal fluids to mobilise REEs which have then been deposited at points of rheological contrast such as the volcanoclastic-rhyolite contact.

This primary mineralisation has the potential to be enriched through secondary weathering processes, with many of the significant intercepts occurring in weakly weathered rock or saprock.

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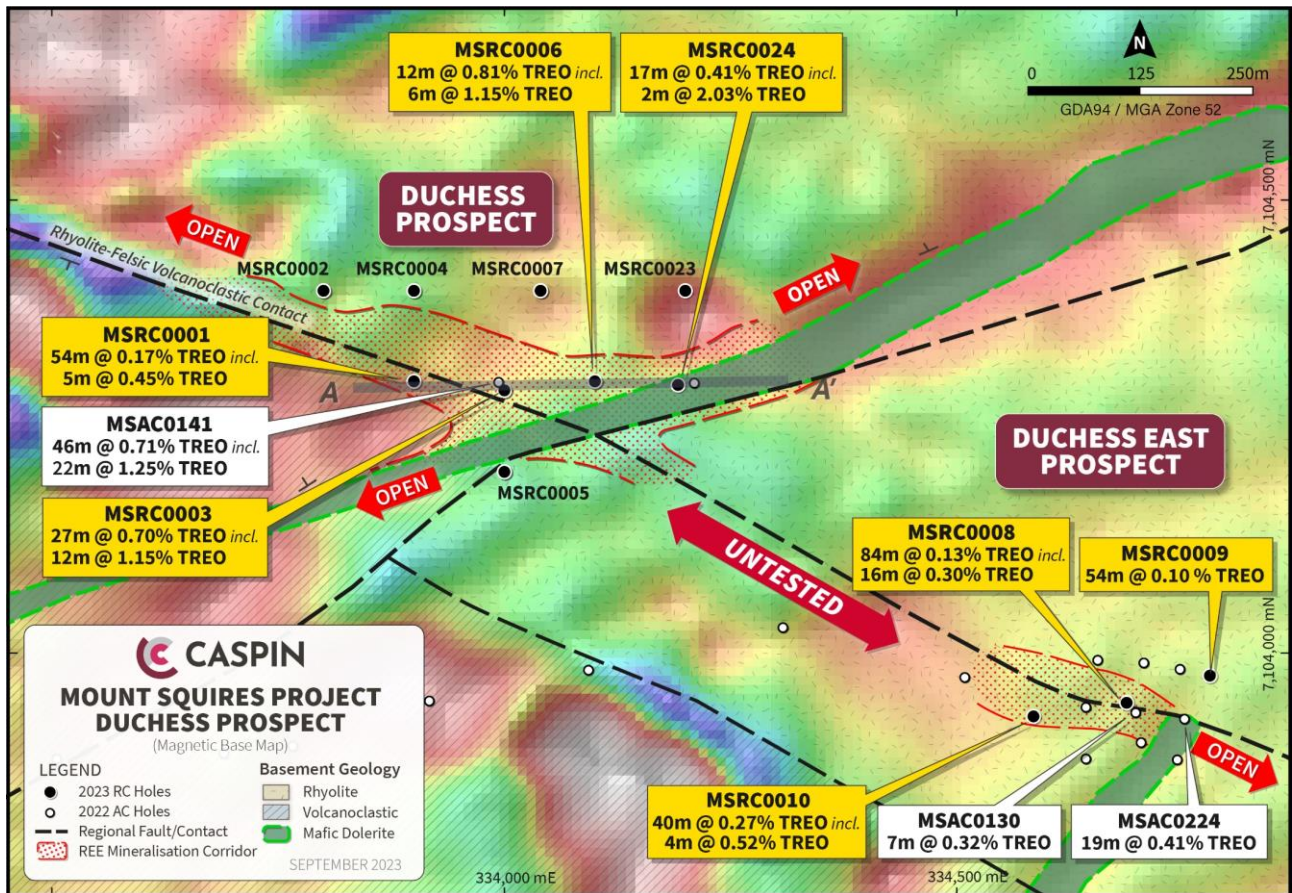


Figure 1. Drill hole locations and significant mineralisation at the Duchess Prospect.

Potential for a large REE system

Mineralisation remains open along both the volcanoclastic-rhyolite and dolerite contacts over at least 1,000m which presents further opportunities for discovery. Some of the Company's earlier aircore drilling is now recognised as being an ineffective test of REE mineralisation, due to a lack of depth penetration.

The source of the REEs is a rhyolite (a felsic volcanic rock), which has high background levels of REE mineralisation, commonly >1,000ppm TREO. Drill hole MSRC0016, drilled to test the Handpump IP geophysical anomaly (see more details below), intersected 276m @ 0.11% TREO in rhyolite rocks and terminated in anomalous mineralisation. This demonstrates the large volume of REEs which can then be concentrated by hydrothermal mineralising systems such as that found at the Duchess Prospect.

The large proportion of HREE, such as Dy and Tb, is highly significant given the much greater value of these metals compared to light rare earth elements (LREE) such as Nd and Pr. The Company has observed that the proportion of HREE to LREE can vary significantly, ranging from 23% in MSRC0003 up to 73% in MSRC0001. Note the higher grades of Dy and Tb in MSRC0001 are comparable to intersections in MSRC0003 and MSRC0006, despite the overall lower TREO values and are considered just as significant. MSRC0001 terminated in mineralisation >1,000ppm TREO and may need to be extended.

Directors' report

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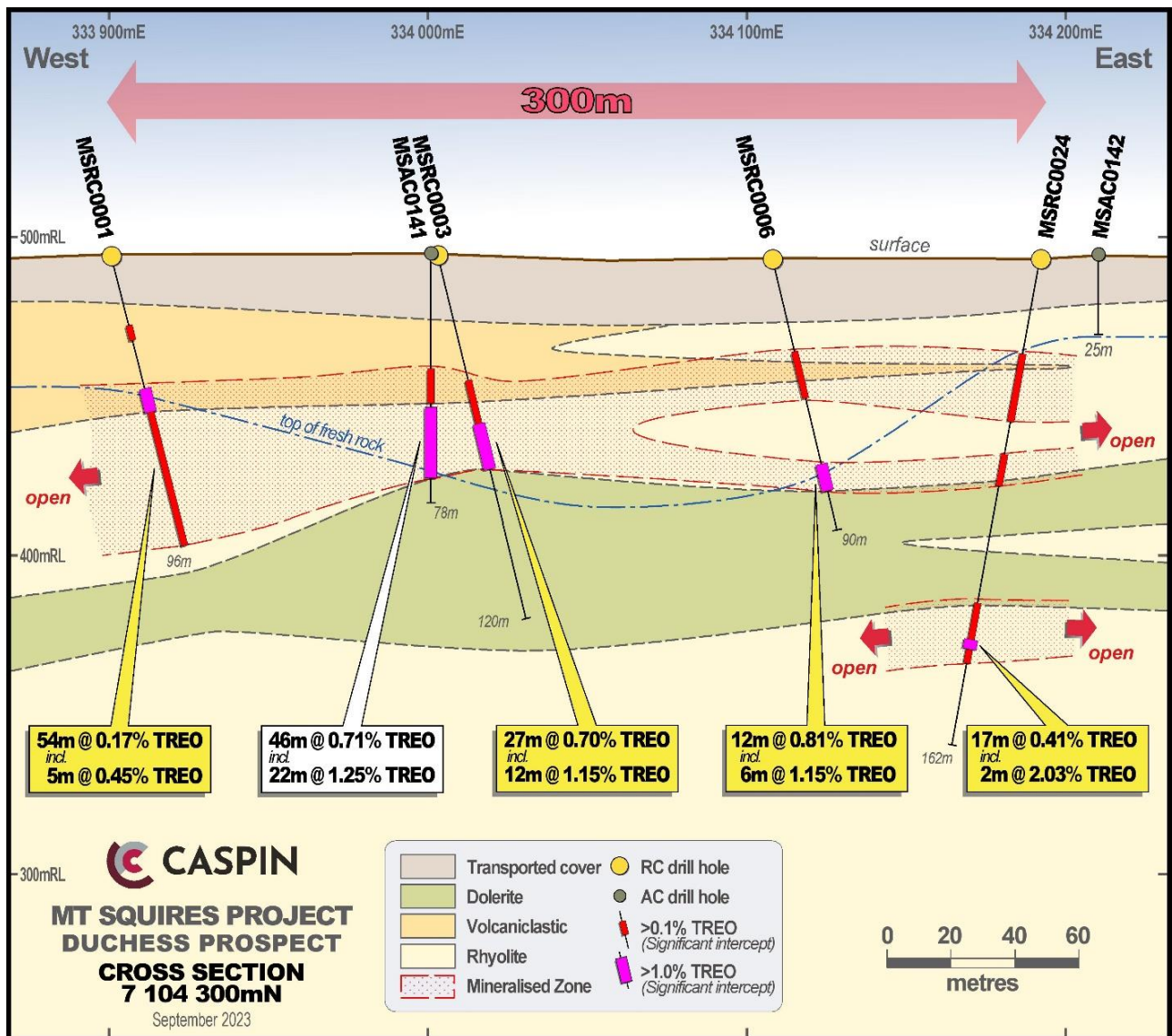


Figure 2. Cross section at Duchess East with mineralised intercepts.

Reconnaissance drilling in this program has tested several geochemical base and precious metal targets beyond the Duchess and Handpump Prospects, over a strike of greater than 20km (Figure 3). These holes have all intersected anomalous grades of REE (>1,000ppm TREO); all hosted in rhyolite and felsic volcaniclastic rocks with a best result of 12m @ 0.16% TREO in MSRC0021. This demonstrates the potential to target REE deposits across a large area in suitable structural settings.

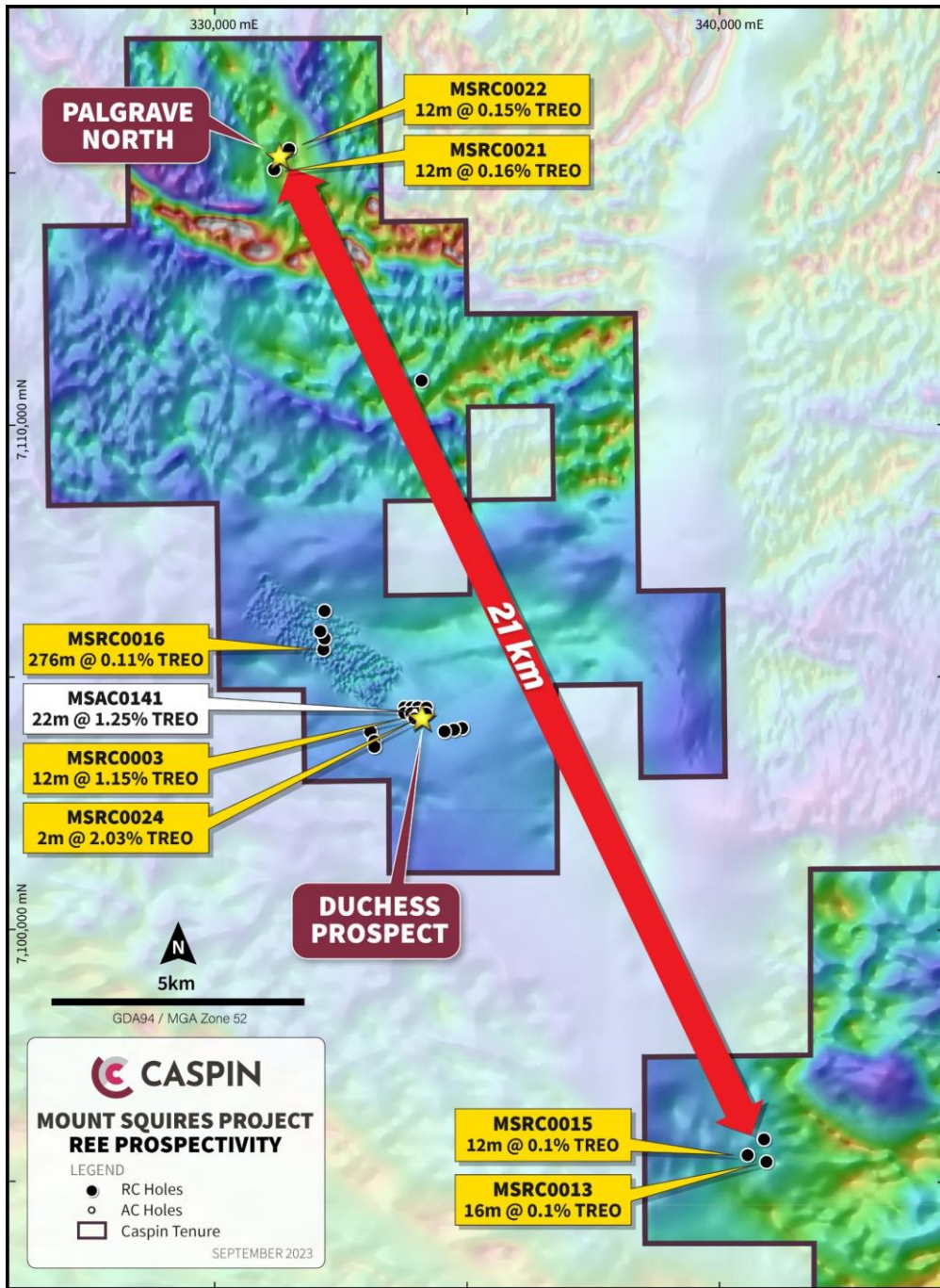


Figure 3. Drill plan of RC drilling at Mount Squires highlighting anomalous REE mineralisation on the western half of the project.

Ni-Cu prospective host rocks strike over 12km into Mount Squires Project

The Company drilled 9 reconnaissance RC holes across the Sienna and Auburn Prospects which were defined by anomalous levels of nickel, copper and PGE values in soil geochemistry and, additionally in the case of Sienna, copper mineralisation in surface rock chips (Figure 4).

Drilling intersected various mafic units typical of the intrusive complexes found in the region, such as those that host the Nebo-Babel deposits that comprise BHP’s West Musgrave development. Drilling encountered anomalous values of copper (up to 1,100ppm) and PGEs (up to 100ppm 3E). These values mimic the soil geochemistry anomalies, which is explained by the very shallow weathering profile at both prospects. The source of surface copper mineralisation grading 10.5% at the Sienna prospect remains largely unexplained, with only weak anomalous up to 673ppm Cu intercepted in drillhole MSRC0029, which targeted a basement source of this mineralisation.

Directors' report

The Company is looking at additional, and often more subtle, soil anomalies within the greater area of transported cover along the 12km intrusive trend. Parts of this trend have only been sampled on very broad 800m x 200m centres. The Company is also looking at where this mafic intrusive trend is covered by deep palaeochannels and has not been tested by geochemical or geophysical surveys.

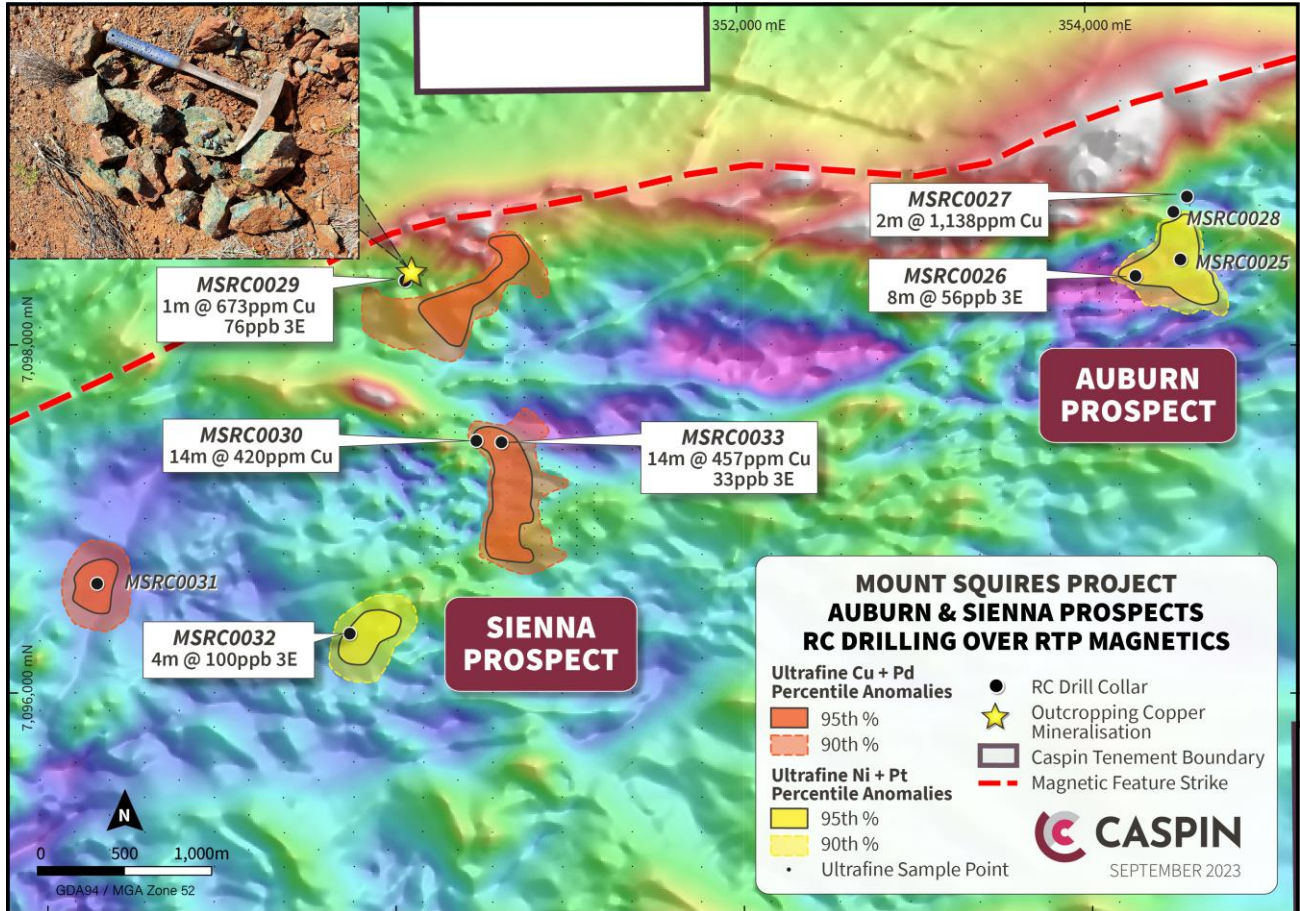


Figure 4. Sienna - Auburn Prospects and drilling results.

Handpump and Duchess gold targets

The Company also tested several prospective gold targets during the drill program. Four holes were drilled at the Handpump Prospect, including two deep holes testing a coincident Induced Polarisation (IP) and circular magnetic anomalies, potentially mapping an intrusive related gold system. These two holes were co-funded by the WA government Exploration Incentive Scheme.

The IP anomaly was found to be associated with a sulphidic zone, as interpreted, but comprised only barren pyrite. The circular magnetic anomaly is now recognised as a dolerite unit that does not breach the surface, and which is unlikely to be a source of gold mineralisation.

The program also targeted extensions of gold mineralisation in historical drilling. The Handpump Prospect is structurally complex with apparent post-mineralisation fault offsets. This has been proven with hole MSRC0018 targeting one such offset, intersecting a broad zone of low-level gold (16m @ 0.30g/t Au from 60m) within the target zone. The down dip and plunge extensions of mineralisation at Handpump remain open at relatively shallow depths and can now be targeted with greater confidence in this structural setting.

Two further holes were drilled at the Duchess West Prospect, testing for extensions to gold mineralisation intersected in earlier aircore drilling and rock chip samples. Despite encountering prospective quartz breccias, the earlier gold results were unable to be repeated, suggesting either highly “nuggety” gold or that the drilling orientation was sub-optimal to the dip of mineralisation.

Directors' report

Yarawindah Brook Project

The Yarawindah Brook Project is located approximately 20km south of New Norcia and 100km northeast of Perth, Western Australia. Caspin owns 80% of the project, which has now grown to include eight granted exploration licenses and four exploration license applications. The project continues to be an important part of the Company's growth aspirations, although exploration during the half year was limited due to the seasonal focus on the Mount Squires Project.

Whilst exploration has been concentrated at Serradella and Yarabrook Hill Prospects over the past two years, the Company has continued to evaluate the Brassica Shear Zone (BSZ), being the extension of stratigraphy hosting Chalice's Gonneville Deposit and therefore clearly prospective.

At Brassica, magnetic and gravity data suggest a primary intrusive geology with differentiated mafic and ultramafic components. Importantly, the interpreted mafic and ultramafic zones appear channelised with multiple chonolith-type targets within a greenstone package known to be dominated by sulphide-rich metasediments.

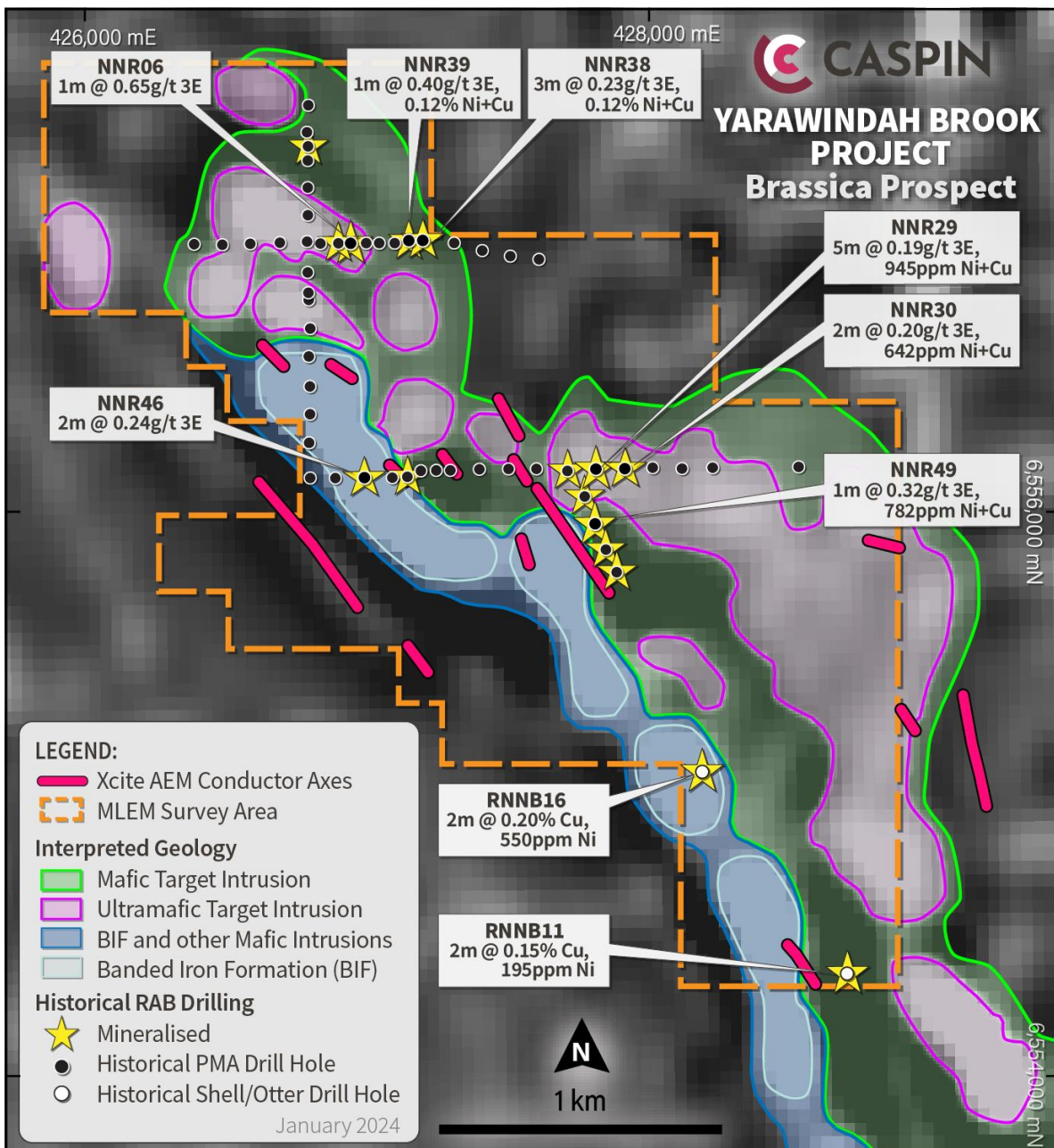


Figure 5. Brassica Prospect geology and target summary.

Directors' report

Historical shallow RAB drilling completed in 1989 contain strong PGE results across the weathered mafic and ultramafic sequence, including 1m @ 0.65g/t 3E from 19m (NNR06) and 5m @ 0.19g/t 3E from 20m (NNR29) (Figure 5). The results, over a strike of approximately 1,000m indicates that the mafic and ultramafic bedrock, recognised in geophysics, is mineralised. Historical drilling did not reach fresh bedrock, rather ending in weathered and/or altered rock, including holes with significant intercepts. Many holes are also considered ineffective either being abandoned prematurely, ending in later dolerites or variably weathered metasediments.

Field mapping revealed extensive laterite and bauxite development (indicating extreme near surface leaching of most metals) over much of the mafic-ultramafic package suggesting preferential weathering of the target geology. This regolith regime places greater significance on the soil geochemistry anomalism over the area. Rock chip samples of lateritic material also returned anomalous Cu-PGE(-Ni) results and indicate some local surficial enrichment processes of bedrock mineralisation.

Brassica Shear Zone Regional Setting

The BSZ is interpreted as a long-lived mantle tapping structure which is interpreted to span some 100km, directly linking the Brassica prospect with Gonneville and other Chalice regional targets (Hooley, Dampier, Baudin, Jansz, Torres and Flinders prospects; see Figure 6). Chalice have confirmed mineralised Gonneville like intrusions through drilling across approximately 13km of this strike, with exploration access further along strike slowed by the restricted Bindoon Military Training Area. Regional gravity imagery strongly suggests a common source of mantle derived melt between Brassica and Gonneville.

Caspin has previously drilled holes (YAD014-YAD016, XC-29 AEM anomaly, west of Elongata Prospect) targeting electromagnetic conductors along the broader BSZ trend. However, the company now recognises that these anomalies were situated within an unfavourable portion of the stratigraphy (directly on top of the shear zone) which is dominated by Banded Iron Formation (BIF) and other mafic-ultramafic intrusions which are distinct from the prospective Yarabrook-Gonneville suite.

A newly identified target area sits to the east of the BSZ, which is interpreted as the same stratigraphic and structural position of Gonneville (Figure 7; Note that the regional dip is interpreted to reverse between Gonneville and Brassica).

Moving Loop Electromagnetic Survey

Recent airborne electromagnetic (AEM) surveys conducted over the area recognised several anomalies associated with the target mafic/ultramafic sequence.

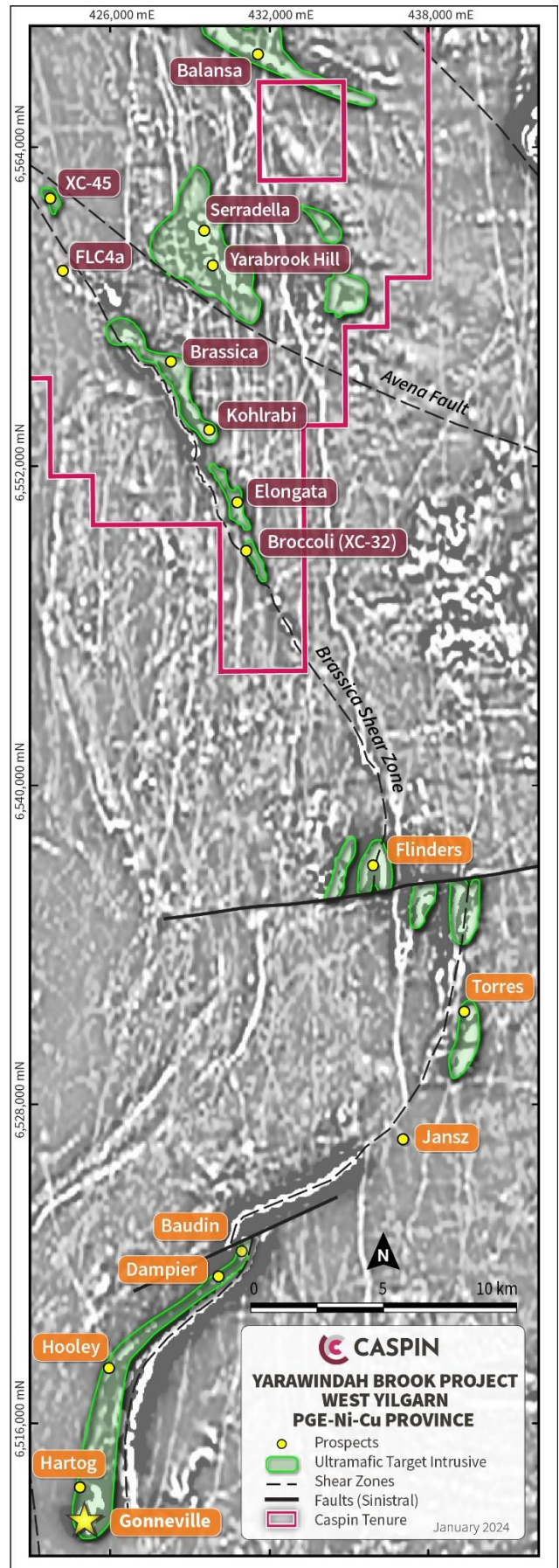


Figure 6. Regional geological setting.

Directors' report

These anomalies could be indicative of massive sulphide bodies at shallow depths of approximately 50m below the weathering zone. Previous exploration in this area was focused on some stronger AEM conductors in the footwall metasediments (with a strong magnetic response due to banded iron formations), not the mafic and ultramafic sequence. Therefore, the most prospective part of the stratigraphy, equivalent to the Gonneville position, remains largely unexplored.

To further refine the large target area under investigation, shortly after the half year ended, the Company commenced a ground-based moving loop electromagnetic survey (MLEM) over an area of approximately 5km².

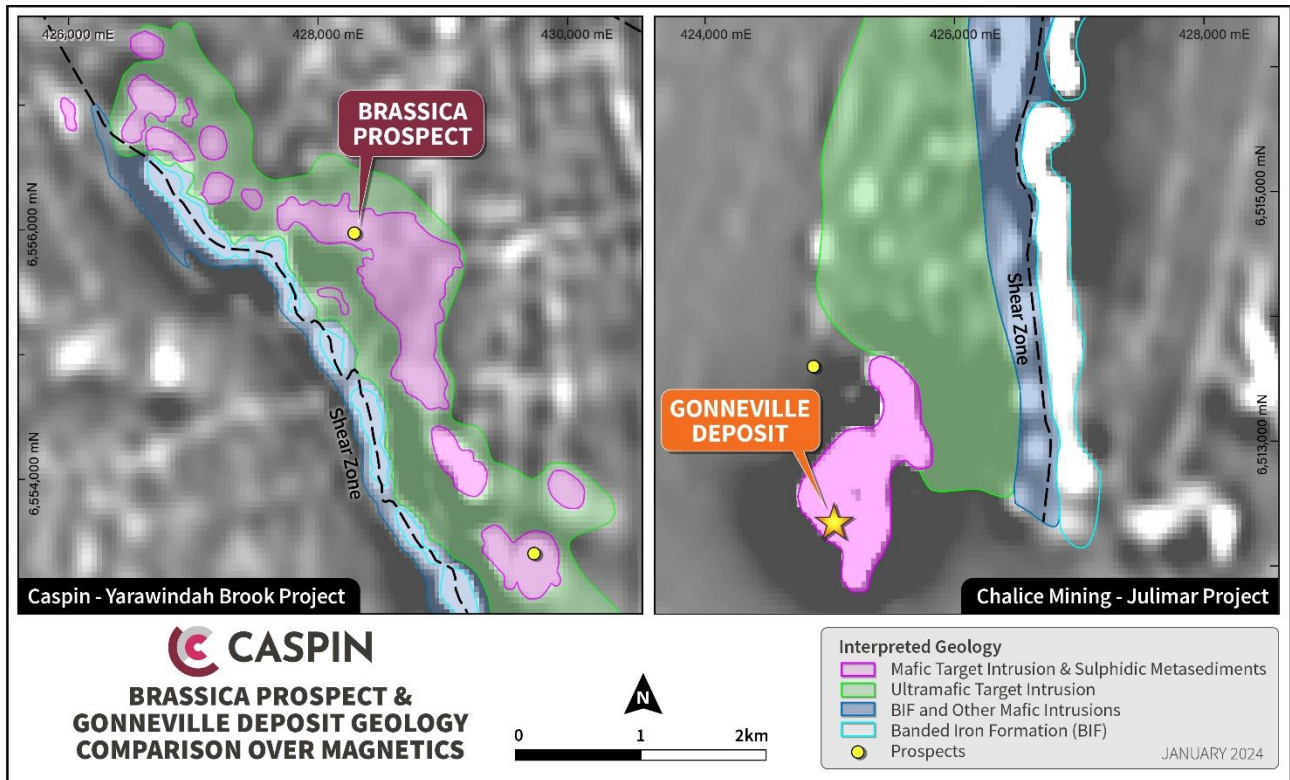


Figure 7. Simple geological setting comparison of the Brassica Prospect and Gonneville Deposit. Within the Yarawindah Brook Project, the stratigraphy has been tilted and dips to the east in contrast to Gonneville which dips to the west. It is proposed that this reversal of dip occurs proximal to the Flinders Prospect, see Figure 2.

Evaluating lithium potential at Yarawindah Brook

The Company recognises the potential for lithium bearing pegmatites, in geological settings similar to the world-class Greenbushes mine, south of Perth. Similar to nickel-copper-PGE exploration, the search for lithium deposits, including tin and tantalum, has been hampered in the West Yilgarn by competing land use and a lack of exposure. However, the Company has rapidly developed a conceptual targeting model, supported by its own exploration data, as described below.

The world's largest LCT pegmatite deposit is the Greenbushes mine (360Mt @ 1.5% LiO₂; IGO Ltd ASX Announcement 21 January 2022), just three hours south of Perth. The Yarawindah Brook Project sits within the same geological terrane as Greenbushes, the Southwest Yilgarn, which is defined by Neoproterozoic greenstone packages intruded by felsic granitic rocks. Also of relevance is SQM's recently announced farm in agreement with Tambourah Metals Ltd to explore for LCT pegmatites on neighbouring tenements to Yarawindah. SQM are one of the largest producers of lithium in the world, headquartered in Chile.

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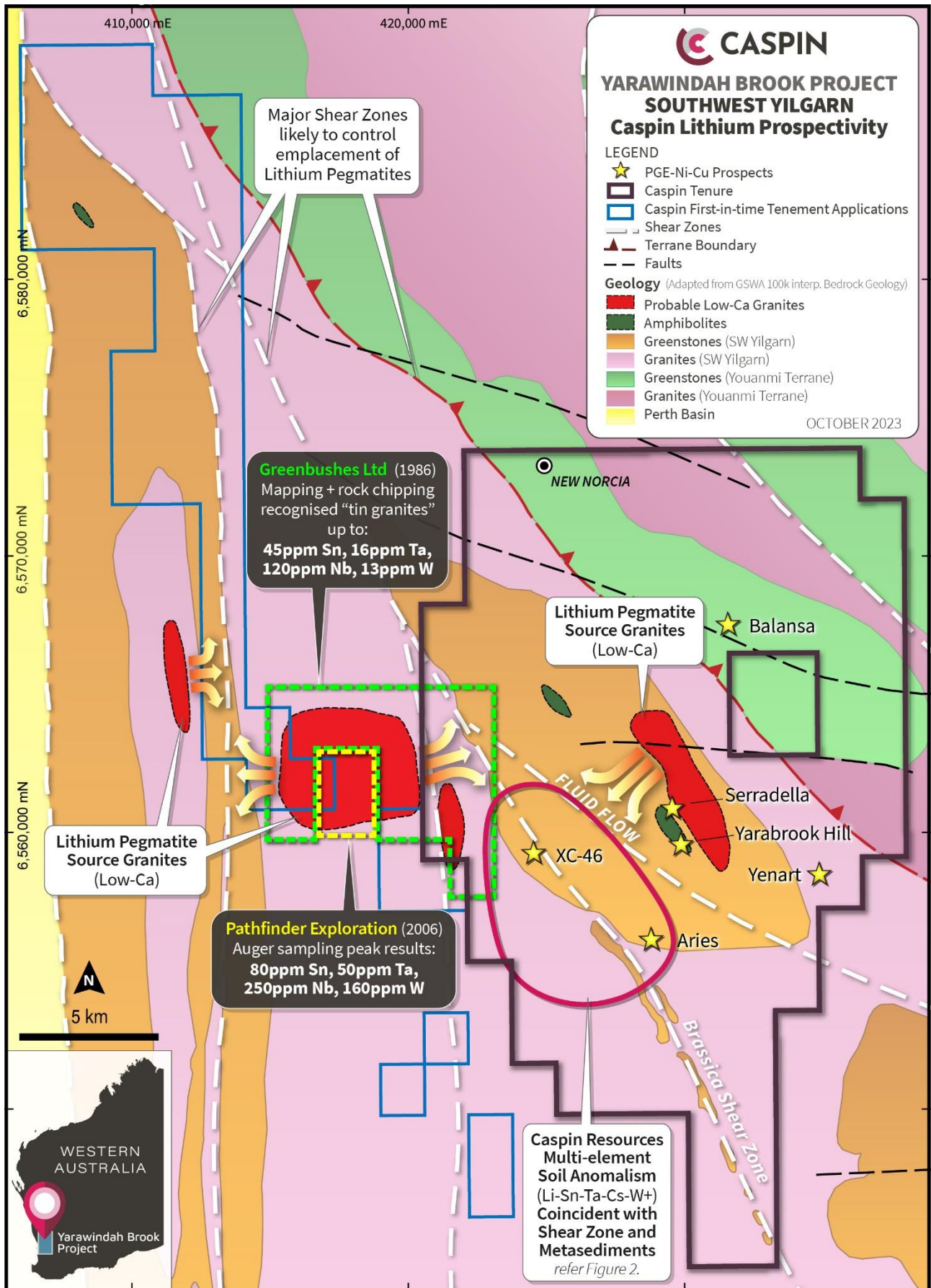


Figure 8. Conceptual lithium mineralisation model, structural and stratigraphic setting of Yarawindah Brook.

Directors' report

Limited historical exploration in the area (see below for more detail) has highlighted the local presence of source granites and potential “quartz-albite” dykes. Yilgarn LCT pegmatite deposits are strongly associated with Low-calcium (Ca) granites, both spatially and in terms of age (Sweetapple, 2017), providing a source of metals such as lithium, tin and tantalum. A review of GSWA, historical exploration and Caspin geochemical data has revealed the presence of extensive Low-Ca granites (Cassidy et al., 2002) across the Yarawindah Brook Project (Figure 8). These granites are bound by numerous northwest trending shear zones and later east-west striking faults which may provide fluid pathways for mineralisation to be deposited in the surrounding greenstone package (comprised of variable metasediments, mafic-ultramafic intrusions and amphibolite).

Caspin has collected over 5,000 soils samples across the project with initial analysis highlighting a strong LCT pegmatite elemental association (Figure 9), especially to the west of the Brassica Shear Zone. The Company has created a “LCT pegmatite index” by combining important lithium pathfinder elements together. Peak individual soil values include 80ppm Li, 61ppm Nb, 24ppm Sn, 12ppm Ta and 102ppm W, representing two to ten times background levels. Soil geochemistry is supplemented with extensive geophysical, radiometric and remote sensing datasets.

Caspin continues to identify and advance priority exploration areas for the upcoming Yarawindah summer field season. These priority areas are based on the conceptual model where LCT pegmatites derived from Low-Ca granites are emplaced into amphibolite facies metasedimentary greenstone packages along major regional shear zones and/or fold features.

Historical exploration for LCT pegmatites

It was not until the discovery of Julimar in 2020 (Chalice Mining Ltd) that the northern SW Yilgarn region saw widespread and systematic exploration for commodities other than bauxite and vanadium. A notable exception is Greenbushes Ltd who briefly explored a small area directly west of Yarabrook Hill for pegmatite hosted tin and tantalum (Sn-Ta) in 1986. They mapped a suite of patchy granites which they categorised as “tin-granites” and a suite of younger granitic quartz-albite dykes and aplites across the area. Lithium received little to no attention as an element of exploration interest at this time, outside of the immediate Greenbushes Mine area, some 300km to the South. Greenbushes Ltd did not assay the rock chip samples it collected for Li (only Sn, Ta, W, Nb, Au, Ba and Sr). Peak individual values from this rock chipping were 45ppm Sn, 120ppm Nb, 13ppm W and 16ppm Ta. Feldspar and similar-appearing minerals (potentially including spodumene) were typically lumped together and categorised as albite during this period. Most granitic rock samples from the area were described petrographically as quartz and albite (typically tabular and lath shaped). Collectively, these results are suggestive of the presence of LCT-type granitoids in the project area.

In 2006, Pathfinder Exploration Pty Ltd (Pathfinder) completed the next relevant exploration in the area targeting tin anomalism in soil data. They completed a 315-hole Auger program at an average spacing of 80m x 200m over a limited 4.4km² area. The holes averaged just 2.6m depth which was generally enough to break through the thin layer of laterite and soil that dominates the area. This same transported cover restricted the Greenbushes Ltd geologists who could only sample areas of patchy outcropping rock (note that any spodumene would be preferentially weathered to clay in the near surface environment). Most holes intersected weathered granite and microgranite, but Pathfinder did not assay for Li (only Sn, Ta, Nb, W, Cu, Pb, Zn, Ni, Co, Cr, Ba, Cs and Be). Peak individual values from auger drilling include 250ppm Nb, 160ppm W, 80ppm Sn, 50ppm Ta, and 197ppm Cu, generally five to ten times background levels.

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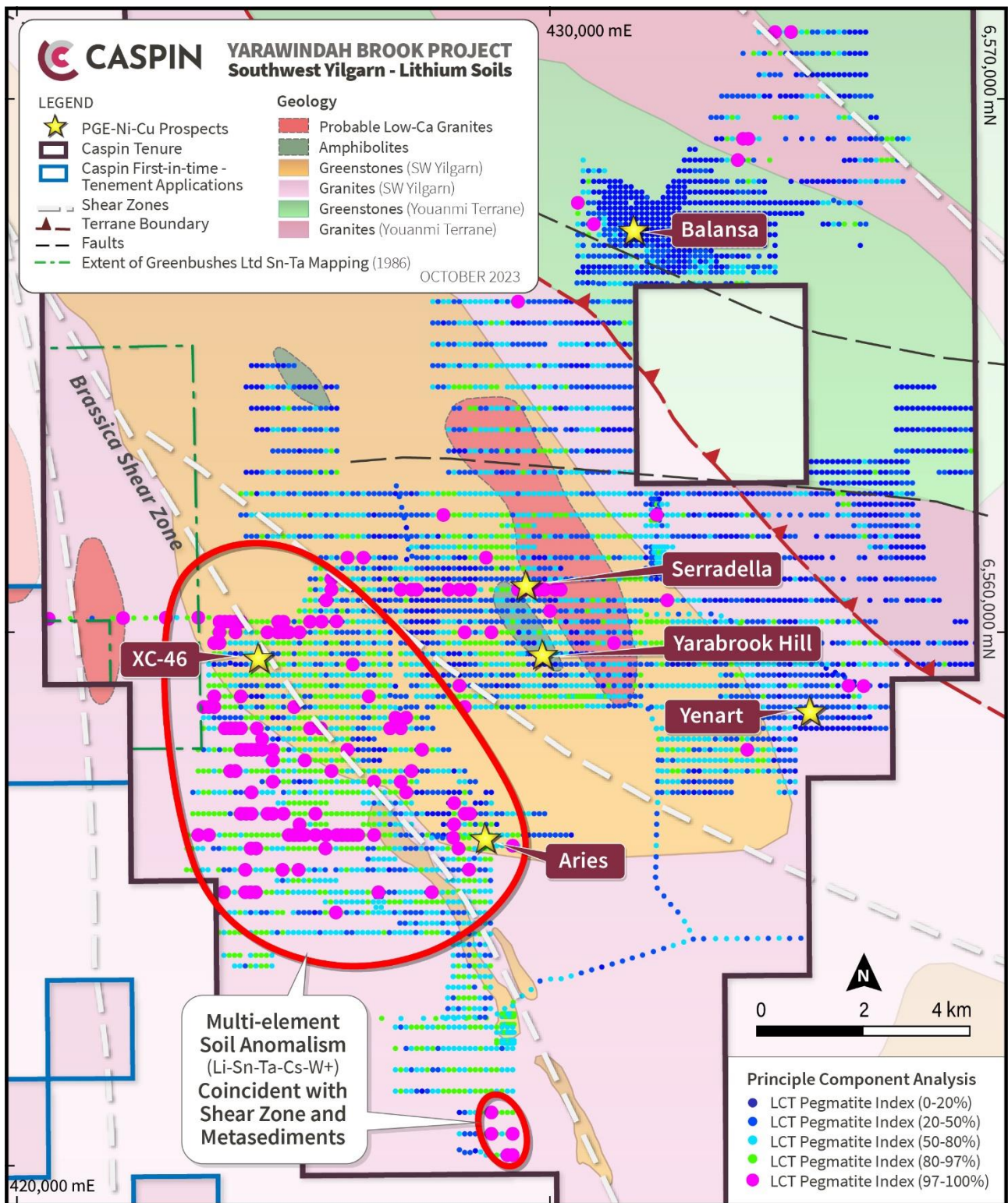


Figure 9. LCT Pegmatite Index. Derived by Principal Components Analysis (PCA) of all Caspin soil geochemical data. Average correlation coefficient of 0.63 between Li-Nb-W-Sn-Ta.

Directors' report

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Greg Miles, who is an employee of the company. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this report of the matters based on 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 Exploration Results information included in this report from previous Company announcements (including drill results extracted from the Company's Prospectus) announced to the ASX on 13 February 2023, 14 February 2023, 14 March 2023, 21 March 2023, 4 May 2023, 23 May 2023, 6 June 2023, 12 July 2023, 21 August 2023, 13 September, 17 October 2023 and 24 January 2024.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 immediately after this directors' 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



Greg Miles
Managing Director

8 March 2024

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF CASPIN RESOURCES LIMITED

As lead auditor for the review of Caspin Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Caspin Resources Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd

Perth

8 March 2024

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Revenue			
Other income	4	178,714	187,941
Expenses			
Employee and director benefits expenses		(177,547)	(188,638)
Share based payment expense	5	(479,838)	(123,689)
Financial and company secretarial expenses		(69,320)	(63,000)
Accounting Fees		(4,920)	-
Audit Fees		(12,403)	(17,825)
Depreciation and amortisation expense		(43,601)	(42,776)
Legal Fees		(6,589)	(18,312)
Insurance		(43,967)	(59,487)
ASX and share registry fees		(52,524)	(67,284)
Consultants and corporate advisory		(13,055)	(44,076)
Exploration expenditure not capitalised		(794,277)	(4,753,319)
Marketing, travel and investor relations		(92,255)	(92,180)
Rent expenses		(23,566)	(17,474)
Other expenses		(151,763)	(180,062)
Finance costs		(484)	(846)
Loss before income tax expense		(1,787,395)	(5,481,027)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Caspin Resources Limited		(1,787,395)	(5,481,027)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Caspin Resources Limited		(1,787,395)	(5,481,027)
		Cents	Cents
Basic earnings per share	19	(1.90)	(7.33)
Diluted earnings per share	19	(1.90)	(7.33)

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

Consolidated statement of financial position

As at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,191,704	4,127,402
Trade and other receivables		256,300	341,058
Total current assets		2,448,004	4,468,460
Non-current assets			
Property, plant and equipment		30,134	36,969
Right-of-use assets	7	79,658	116,423
Total non-current assets		109,792	153,392
Total assets		2,557,796	4,621,852
Liabilities			
Current liabilities			
Trade and other payables	8	221,828	1,032,016
Lease liabilities	9	80,116	72,150
Provisions		94,935	102,386
Total current liabilities		396,879	1,206,552
Non-current liabilities			
Lease liabilities	10	6,710	53,536
Total non-current liabilities		6,710	53,536
Total liabilities		403,589	1,260,088
Net assets		2,154,207	3,361,764
Equity			
Issued capital	11	25,352,202	25,252,202
Reserves	12	2,381,723	1,901,885
Accumulated losses		(25,579,718)	(23,792,323)
Total equity		2,154,207	3,361,764

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2022	19,723,251	1,669,186	(12,599,050)	-	8,793,387
Loss after income tax expense for the half-year	-	-	(5,481,027)	-	(5,481,027)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(5,481,027)	-	(5,481,027)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	105,828	(105,828)	-	-	-
Share-based payments	-	123,689	-	-	123,689
Balance at 31 December 2022	<u>19,829,079</u>	<u>1,687,047</u>	<u>(18,080,077)</u>	-	<u>3,436,049</u>

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2023	25,252,202	1,901,885	(23,792,324)	-	3,361,763
Loss after income tax expense for the half-year	-	-	(1,787,395)	-	(1,787,395)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,787,395)	-	(1,787,395)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 11)	100,000	-	-	-	100,000
Share-based payments	-	479,839	-	-	479,839
Balance at 31 December 2023	<u>25,352,202</u>	<u>2,381,724</u>	<u>(25,579,719)</u>	-	<u>2,154,207</u>

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

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Consolidated statement of cash flows

For the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(645,663)	(1,045,205)
Exploration and evaluation expenditure		(1,462,507)	(3,532,800)
		(2,108,170)	(4,578,005)
Interest received		21,730	22,078
Grant received		113,651	149,799
Net cash used in operating activities		(1,972,789)	(4,406,128)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(35,159)
Net cash used in investing activities		-	(35,159)
Cash flows from financing activities			
Proceeds from issue of shares	11	100,000	-
Repayment of lease liabilities		(62,908)	(31,389)
Net cash from/(used in) financing activities		37,092	(31,389)
Net decrease in cash and cash equivalents		(1,935,697)	(4,472,676)
Cash and cash equivalents at the beginning of the financial half-year		4,127,401	8,943,917
Cash and cash equivalents at the end of the financial half-year		<u>2,191,704</u>	<u>4,471,241</u>

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

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Notes to the consolidated financial statements

For the half-year ended 31 December 2023

1. Summary of significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sales financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$1,787,395 (31 December 2022: loss of \$5,481,027) and had net cash outflows from operating activities of \$1,972,789 (31 December 2022: outflow of \$4,406,128). At 31 December 2023, the Company had \$2,191,704 (30 June 2023: \$4,127,401) in cash and cash equivalents. For the Group to continue to carry out its exploration activities, meet its expenditure requirements and continue as a going concern it is dependent on securing additional funding. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

For the Group to be able to continue to carry out its exploration activity and to have sufficient working capital, it is dependent on the financial support from its shareholders to fund its working capital requirements and/or successfully raising capital. The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis. In arriving at this position, the Directors have considered the following matters:

- The Directors have assessed the cash flow requirements for the 12-month period from the date of approval of the financial statements and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements;
- In the event that funding of an amount required to meet the future budgeted operational and investing activities of the Company is unavailable, the Directors would undertake steps to scale down its operations and reduce its discretionary expenditure in order to curtail cash outflows; and
- The Group had successfully raised funds through a Placement in prior year, which supports the Group's ability to raise capital if required.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

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. 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.

Share-based payment transactions

The consolidated entity 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 either the Binomial or Black-Scholes 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 annual reporting period but may impact profit or loss and equity.

3. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group operates within one segment which is mineral exploration within Australia. The Group is domiciled in Australia.

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Notes to the consolidated financial statements

For the half-year ended 31 December 2023

4. Other income

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Government grants	140,920	149,799
Interest received	21,730	22,078
Rent received	16,064	16,064
Other income	<u>178,714</u>	<u>187,941</u>

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period to which the costs relate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

All revenue is stated net of the amount of goods and services tax (GST).

5. Share based payments

Recognised share-based payment expense

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Expense arising from equity settled share-based payment transactions	<u>479,838</u>	<u>123,689</u>

Securities granted during the half year

Incentive options granted during the half year to 31 December 2023 as share based payments are as follows:

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

Tranche	KMP and Employees	Grant Date	Class of Securities	Number of Securities	Expiry Date	Exercise Price	Vesting Date	Disposal Restriction
1	Greg Miles	16 Nov 2023	Incentive Options	1,000,000	3 years from grant date	\$0.25	31 Dec 2023	N/A
	Justin Tremain	16 Nov 2023	Incentive Options	333,334	3 years from grant date	\$0.25	31 Dec 2023	N/A
	Jon Hronsky	16 Nov 2023	Incentive Options	250,000	3 years from grant date	\$0.25	31 Dec 2023	N/A
1A	Employees	11 Dec 2023	Incentive Options	650,000	3 years from grant date	\$0.25	31 Dec 2023	N/A
2	Greg Miles	16 Nov 2023	Incentive Options	1,000,000	3 years from grant date	\$0.35	31 Dec 2023	N/A
	Justin Tremain	16 Nov 2023	Incentive Options	333,333	3 years from grant date	\$0.35	31 Dec 2023	N/A
	Jon Hronsky	16 Nov 2023	Incentive Options	250,000	3 years from grant date	\$0.35	31 Dec 2023	N/A
2A	Employees	11 Dec 2023	Incentive Options	600,000	3 years from grant date	\$0.35	31 Dec 2023	N/A
3	Greg Miles	16 Nov 2023	Incentive Options	1,000,000	3 years from grant date	\$0.45	31 Dec 2023	N/A
	Justin Tremain	16 Nov 2023	Incentive Options	333,333	3 years from grant date	\$0.45	31 Dec 2023	N/A
	Jon Hronsky	16 Nov 2023	Incentive Options	250,000	3 years from grant date	\$0.45	31 Dec 2023	N/A
3A	Employees	11 Dec 2023	Incentive Options	600,000	3 years from grant date	\$0.45	31 Dec 2023	N/A

The incentive options issued during the half year have been valued using Black-Scholes model. A 100% probability of achieving the vesting condition has been applied to the expense in the current reporting period.

The incentive options were valued using Black-Scholes model based on the following inputs:

Class of Security	Dividend Yield	Grant Date	Exercise Price	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right	Total Fair Value	
1	Nil	16 Nov 2023	1,583,334	\$0.25	100%	3.92%	3 years from grant date	\$0.13	\$0.066	\$104,500
1A	Nil	11 Dec 2023	650,000	\$0.25	100%	3.92%	3 years from grant date	\$0.135	\$0.069	\$44,850
2	Nil	16 Nov 2023	1,583,333	\$0.35	100%	3.92%	3 years from grant date	\$0.13	\$0.057	\$90,250
2A	Nil	11 Dec 2023	600,000	\$0.35	100%	3.92%	3 years from grant date	\$0.135	\$0.060	\$36,000
3	Nil	16 Nov 2023	1,583,333	\$0.45	100%	3.92%	3 years from grant date	\$0.13	\$0.050	\$79,166
3A	Nil	11 Dec 2023	600,000	\$0.45	100%	3.92%	3 years from grant date	\$0.135	\$0.053	\$31,800

No performance rights granted during the half year to 31 December 2023 as share based payments.

6. Current assets - cash and cash equivalents

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Cash at bank	2,191,704	4,127,402

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

7. Non-current assets - right-of-use assets

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Right of use assets – building	238,973	238,973
Accumulated amortisation of right of use assets	(159,315)	(122,550)
Total right of use assets	<u>79,658</u>	<u>116,423</u>

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Trade payables	195,023	1,000,221
Superannuation payable	8,548	8,210
PAYG payable	18,296	23,585
Other payables	(39)	-
	<u>221,828</u>	<u>1,032,016</u>

9. Current liabilities - lease liabilities

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Current lease liability	<u>80,116</u>	<u>72,150</u>

10. Non-current liabilities - lease liabilities

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Non-current lease liability	<u>6,710</u>	<u>53,536</u>

11. Equity - issued capital

	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>94,265,665</u>	<u>93,932,332</u>	<u>25,352,202</u>	<u>25,252,202</u>

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Notes to the consolidated financial statements

For the half-year ended 31 December 2023

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	93,932,332		25,252,202
Placement	7 July 2023	333,333	\$0.30	100,000
Balance	31 December 2023	<u>94,265,665</u>		<u>25,352,202</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.

Share buy-back

There is no current on-market share buy-back.

12. Equity - reserves

Equity settled share-based payments

	31 December 2023 \$	31 December 2023 No.	30 June 2023 \$	30 June 2023 No.
Option reserve	881,614	11,911,287	495,047	4,500,000
Performance rights reserve	1,500,109	1,196,336	1,406,838	1,196,336
	<u>2,381,723</u>	<u>13,107,623</u>	<u>1,901,885</u>	<u>5,696,336</u>

Movement reconciliation

Performance Rights

	31 December 2023 No.	31 December 2023 \$
Balance at the beginning of the period	1,196,336	1,406,838
Vesting of performance rights	-	93,272
Balance at the end of the period	<u>1,196,336</u>	<u>1,500,110</u>

Options

	31 December 2023 No.	31 December 2023 \$
Balance at the beginning of the period	4,500,000	495,047
Issue of options to lead manager ⁽ⁱ⁾	811,287	-
Grant of incentive options to employees & directors	6,600,000	386,567
Balance at the end of the period	<u>11,911,287</u>	<u>881,614</u>

⁽ⁱ⁾ Options to Lead Manager for services in respect of capital raising were issued on 12 July 2023, grant date 7 June 2023.

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Notes to the consolidated financial statements

For the half-year ended 31 December 2023

13. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

14. Contingent assets

There have been no material changes in contingent assets since the last annual reporting date.

15. Contingent liabilities

There have been no material changes in contingent liabilities since the last annual reporting date.

16. Commitments

There are no other new commitments, other than the commitments that existed as at 30 June 2023 that the Group has entered into during the period under review.

17. Related party transactions

There were no material changes to the Group's related party transactions to those disclosed in the 30 June 2023 Annual Report, other than the incentive options issued as disclosed in note 5.

18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

19. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the half-year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	31 December 2023 \$	31 December 2022 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Caspin Resources Limited	(1,787,395)	(5,481,027)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	94,254,736	74,754,323
Weighted average number of ordinary shares used in calculating diluted earnings per share	94,254,736	74,754,323
	Cents	Cents
Basic earnings per share	(1.90)	(7.33)
Diluted earnings per share	(1.90)	(7.33)

Directors' declaration

For the half-year ended 31 December 2023

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 consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year 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



Greg Miles
Managing Director

8 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caspin Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Caspin Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



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 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 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 8 March 2024