MINERALS LIMITED

ASX Release
12 March 2024

HALF YEAR FINANCIAL REPORT – 31 DECEMBER 2023

Octava Minerals Ltd [ASX:OCT] ("**Octava**" or the "**Company**") encloses its financial report for the half-year ended 31 December 2023.

This announcement has been authorised for release by Mark Pitts the Company Secretary on behalf of the board.

For more information, please contact:

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About Octava Minerals Ltd

Octava Minerals Limited (ASX:OCT) is a Western Australian based green energy metals exploration and development company. The Company has 3 strategically located projects in geographically proven discovery areas, with the key project being the East Pilbara (Talga) lithium project.

Octava Minerals Limited

(ABN 86 644 358 403)

Half-Year Financial Report

31 December 2023

Contents

CORPORATE DIRECTORY

Directors
Clayton Dodd – Chairman
Bevan Wakelam - Managing Director and Chief Executive Officer
Damon O'Meara- Non-Executive Director
Feiyu Qi – Non-Executive Director

Company Secretary and Chief Financial Officer
Mark Pitts

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Registered Office and Principal Place of Business
Level 1, 234 Churchill Avenue, Subiaco, WA, 6008
Telephone: (08) 9218 8878

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

Securities Exchange Listing
The Company's shares are quoted on the Official List of Australian Securities Exchange Limited (ASX:OCT)

State of Registration
Western Australia

Competent Person Statement
Where the Company references exploration results previously released it confirms it is not aware of any new information or data that materially effects the information included in the relevant market announcement. The form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

DIRECTORS' REPORT

Your directors submit the financial report of Octava Minerals Limited ('Company' or 'Octava') and its subsidiary (together, the "Group") for the half year ended 31 December 2023.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Clayton Dodd	Chairman
Bevan Wakelam	Managing Director
Damon O'Meara	Non-Executive Director
Feiyu Qi	Non-Executive Director

Chief Executive Officer

Bevan Wakelam

Company Secretary and Chief Financial Officer

Mark Pitts

Principal Activities

During the period the principal activity of the Group was the exploration for mineral resources.

Review of Operations

Financial Summary

The Group incurred a net loss of $530,252 for the half year ended 31 December 2023 (31 December 2022: $409,191).

As at 31 December 2023, the Group had cash and cash equivalents of $2,110,332 (30 June 2023: $3,355,502) and net assets of $5,313,812 (30 June 2023: $5,734,735).

Changes in securities on issue

During the period, the Group issued 1,250,000 ordinary shares as part consideration for the purchase of the remaining interest in the Talga Lithium Project.

DIRECTORS' REPORT

Review of Operations (continued)

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2023 is set out on page 4.

Significant changes in the state of affairs

In the opinion of Directors, other than that disclosed elsewhere in this report, there were no other significant changes in the state of affairs of the Group that occurred during the period under review.

Events after Reporting Date

Subsequent to the end of the half-year the Group entered into an option agreement to acquire the Byro Rare Earth Elements ("REE") & Lithium Project, located in the Gascoyne Region of Western Australia. This acquisition, if pursued, would result in the Group acquiring 100% of the share capital of Byro Mining Pty Ltd, the holder of the project tenements, through payment of the acquisition consideration as follows:

- Reimbursement of the Vendors' expenses up to a maximum of $240,000, payable in cash or a combination of cash and shares;
- Issue of 3,000,000 ordinary shares in the Company to the Vendors;
- Upon and subject to the publication of a scoping study, or equivalent higher-level study completed by an independent mining-related consultant, issue an additional 2,000,000 ordinary shares in the Company to the Vendors; and
- Grant to the Vendors a Net Smelter Royalty ("NSR") of 1%.

The Group has a period of 24 months to complete its due diligence and investigation into the Byro REE & Lithium Project, and is responsible for the upkeep costs of the tenements during this period.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has 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 periods.

Signed in accordance with a resolution of the Board of Directors.

Clayton Dodd
Chairman

Dated this 12th day of March 2024

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Octava Minerals Limited 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:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

David Healy

Perth, Western Australia
12 March 2024

D B Healy
Partner

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023	31 Dec 2022
		$	$
REVENUE			
Interest income		58,836	8,508
Total income		**58,836**	**8,508**
EXPENSES			
Administrative expenses		(189,870)	(160,954)
Employee benefits expenses		(260,465)	(134,805)
Share based payments	6	(25,329)	(17,167)
Marketing expenses		(25,109)	(41,281)
Occupancy expenses		(24,927)	(27,805)
Exploration and evaluation costs expensed		(56,388)	-
Fair value adjustment of financial assets		(7,000)	-
Prospectus expenses		-	(35,687)
Total expenses		**(589,088)**	**(417,699)**
Loss before income tax		**(530,252)**	**(409,191)**
Income tax expense		-	-
Loss for the period after income tax		**(530,252)**	**(409,191)**
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		**(530,252)**	**(409,191)**
Loss per share			
Basic and diluted loss per share (cents per share)		(1.13)	(1.28)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31 Dec 2023	30 June 2023
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,110,332	3,355,502
Other receivables		66,490	27,332
TOTAL CURRENT ASSETS		2,176,822	3,382,834
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3	3,115,906	2,343,320
Financial asset		108,500	115,500
TOTAL NON-CURRENT ASSETS		3,224,406	2,458,820
TOTAL ASSETS		5,401,228	5,841,654
CURRENT LIABILITIES			
Trade and other payables		48,351	73,734
Employee entitlements		39,065	33,185
TOTAL CURRENT LIABILITIES		87,416	106,919
TOTAL LIABILITIES		87,416	106,919
NET ASSETS		5,313,812	5,734,735
EQUITY			
Issued capital	4	8,377,927	8,293,927
Reserves	5	261,799	236,470
Accumulated losses		(3,325,914)	(2,795,662)
TOTAL EQUITY		5,313,812	5,734,735

The accompanying notes form part of these financial statements

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

	Note	Issued Capital	Share Based Payment Reserve	Accumulated Losses	Total
		$	$	$	$
Balance at 1 July 2022		1,797,630	11,357	(2,042,936)	(233,949)
Loss for the period		-	-	(409,191)	(409,191)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	-	(409,191)	(409,191)
Issue of shares for cash		6,000,000	-	-	6,000,000
Issue of shares for acquisition of tenements		1,050,000	-	-	1,050,000
Issue of options in lieu of share issue costs		(169,432)	169,432	-	-
Vesting of previously issued share-based payments		-	17,167	-	17,167
Share issue costs		(384,270)	-	-	(384,270)
Balance at 31 December 2022		8,293,928	197,956	(2,452,127)	6,039,757
Balance at 1 July 2023		8,293,927	236,470	(2,795,662)	5,734,735
Loss for the period		-	-	(530,252)	(530,252)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	-	(530,252)	(530,252)
Issue of shares for acquisition of tenements		84,000	-	-	84,000
Vesting of previously issued share-based payments		-	25,329	-	25,329
Balance at 31 December 2023		8,377,927	261,799	(3,325,914)	5,313,812

The accompanying notes form part of these financial statements

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

	Note	**31 Dec 2023**	31 Dec 2022
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(545,399)	(584,677)
Interest received		58,836	8,508
Net cash used in operating activities		(486,563)	(576,169)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation expenditure		(558,607)	(937,450)
Acquisition of tenements	3	(200,000)	-
Net cash used in investing activities		(758,607)	(937,450)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	6,000,000
Capital raising costs paid		-	(422,583)
Net cash provided by investing activities		-	5,577,417
Net (decrease)/increase in cash and cash equivalents held		(1,245,170)	4,063,798
Cash at the beginning of the period		3,355,502	113,777
Cash and cash equivalents at end of period		2,110,332	4,177,575

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Corporate information

The financial report of Octava Minerals Limited and its subsidiary (the "Group") for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 12 March 2024. Octava Minerals Limited is a company limited by shares, incorporated in Australia.

Note 2: Basis of preparation and accounting policies

a. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the half-year, or subsequent to the end of the half-year up to the date of this report.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied for the financial year ended 30 June 2023.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiary). The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the group controls another entity.

Unrealised gains or transactions between the group and its associates are eliminated to the extent of the group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

d. Going Concern

The financial statements have been prepared on a going concern basis which assumes the settlement of liabilities and the realisation of assets in the normal course of business.

As at 31 December 2023, the Group has cash and cash equivalents of $2,110,332 (30 June 2023 $3,355,502) and had operating and investing cash outflows pf $1,245,170 for the half-year ended 31 December 2023 (31 December 2022; $1,513,619). The Company has equity investments with a market value of $108,500 at 31 December 2023 (30 June 2023: $115,500). The Group is able to reduce exploration expenditure if required. The Directors believe that Octava Minerals Limited has access to sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the financial report.

Note 2: Basis of preparation and accounting policies (cont'd)

e. Exploration and evaluation expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost, only where rights to tenure of the area of interest are current and:

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

To the extent these criteria are not met, expenditure on acquisition, exploration and evaluation activities are expensed to the profit or loss as incurred.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists to the future viability of certain areas, the value of the area of interest is to be written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when is assessment is made.

f. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the interim financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily available from other sources.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on various factors, including whether the Group decides to exploit the related area of interest itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 3: Exploration and evaluation expenditure

	Half-year to 31 Dec 2023	Year to 30 June 2023
Exploration and evaluation phase:	**$**	**$**
Balance at the beginning of the period	2,343,320	190,000
Exploration costs capitalised during the period	488,586	1,133,320
Exploration costs written-off (a)	-	(60,000)
Reallocation from Financial Assets (deposit paid)	-	30,000
Acquisition of tenements – cash	200,000	-
Acquisition of tenements – shares (Note 4)	84,000	1,050,000
Balance at the end of the period	**3,115,906**	**2,343,320**

(a) – Represents costs incurred on areas of interest which were ultimately not pursued by the Group.

The ultimate recoupment of exploration and evaluation expenditure relating to the Group's projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

Note 4: Issued capital and options

	31 December 2023		30 June 2023	
	$	**No.**	**$**	**No.**
Ordinary Shares				
Issued and fully paid	8,377,927	47,395,681	8,293,927	46,145,681
Movement in ordinary shares on issue:	**Half-year to 31 Dec 2023**		**Year to 30 June 2023**	
At the beginning of the period	8,293,927	46,145,681	1,797,630	10,895,681
Issue of shares for cash – IPO (a)	-	-	6,000,000	30,000,000
Issue of shares to acquire tenements (b) (Note 3)	-	-	1,050,000	5,250,000
Options issued in lieu of share issue costs (Note 6)	-	-	(169,432)	-
Issue of shares to acquire remaining interest in Talga project (c) (Note 3)	84,000	1,250,000	-	-
Other share issue costs for the period	-	-	(384,271)	-
At the end of the period	8,377,927	47,395,681	8,293,927	46,145,681

(a) Issue of shares at $0.20 each under an initial public offering of shares.

(b) Issue of shares at $0.20 each to acquire tenements.

(c) Issue of shares at $0.0672 each as partial consideration for remaining interest in the Talga project.

Note 4: Issued capital and options (continued)

	31 December 2023		30 June 2023	
	$	No.	$	No.
	Half-year to 31 Dec 2023		Year to 30 June 2023	
Unquoted options	169,432	6,131,267	169,432	6,131,267
Movement in unquoted options on issue:				
At the beginning of the period	169,432	6,131,267	-	4,131,267
Options issued to brokers in lieu of share issue costs (Note 7)	-	-	169,432	2,000,000
At the end of the period	169,432	6,131,267	169,432	6,131,267

	31 December 2023		30 June 2023	
	$	No.	$	No.
Unquoted performance rights	28,524	3,250,000	67,038	3,250,000
Movement in unquoted performance rights on issue:				
At the beginning of the period	67,038	3,250,000	11,357	3,250,000
Issue of performance rights during the period (a)	-	-	-	-
Vesting of previously issued performance rights	25,329	-	55,681	-
At the end of the period	92,367	3,250,000	67,038	3,250,000

(a) On 28 February 2022 the Company issued 3,250,000 performance rights in three equal tranches to the Directors of the Company. These tranches all expire on 28 February 2027 and the vesting expense is being recognised over their life. The terms of each tranche are as follows:

- 1,083,334 Tranche A performance rights, vesting upon the share price of the Company exceeding $0.30 as quoted on the ASX for a period of 30 consecutive trading days;
- 1,083,333 Tranche B performance rights, vesting upon the share price of the Company exceeding $0.50 as quoted on the ASX for a period of 30 consecutive trading days; and
- 1,083,333 Tranche C performance rights, vesting upon the share price of the Company exceeding $0.60 as quoted on the ASX for a period of 30 consecutive trading days;

Note 4: Issued capital and options (continued)

The number of rights under each tranche on issue during the current and previous financial period are as follows:

	31 December 2023	30 June 2023
	No.	No.
Performance Rights – Tranche A	1,083,334	1,083,334
Performance Rights – Tranche B	1,083,333	1,083,333
Performance Rights – Tranche C	1,083,333	1,083,333
	3,250,000	**3,250,000**

Note 5: Reserves

	31 December 2023	30 June 2023
	$	$
Share based payments reserve	261,799	236,470
	261,799	236,470
The composition of the share based payments reserve is as follows:		
Fair value of unquoted options recognised (Note 4)	169,432	169,432
Fair value of unquoted performance rights recognised (Note 4)	92,367	67,038
Balance at the end of the period	261,799	236,470

The share-based payments reserve represents the value of options and rights granted as share based payments.

Note 6: Share based payments

The issue of options during the year ended 30 June 2023 were valued using the Black-Scholes option pricing model. The following inputs were used in the measurement of the fair values at grant date of these share-based payments:

	Broker Options
Fair value at grant date	$0.0847
Share price at grant date	$0.20
Exercise price	$0.30
Expected volatility	100%
Grant date	13 September 2022
Expiry date	13 September 2024
Option life	2 years
Expected dividends	Nil
Risk-free interest rate	3.19%
Number of options issued	2,000,000
Total value	$169,432
Expected vesting date	N/A – vest immediately
Expense recognised to date	$169,432
Value carried forward to be recognised in future financial periods	-

Note 6: Share based payments (continued)

The fair value of the performance rights issued during the year ended 30 June 2023 to Key Management Personnel was determined by reference to a trinomial valuation model. The key inputs into the probability models and valuations are summarised as follows:

	Tranche A	Tranche B	Tranche C
Underlying security spot price on grant date	$0.10	$0.10	$0.10
Grant date	28 Feb 2022	28 Feb 2022	28 Feb 2022
Expiration date	28 Feb 2027	28 Feb 2027	28 Feb 2027
Vesting date (estimated)	28 Feb 2027	28 Feb 2027	28 Feb 2027
Life (years)	5	5	5
Number of rights	1,083,334	1,083,333	1,083,333
Expected volatility	100%	100%	100%
Risk-free rate	3.09%	3.09%	3.09%
Value per right	$0.0850	$0.0766	$0.0704
Remaining life (years)	3.7	3.7	3.7
Total value	$92,056	$83,014	$76,288
Value recognised to date (as at 31 December 2023)	$33,828	$30,505	$28,034
Value still to be recognised (as at 31 December 2023)	$58,228	$52,509	$48,254

Note 7: Loss per share

	Consolidated	
	31 December 2023	31 December 2022
	$	$
Basic and diluted loss per share (cents per share)	(1.13)	(1.28)
The Loss used in the calculation of basic and diluted loss per share is as follows:		
Loss used in the calculation of basic loss per share	(530,252)	(409,191)
The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:		
Weighted average number of ordinary shares for the purpose of basic loss per share	46,831,322	31,891,583
There are no potential ordinary shares as they are considered anti-dilutive	-	-
Weighted average number of ordinary shares for the purposes of diluted loss per share	46,831,322	31,891,583

Note 8: Financial instruments

Fair value measurement

Measured at fair value on recurring basis

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Group's financial assets of $108,500 (30 June 2023: $115,500) is measured at Level 1 in the fair value hierarchy.

Transfers

There have been no transfers between the levels of the fair value hierarchy during the half year ended 31 December 2023.

Not measured at fair value (but fair value disclosures are required)

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of current receivables and current payables are considered to be a reasonable approximation of their fair values.

Note 9: Contingent liabilities

The Group is not aware of any significant contingencies arising since the last annual reporting date.

Note 10: Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of Octava Minerals Limited and its controlled entities are primarily employed in exploration and evaluation activities relating to minerals in Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The financial information presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Note 11: Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State Governments within Australia. These obligations may be reset when application for a mining lease is made and at other times. The Group has a minimum expenditure commitment on tenure under its control.

The Group can apply for exemption from compliance with the minimum exploration expenditure requirements. Due to the nature and scale of the Group's exploration activities the Group is unable to estimate its likely tenement holdings and therefore minimum expenditure requirements more than 1 year ahead. The commitment for minimum exploration expenditure payable as at 31 December 2023, payable within one year, is $352,000 (30 June 2023: $367,000). These obligations are not provided for in the financial report.

Note 12: Events subsequent to reporting date

Subsequent to the end of the half-year the Group entered into an option agreement to acquire the Byro Rare Earth Elements ("REE") & Lithium Project, located in the Gascoyne Region of Western Australia. This acquisition, if pursued, would result in the Group acquiring 100% of the share capital of Byro Mining Pty Ltd, the holder of the project tenements, through payment of the acquisition consideration as follows:

- Reimbursement of the Vendors' expenses up to a maximum of $240,000, payable in cash or a combination of cash and shares;
- Issue of 3,000,000 ordinary shares in the Company to the Vendors;
- Upon and subject to the publication of a scoping study, or equivalent higher-level study completed by an independent mining-related consultant, issue an additional 2,000,000 ordinary shares in the Company to the Vendors; and
- Grant to the Vendors a Net Smelter Royalty ("NSR") of 1%.

The Group has a period of 24 months to complete its due diligence and investigation into the Byro REE & Lithium Project, and is responsible for the upkeep costs of the tenements during this period.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has 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 periods.

DIRECTORS' DECLARATION

In the opinion of the directors of Octava Minerals Limited ("the Company"):

a) the consolidated financial statements and notes set out on pages 5 to 16 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six-month period ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) 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 the Board of Directors.

Clayton Dodd
Chairman

Dated this 12th day of March 2024

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Octava Minerals Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Octava Minerals Limited ("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, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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 Octava Minerals Limited 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 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

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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 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2024

David Healy

D B Healy
Partner