



ABN 30 107 424 519

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**IONDRIVE LIMITED**  
**CONSOLIDATED FINANCIAL REPORT**  
**For the Half Year Ended**  
**31 December 2023**

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## CORPORATE INFORMATION

**ABN** 30 107 424 519

### DIRECTORS

Michael McNeilly	Non-Executive Chairman
Bee Jay Kim	Non-Executive Director
John Rock	Non-Executive Director
Jack Hamilton	Non-Executive Director
Adam Slater	Non-Executive Director

### CHIEF EXECUTIVE OFFICER

Ebbe Dommissie

### COMPANY SECRETARY

Ray Ridge

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Norwood SA 5067

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### SHARE REGISTRY

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Level 2, 267 St Georges Tce

Perth WA 6000

### AUDITORS

Grant Thornton Audit Pty Ltd

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Adelaide SA 5000

### EXCHANGE

Australian Securities Exchange Ltd

Exchange Plaza 2 The Esplanade

Perth WA 6000

### ASX CODE

Ordinary Fully Paid Shares: ION

## DIRECTORS' REPORT

The directors present their report together with the interim financial report of Iondrive Limited (the Company or Iondrive) and its controlled entities (together, the Group) for the six months ended 31 December 2023 and the independent auditor's review report thereon.

The names of the directors of the Company who held office during or since the end of the half year were:

<b>Non-Executive Chairman</b>	Michael McNeilly (appointed Chair 31 July 2023)	BA (International Economics)
<b>Non-Executive Director</b>	Bee Jay Kim	BA (Business Administration), MBA
<b>Non-Executive Director</b>	John Rock (appointed 24 July 2023)	BA (Arts)
<b>Non-Executive Director</b>	Jack Hamilton (appointed 9 November 2023)	PhD, B.Eng (Chem), FAICD, FAIE
<b>Non-Executive Director</b>	Adam Slater (appointed 4 December 2023)	BA (Arts)
<b>Non-Executive Director</b>	Peter Bamford (resigned as Chair 31 July 2023, retired as Non-Executive Director 9 November 2023)	BSc (Eng) Mining, ARSM, MAICD, FAusIMM
<b>Managing Director</b>	Robert Smillie (resigned 10 February 2024)	MBA, MSc, FSEG, MAusIMM
<b>Non-Executive Director</b>	Douglas Kirwin (resigned 9 November 2023)	MSc, FSEG, FAIG, FAusIMM

The name of the Officers of the Company who held office during or since the end of the half year was:

<b>Chief Executive Officer</b>	Ebbe Dommissse (appointed 12 February 2024)	B.Eng (Chem), MSc, PhD, MBA, GAIC
<b>Company Secretary</b>	Ray Ridge	BA (Acc), CA, GIA (cert)

## Financial Results

The loss of the Group after providing for income tax for the half year was \$4,571,733 (2022 loss: \$2,723,558).

## Review of Operations

### Iondrive Technologies

On 4 July 2024, the Group completed its acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd ("IDT"). IDT holds three exclusive world-wide licences across patent-protected battery technologies developed by the University of Adelaide (the "University"). Each of these are described further below with an update on progress post-acquisition.

### Lithium Battery Recycling

An environmentally friendly, highly selective, re-useable deep eutectic solvent (DES) that can be used to extract lithium, manganese, nickel and cobalt from spent cathode material. Laboratory testing to date has achieved recoveries of over 90% for these metals.

The Group soon identified this as the priority technology. In October 2023, Dr Ebbe Dommissse was appointed Interim CEO of the battery technology business, with a primary focus of leading the Prefeasibility Study (PFS) for the recycling technology. The PFS aims to assess the commercial viability of the DES technology including a review of the commercial market opportunity globally,

verify technical performance at larger bench scale trials and optimise commercial performance of the process flow. A successful PFS is intended to pave the way for construction of a pilot plant.

To assist with the completion of its PFS for its DES battery recycling technology, Iondrive announced the engagement of Rho Motion, a highly respected UK-based battery supply chain consulting firm. Rho Motion's involvement specifically addresses the commercial market opportunity globally, including the sourcing of raw materials and establishing off-take agreements with prospective customers to mitigate business risks. In tandem, Lycopodium Limited is performing a thorough technical gap analysis to further enhance the DES process. This analysis encompasses an assessment of the feed material from a notable Australian supplier and exploring pre-treatment options to improve purity. This review also includes an examination of the downstream waste treatment processes, underscoring Iondrive's commitment to environmental stewardship.

The large-scale bench trials are expected to commence this month at the University of Adelaide to validate process scalability and generate more accurate process data as an input for the design of a pilot plant. In parallel, a Perth-based metallurgy and metallurgical services company, Independent Metallurgical Operations (IMO), has been engaged to conduct similar large-scale bench trials to independently verify results and to perform process optimisation trials indicative of a large-scale operations. These are expected to be completed by the end of April.

The full PFS is expected to be completed by June 2024.

In addition to the PFS, the Group has been actively engaging with various stakeholders in the recycling and broader green energy transition sectors throughout the EU, US, Asia, and Australia. This engagement is crucial in seeking opportunities for collaboration that will not only facilitate the commercialisation of the DES battery recycling technology but also support the company's exclusively licensed Aqueous Sodium-Ion Battery and High Performance Safe Lithium Metal Battery technologies.

In August, the University, with Iondrive as the key industry partner, was awarded funding of \$5 million over five years, for an Industrial Transformation Training Centre for Battery Recycling through the Australian Research Council (ARC). Iondrive's cash contribution will be \$200,000 per annum. As an industry partner, Iondrive will be firmly positioned to access opportunities to accelerate the commercialisation its proprietary DES battery recycling technology, including activities related to the operation/optimisation of a pilot plant. The final contractual arrangements are expected to be formalised, and activities to have commenced, by 1 July 2024.

In parallel with the PFS, Iondrive is engaging with a number of participants in the recycling industry, and the wider green energy transition, across the EU, US, Asia and Australia. This is an important process with a view to identifying collaboration opportunities not only for the commercialisation of the DES battery recycling technology, but also the Company's exclusively licensed Aqueous Sodium-Ion Battery and High Performance Safe Lithium Metal battery technologies.

### **Other Battery Technologies**

The Company is undertaking a high-level internal study to explore the technical and commercial aspects of its exclusively licensed Sodium Aqueous Battery and its High-Performance Safe Lithium Metal Battery technologies. These technologies are described further below.

#### **Aqueous Sodium-Ion Battery**

The University has reported that the performance of the company's Aqueous Sodium-Ion Battery exceeded initial expectations, achieving leading-class energy density values with 120Wh/kg over 13,000 cycles.

#### **High Performance Safe Lithium Metal Batteries**

Research from The University showcased promising developments in the Group's exclusively licensed NCM811 cathode enhancing technology. The NCM811 cathode enhancing technology significantly improves the trade-off between higher Nickel content (higher energy density) and

the problem of rapid capacity decay. A non-flammable electrolyte was also developed to address the flammability concerns associated with Li-ion batteries, while a new, high performance anode technology complemented the whole-of battery technology. Performance figures for the NCM811 cathode doping technology shows 87% capacity retention after 500 cycles compared to 36% for conventional NCM811 cathodes, indicating the technology is ready for commercialisation.

In October, the University, with Iondrive as the industry partner, was awarded a \$191,897 grant from Australia's Economic Accelerator to further progress the development of the high-performance nickel-rich cathodes. Iondrive will also contribute \$123,000 in cash to this research.

### South Korean Exploration

In November 2023, the Group secured an Earn-In and Joint Venture Agreement (JV or the Agreement) with a subsidiary of KoBold Metals Company (KoBold), a US-based exploration company backed by significant AI technology and institutional investors. The Agreement covers the Samgwen, Seobyeok, Danyang, Seosan, and Cheonpyeong Lithium Projects in South Korea. Under the terms of the agreement, KoBold can earn a 75% interest in the Lithium Projects through a two stage earn-in arrangement of up to \$7 million over 5 years:

- Stage 1: \$2 million sole-funded exploration and evaluation of the Lithium Projects, by November 2026, for a 51% interest. A minimum spend of \$500,000 is required by May 2025;
- Stage 2: the option to sole fund exploration expenditure of an additional \$5 million, by November 2028, to increase KoBold's interest to 75%;
- Iondrive may maintain its 25% interest by funding its pro-rata commitment after Stage 2; and
- If Iondrive's interest falls below 10%, this interest is replaced with a 1% net smelter royalty, subject to a US\$9,540,000 cap.

Iondrive's wholly owned subsidiary, Korea Metals Resources (KRM), has been engaged as Field Operator by KoBold during the earn-in period, for a minimum of 18 months. Under the Agreement, costs incurred by KMR in providing services as the Field Operator are reimbursed by KoBold on a monthly basis, including the full-time cost of three South Korean field staff, any other staff utilised and direct support costs, assisting the Group to reduce its cost base in South Korea.

Late November saw the commencement of exploration activities under this agreement, with fieldwork primarily focused on confirming the location and size of pegmatite dikes at the Lithium Projects. Additionally, Iondrive has suspended exploration activities on its Rare Earth Element (REE) and precious metals projects to concentrate exclusively on Lithium exploration. The Company is actively progressing discussions with a view to divest or otherwise progress exploration through similar joint venture style arrangements for these REE and precious metal projects.

### Corporate

The Group completed its acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd ("IDT") through the issue of 60 million fully paid ordinary shares, valued at \$1.38 million.

The parent Company announced a change in its name from Southern Gold Limited to Iondrive Limited. The change of name, together with the change of ASX code from SAU to ION, was effective for ASX purposes from 15 November 2023. The Group also changed its website address to: Iondrive.com.au. The change of name to Iondrive Limited followed overwhelming shareholder approval for the change at the Annual General Meeting held on 9 November 2023.

In October 2023, Dr Ebbe Dommissie was appointed Interim CEO of Iondrive's battery technology business, Iondrive Technologies. There were a number of changes to the composition of the Board, all effective at the conclusion of the Annual General Meeting held on 9 November 2023. Firstly, Dr Jack Hamilton was appointed as a Non-Executive Director and Mr Adam Slater was

initially engaged as an advisor to the Board, and then appointed a Non-Executive Director on 4 December 2023 following receipt of his ASIC director identification number. As part of their engagement, Messrs Hamilton and Slater were each granted 3,000,000 unlisted options, with an exercise price of \$0.025 and a term of four years. The options vest upon their re-election as a Director by shareholders at the 2024 AGM.

As the Group transitions to a new phase, the Board also bid a sincere farewell to two retiring Directors that have played key roles in the Group's journey. Mr Peter Bamford, a seasoned mining engineer and corporate executive, has been an integral part of the Board since 2018. Likewise, Mr Doug Kirwin, a respected Australian geologist with an impressive 45 years of international experience, served as a Non-Executive Director since February 2020.

### **Events Subsequent to Reporting Date**

Between 3 January 2024 and 6 February 2024, Iondrive sold 50,250,000 shares in LSE listed Bluebird Merchant Ventures Ltd (BMV) under an agreement with UK-based Catalyse Capital Ltd. The shares were sold at an average price of £0.0043, resulting in total proceeds of £226,124 (approximately \$426,600). Iondrive has now successfully exited its shareholding in BMV.

On 12 February 2024, Iondrive Limited announced the appointment of Dr. Ebbe Dommissie as its new Chief Executive Officer, effective immediately. With a career spanning over two and a half decades, Dr. Dommissie has held key executive positions across various global markets including Australia, USA, South Africa, Europe, China, and South-East Asia. Based in Australia and with his experience in enhancing company operations, and in bringing innovative products to market, Dr. Dommissie is perfectly positioned to progress Iondrive's strategic objectives, including the commercialisation of three battery related technologies exclusively licensed from the University of Adelaide.

Mr. Robert Smillie retired from his position as Managing Director and CEO of Iondrive Ltd on 10 February 2024. Mr. Smillie continues with the Group in a consulting capacity, with a primary focus on South Korean lithium exploration in collaboration with Kobold Metals. On 15 February 2024, the Group announced the lapse of 5,000,000 Performance Rights issued to Mr. Smillie on 12 January 2023, following his resignation as Managing Director.

### **Forward-looking Statements**

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;
- Estimates of future metal production; and
- Estimates of the resource base and statements regarding future exploration results.

Such forward looking statements are based on a number of estimates and assumptions made by Iondrive and its consultants in light of experience, current conditions and expectations of future developments which Iondrive believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However, the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but Iondrive does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation or ASX release, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

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### **Auditors Independence Declaration**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is attached.

Dated at Adelaide this 14<sup>th</sup> day of March 2024 and signed in accordance with a resolution of the Directors.



M McNeilly  
Non-Executive Chairman

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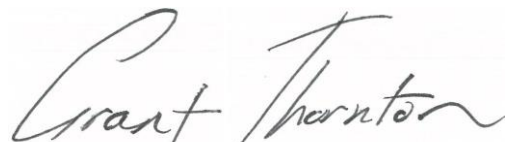
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## Auditor's Independence Declaration

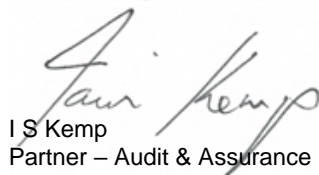
### To the Directors of Iondrive Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Iondrive Limited for the half-year ended 31 December 2023. I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



I S Kemp  
Partner – Audit & Assurance

Adelaide, 14 March 2024

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2023

	Note	Half Year Ended 31 Dec 2023 \$	Half Year Ended 31 Dec 2022 \$
Interest received		14,364	12,026
R&D Tax offset		190,309	-
Realised foreign exchange gain		1,916	-
Other Income		68,497	-
Exploration expenses		(589,034)	(1,128,466)
R&D expenditure		(1,019,364)	-
Salaries and wages		(429,825)	(244,060)
Directors fees		(122,675)	(125,719)
Interest expense		(850)	(695)
Shareholder relations		(114,386)	(114,354)
Other administrative expenses		(418,507)	(278,440)
Depreciation		(32,487)	(67,771)
Share based payments	7	(55,779)	(6,672)
Gain/(loss) on sale of plant and equipment		314	(1,995)
Foreign exchange loss on BMV shares		(1,289)	(12,836)
Loss on sale of BMV shares	2	(83,238)	-
Fair value adjustment on financial assets FVTPL	2	(182,360)	-
Impairment expense		-	(754,576)
Exploration expenditure written off	3	(1,797,339)	-
<b>Loss before income tax</b>		<b>(4,571,733)</b>	<b>(2,723,558)</b>
Income tax benefit/(expense)		-	-
<b>Net loss for the half year</b>		<b>(4,571,733)</b>	<b>(2,723,558)</b>
<b><u>Other Comprehensive Income</u></b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation		25,066	49,966
<b>Total comprehensive income for the period</b>		<b>(4,546,667)</b>	<b>(2,673,592)</b>
<b><u>Earnings Per Share</u></b>			
Basic (cents per share)		(0.94)	(1.21)
Diluted (cents per share)		(0.94)	(1.21)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying condensed notes.

## Consolidated Statement of Financial Position as at 31 December 2023

	Note	As at 31 Dec 2023 \$	As at 30 June 2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalent		2,529,468	4,212,502
Trade and other receivables	4	464,714	668,216
Prepayments		54,099	95,551
Held for sale assets	2	409,872	1,756,071
<b>TOTAL CURRENT ASSETS</b>		<b>3,458,153</b>	<b>6,732,340</b>
<b>NON-CURRENT ASSETS</b>			
Right of use asset		21,271	33,130
Exploration and evaluation expenditure	3	-	1,694,804
Plant and equipment		133,264	145,000
Intangible assets	5	1,449,856	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,604,391</b>	<b>1,872,934</b>
<b>TOTAL ASSETS</b>		<b>5,062,544</b>	<b>8,605,274</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		290,288	627,666
Provisions		192,742	274,946
Lease liability		21,834	23,376
<b>TOTAL CURRENT LIABILITIES</b>		<b>504,864</b>	<b>925,988</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		7,626	8,197
Lease liability		-	10,147
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,626</b>	<b>18,344</b>
<b>TOTAL LIABILITIES</b>		<b>512,490</b>	<b>944,332</b>
<b>NET ASSETS</b>		<b>4,550,054</b>	<b>7,660,942</b>
<b>EQUITY</b>			
Issued capital	6	63,591,401	62,211,401
Reserves		(1,429,143)	(1,490,946)
Accumulated losses		(57,612,204)	(53,059,513)
<b>TOTAL EQUITY</b>		<b>4,550,054</b>	<b>7,660,942</b>

The above Statement of Financial Position should be read in conjunction with the accompanying condensed notes.

## Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2023

	Issued Capital \$	Accumulated losses \$	FVTOCI Reserve \$	Share-based payment reserve \$	Foreign currency translation reserve	Total \$
<b>Balance at 1 July 2022</b>	58,011,777	(45,193,157)	(1,483,396)	355,771	(206,786)	11,484,209
Total comprehensive income in the period	-	(2,723,558)	-	-	49,966	(2,673,592)
<b>Transactions with owners:</b>						
Issue of share capital	1,226,639	-	-	-	-	1,226,639
Options lapsed or exercised	-	176,218	-	(176,218)	-	-
Fair value of options issued	-	-	-	6,672	-	6,672
Costs associated with the issue of shares	(92,320)	-	-	-	-	(92,320)
<b>Balance at 31 December 2022</b>	<b>59,146,096</b>	<b>(47,740,497)</b>	<b>(1,483,396)</b>	<b>186,225</b>	<b>(156,820)</b>	<b>9,951,608</b>
<b>Balance at 1 July 2023</b>	62,211,401	(53,059,513)	(1,483,396)	186,201	(193,751)	7,660,942
Total comprehensive income in the period	-	(4,571,733)	-	-	25,066	(4,546,667)
<b>Transactions with owners:</b>						
Issue of share capital	1,380,000	-	-	-	-	1,380,000
Options lapsed or exercised	-	19,042	-	(19,042)	-	-
Fair value of options issued	-	-	-	53,327	-	53,327
Share based expense related to performance rights	-	-	-	2,452	-	2,452
Costs associated with the issue of shares	-	-	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>63,591,401</b>	<b>(57,612,204)</b>	<b>(1,483,396)</b>	<b>222,938</b>	<b>(168,685)</b>	<b>4,550,054</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying condensed notes.

## Consolidated Statement of Cash Flows for the Half Year ended 31 December 2023

	Note	Half Year Ended 31 Dec 2023 Inflows (Outflows) \$	Half Year Ended 31 Dec 2022 Inflows (Outflows) \$
<b>Cash flows related to operating activities</b>			
Interest received		14,364	12,026
R&D Tax offset received		584,419	-
Payments to suppliers and employees		(1,116,022)	(762,106)
Exploration and evaluation		(650,242)	(1,308,176)
R&D expenditure		(1,049,831)	-
Interest Expense		(850)	(695)
Short term lease payments		(12,571)	(15,340)
<b>Net operating cash (outflows)</b>		<b>(2,230,733)</b>	<b>(2,074,291)</b>
<b>Cash flows related to investing activities</b>			
Payments for mining tenements, exploration and evaluation expenditure		(181,150)	(31,476)
Proceeds from sale of investments	2	1,081,228	428,003
Payments for plant and equipment		(6,978)	(77,856)
Proceeds from the sale of plant and equipment		314	1,545
Cash held by acquired entity		16,799	-
<b>Net investing cash inflows</b>		<b>910,213</b>	<b>320,216</b>
<b>Cash flows related to financing activities</b>			
Proceeds from share issues		-	1,226,639
Payment for share issue costs		(177,207)	(67,786)
Repayment of lease liability		(11,508)	(37,783)
Repayment of loan acquired in acquisition	5	(171,362)	-
<b>Net financing cash (outflows)/inflows</b>		<b>(360,077)</b>	<b>1,121,070</b>
<b>Net increase/(decrease) in cash</b>		<b>(1,680,597)</b>	<b>(633,005)</b>
Cash at beginning of financial period		4,212,502	4,560,622
Exchange rate adjustments on opening cash		(2,437)	13,716
<b>Cash at end of financial period</b>		<b>2,529,468</b>	<b>3,941,333</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying condensed notes.

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## Condensed Notes to the financial statements for the Half Year ended 31 December 2023

### 1. BASIS OF PREPARATION OF ACCOUNTS

This half year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 “Interim Financial Reporting”, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Iondrive Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the ASX Listing Rules.

The half year financial report does not include full disclosures of the type normally included in an annual financial report.

Iondrive Limited (formerly Southern Gold Limited) is a company domiciled in Australia (the Company or Iondrive). The Consolidated half year financial report for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the Consolidated Entity or the Group).

Southern Gold Limited (ASX: SAU) changed its name to Iondrive Limited (ASX: ION) on the ASX effective 15 November 2023 following overwhelming shareholder approval at its AGM on 9 November 2023. The name change reflects the continued strategic shift towards advanced battery technology and exploration focussed on minerals critical to the renewable energy transition.

#### Changes in accounting policies and accounting policies applied for the first time

The accounting policies adopted by the Group are consistent with those of the previous financial year and corresponding period end.

#### New standards adopted as at 1 July 2023

The Group has considered the implications of new or amended Accounting Standards, and has determined that their application to the financial statements is either not relevant or not material.

## 2. HELD FOR SALE ASSETS

	31 December 2023 \$	30 June 2023 \$
<b>Shares held in BMV</b>		
Fair value of asset	409,872	1,756,071
<b>Total closing balance</b>	<b>409,872</b>	<b>1,756,071</b>

The carrying value of the shares held in BMV at 30 June 2023 (149,000,000 shares) were adjusted to the assessed fair value of \$1,756,071. On 22 August 2023 Iondrive Limited executed a binding agreement, with UK-based Catalyse Capital Ltd, to progressively sell down the remaining 122,500,00 BMV shares with the sale price per share applicable to each month based upon 75% of the volume weighted average price (VWAP) on the LSE for that month, with a floor price of £0.004.

During the period ending 31 December 2023, Iondrive Limited sold 98,750,000 of its remaining BMV shares under that agreement. The average share price achieved was £0.004631, resulting in total proceeds of \$1,081,228 (£556,875), and a loss on the disposal of assets of \$83,238.

The remaining 50,250,000 BMV shares held at 31 December 2023 were revalued to \$409,872, consistent with the terms of the agreement with Catalyse Capital Ltd:

- 25,000,000 shares at £0.004 per share based on the applicable floor price for the month of December, and an GBP:AUD exchange rate of 0.5366, resulting in a value of A\$186,359; and
- 25,250,000 shares valued at £0.00475 per share, based on 75% of the 31 December 2023 closing price of BMV shares traded on the LSE and a GBP:AUD exchange rate of 0.5366, resulting in a value of A\$223,513.

A loss on revaluation of \$182,360 was recognised as a fair value adjustment through the Group's Profit or Loss (FVTPL).

## 3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2023 \$	30 June 2023 \$
A reconciliation of the carrying amount of exploration and evaluation phase expenditure is set out below:		
Costs brought forward	1,694,804	993,973
Net foreign exchange differences	31,557	23,775
Expenditure incurred during the year	70,978	677,056
Exploration expenditure written off	(1,797,339)	-
	<b>-</b>	<b>1,694,804</b>

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

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. Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. In the half year ended 31 December 2023, the Group has written off the \$1,797,339 balance of the exploration asset as the total balance related to deferred exploration costs associated with the Group's precious metals tenements. The Group has decided to cease further exploration work on precious metals and review opportunities for divestment. This was part of the Company's strategic shift to focus exploration on minerals critical to the growing renewable energy sector.

#### 4. TRADE AND OTHER RECEIVABLES

	31 December 2023	30 June 2023
	\$	\$
Trade and other receivables	162,943	-
GST receivable	89,379	95,631
Lease and credit card bonds	212,392	254,483
londrive Technologies Pty Ltd	-	318,102
	<u>464,714</u>	<u>668,216</u>

#### 5. INTANGIBLE ASSET

londrive Limited completed its acquisition of 100% of the issued capital of battery technology company londrive Technologies Pty Ltd (IDT) on 4 July 2023. The transaction was finalised for a total consideration of \$1.38 million, which was settled through the issue of 60 million londrive fully paid ordinary shares, valued at a price of \$0.023 per share, being the ASX closing price of londrive's shares on 3 July 2023. Refer Note 6.

The Group has determined that IDT did not meet the definition of a business as defined under Australian Accounting Standard AASB3, and there is not a business combination, rather an acquisition of assets and liabilities. At the time of acquisition, IDT had not yet generated any revenue. The primary objective of the acquisition was to procure the intellectual property rights associated with the exclusive right to commercialise relevant battery technologies.

Following the identification of acquired net tangible assets and liabilities of IDT, valued at (\$69,856), the \$1,449,856 excess of the consideration paid represents the value of the intangible assets.

Purchase consideration and fair value of net assets of londrive Technologies acquired as at the date of acquisition are as follows:

	\$'000
Purchase consideration	1,380,000
Less cash held by IDT	(16,799)
<b>Net purchase consideration</b>	<b>1,363,201</b>

Fair value of the assets and liabilities of londrive Technologies	Fair value \$'000
Intangible asset	1,449,856
Cash	16,799
Receivables (R&D Tax Incentive accrued and GST)	524,478
Property, plant and equipment	2,490
Trade and other payables	(124,159)
Short term loan	(171,362)
Payable to londrive	(318,102)
<b>Net identifiable assets/liabilities acquired</b>	<b>1,380,000</b>

The acquisition of IDT represents the acquisition of an intangible asset comprising three exclusively licensed technologies, with provisional patents:

- **Lithium-ion Battery Recycling:** A process for extracting critical minerals from end-of-life Lithium-ion batteries, in a more environmentally friendly manner compared to the incumbent technologies.



- **Safer Lithium Metal Batteries:** This includes innovative technologies relating to the cathode, anode and electrolyte components of lithium-ion batteries. Together, these components create an improved battery system that has a very high energy density, long cycle life, and is non-flammable therefore safer.
- **Aqueous Sodium Batteries:** A water-based battery that uses technology involving the application of a patented novel layer on the cathode, a titanium compound-based anode, and a sodium chloride-based electrolyte.

## 6. ISSUE OF SECURITIES

Fully paid ordinary shares issued

<i>Ordinary shares on issue</i>	<b>Number</b>	<b>\$</b>
At 30 June 2023	426,285,279	62,211,401
Shares issued for acquisition	60,000,000	1,380,000
Net costs associated with the issue of shares	-	-
At 31 December 2022	<u>486,285,279</u>	<u>63,591,401</u>

The Group completed its acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd (IDT) on 4 July 2023. The transaction was finalised for a total consideration of \$1.38 million, which was settled through the issue of 60 million fully paid ordinary shares, valued at a price of \$0.023 per share, being the ASX closing price of ION's shares on 3 July 2023. Refer Note 5.

## 7. SHARE-BASED PAYMENTS RESERVE

During the half year ended 31 December 2023, the Share based payments reserve increased by \$36,737 to \$222,938. This change comprised:

- \$38,882 share-based payments expense recognised in the Profit or Loss, being the fair value of 20,000,000 unlisted options issued to Directors and Consultants on 3 July 2023 towards Iondrive Technologies Pty Ltd acquisition, following shareholder approval. The options are exercisable at \$0.00402 at any time through to the expiry date of July 2026. The fair value of \$80,400 was calculated using the Black-Scholes method with a volatility of 62% and an underlying market price of the shares of \$0.0180, being the ASX closing price of ION's shares on 27 June 2026. The expense will be recognised over the vesting period to July 2024.
- \$9,910 share-based payments expense recognised in the Profit or Loss, being the fair value of 10,000,000 unlisted options issued to employees on 9 November 2023, following shareholder approval. The options are exercisable at 0.00181 at any time through to the expiry date of 15 December 2026. The fair value of \$18,100 was calculated using the Black-Scholes method with a volatility of 64% and an underlying market price of the shares of \$0.012, being the ASX closing price of ION's shares on 8 November 2023. The expense will be recognised over the vesting period to 9 May 2025.
- \$4,535 share-based payments expense recognised in the Profit or Loss, being the fair value of 6,000,000 unlisted options issued to Directors on 9 November 2023, under the Company's employee share option plan. The options are exercisable at \$0.00532 at any time through to the expiry date of 9 November 2027. The fair value of \$31,920 was calculated using the Black-Scholes method with a volatility of 71% and an underlying market price of the shares of \$0.0130, being the ASX closing price of ION's shares prior to execution of Director agreements. The expense will be recognised over the vesting period to 9 November 2024.
- \$2,452 share-based payments expense recognised at 31 December 2023 in the Profit or Loss, being the fair value of 5,000,000 non-transferable performance rights issued to Mr Smillie on 12 January 2023, following shareholder approval. The performance rights were valued at \$11,301 or \$0.00226 per performance right using the Monte Carlo method and are being expensed over the vesting period to 9 May 2025.
- (\$19,042) being the value of 850,000 options lapsed or cancelled in the half year period.

## 8. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Through the acquisition of IDT, the Group has commitments to provide research funding of \$2,500,000 to the University of Adelaide over a two-and-a-half-year period. To date the Group has provided funding of \$856,457, leaving the remaining commitments as at 31 December 2023:

	\$
Not later than one year:	643,543
Later than one year but not later than two years:	500,000
Later than two years but not later than five years:	500,000
Greater than five years	-
	<u>1,643,543</u>

Other than the above, there were no other material changes in contingent liabilities or contingent assets from those disclosed in the annual report for the year ended 30 June 2023.

## 9. GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern.

The consolidated Group incurred a net loss after tax from continuing operations of \$4,571,733 for the six months ended 31 December 2023, and a net cash outflow of \$1,320,520 from operating and investing activities. As at 31 December 2023, the consolidated Group has a cash position of \$2,529,468, together with a value of the remaining 25,250,000 BMV shares held of \$409,872 (refer Note 2). These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The Directors believe that it is appropriate to prepare the financial statements on the going concern basis. The Group raised sufficient capital during the year to allow activities to progress its exploration activities. The Group's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development.

If additional capital is not obtained or successful exploration performed, the going concern basis may not be appropriate, with the result that the group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the financial report.

## 10. SUBSEQUENT EVENTS

Between 3 January 2024 and 6 February 2024, Iondrive sold 50,250,000 BMV shares on the market under an agreement with UK-based Catalyse Capital Ltd. The shares were sold at an average price of £0.0043, resulting in total proceeds of £226,124 (approximately \$426,600).

On 12 February 2024, Iondrive Limited announced the appointment of Dr. Ebbe Dommissie as its new Chief Executive Officer, effective immediately. The contract with Dr. Dommissie is a full-time employment agreement, offering an annual salary of \$350,000, inclusive of statutory superannuation. It includes a three-month notice period and an annual incentive of up to 20% of the annual salary, subject to achievement of KPIs. Notably, the annual incentive is payable 50% in cash and 50% in ION shares. Additionally, a long-term incentive ("LTI") is being finalised and is anticipated to be subject to shareholder approval.

Mr. Robert Smillie retired from his position as Managing Director and CEO of Iondrive Ltd on 10 February 2024. Mr. Smillie continues with the company in a consulting capacity, with a primary focus on South Korean lithium exploration in collaboration with Kobold Metals.

On 15 February 2024, the Company announced the lapse of 5,000,000 Performance Rights issued to Mr. Smillie on 12 January 2023. These rights, originally granted to him, expired on 12 February 2024.

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## Directors' Declaration

### Directors' Declaration for the six months ended 31 December 2023

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 9 to 17 are in accordance with the Corporations Act 2001, including:
  - a) complying with Accounting Standards AASB 134 Interim Financial Reporting; and
  - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its performance for the half-year ended on that date.
- 2) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



M McNeilly  
Non-Executive Chairman

Adelaide, South Australia  
14<sup>th</sup> day of March 2024

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## Independent Auditor's Review Report

To the Members of Iondrive Limited

Report on the half year financial report

### Qualified Conclusion

We have reviewed the accompanying half year financial report of Iondrive Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes, 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 Iondrive 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*.

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### Basis for Qualified Conclusion

We draw attention to the impairment expenses of \$754,576 included comparative information in the Consolidated Statement of Profit or Loss and other Comprehensive Income. During the period ended 31 December 2022, the Directors did not gain access to the books and records of Bluebird Merchant Ventures Limited and were not able to equity accounted the results of the associate as required by AASB 128 *Investments in Associates and Joint Ventures*. As a result, we were unable to obtain sufficient information to determine the allocation between the impairment expense recognised and profit or loss to be disclosed of the Group's proportional share of Bluebird Merchant Venture Limited's income and expenses for the period the comparative period ended 31 December 2022.

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.

We believe that the information we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

### Material uncertainty related to going concern

We draw attention to Note 9 in the financial report, which indicates that the Group incurred net cash outflows from operating and investing activities of \$1,320,520 and an overall loss of \$4,571,733 during the half year ended 31 December 2023. As stated in Note 9, these events or conditions, along with other matters as set forth in Note 9, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half-year 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



I S Kemp  
Partner – Audit & Assurance

Adelaide, 14 March 2024

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