



ORA BANDA MINING LIMITED

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF
YEAR ENDED 31 DECEMBER 2023**

Corporate Directory

DIRECTORS

Peter Mansell (Non-executive Chairman)
Luke Creagh (Managing Director)
Alan Rule (Non-executive Director)
Jo-Anne Dudley (Non-executive Director)

COMPANY SECRETARY

Susan Park
Gareth Jones

REGISTERED & PRINCIPAL OFFICE ADDRESS

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SHARE REGISTRY

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AUDITOR

KPMG
235 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE LISTING

Listed on the Australian Securities Exchange under the trading code **OBM**

Directors' Report

The Directors submit the condensed consolidated interim financial report of Ora Banda Mining Limited (**Company**) and its subsidiaries (**Group**) for the half-year ended 31 December 2023 (**Half-Year**).

DIRECTORS

The Directors of the Company at any time during the half year and up to the date of this report are set out below. Directors have been in office for this entire period unless otherwise stated.

Peter Mansell (Non-executive Chairman)

Luke Creagh (Managing Director)

Alan Rule (Non-executive Director)

Jo-Anne Dudley (Non-executive Director) – Appointed 3 October 2023

PRINCIPAL ACTIVITIES

The principal activities of the Group during the Half-Year were mine operations and the sale of gold, mine development and exploration in Western Australia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the period under review.

REVIEW OF OPERATIONS

Davyhurst Gold Project Operations Summary	Units	6 months ended 31-Dec-23	6 months ended 31-Dec-22	Change	Change %
OPEN PIT					
Missouri					
Material Moved	BCM	906,350	1,710,241	(803,891)	-47%
Ore Mined	Tonnes	381,438	401,567	(20,129)	-5%
Mined Grade	g/t Au	2.0	1.7	0.3	17%
Ounces Mined	oz	24,382	21,473	2,909	14%
Sand King					
Material Moved	BCM	568,249	-	568,249	100%
Ore Mined	Tonnes	206,910	-	206,910	100%
Mined Grade	g/t Au	1.7	-	1.7	100%
Ounces Mined	oz	11,429	-	11,429	100%
TOTAL MINING					
Ore Mined	Tonnes	588,348	401,567	186,781	47%
Mined Grade	g/t	1.9	1.7	0.2	11%
Ounces Mined	oz	35,811	21,473	14,338	67%
UNDERGROUND					
Riverina					
Capital Development	Metres	1,755	-	1,755	100%
Development Ore Mined	Tonnes	13,450	-	13,450	100%

Davyhurst Gold Project Operations Summary	Units	6 months ended 31-Dec-23	6 months ended 31-Dec-22	Change	Change %
Development Mined Grade	g/t	2.8	-	2.8	100%
Development Ounces Mined	oz	1,221	-	1,221	100%
PROCESSING					
Milled Tonnes	Tonnes	505,791	554,752	(48,961)	-9%
Head Grade	g/t Au	2.0	1.4	0.6	43%
Recovery	%	92%	92%	0%	0%
Gold Produced	oz	30,717	23,523	7,194	31%
TOLL TREATMENT					
Tonnes	Tonnes	67,419	-	67,419	100%
Head Grade	g/t Au	1.3	-	1.3	100%
Recovery	%	92%	0%	92%	100%
Gold Produced	oz	2,575	-	2,575	100%
Gold Sold	oz	32,156	25,432	6,724	26%
Average Price	A\$/oz	2,996	2,576	420	16%
Revenue - Gold & Silver Sales	A\$M	96.4	65.5	30.9	47%

Open Pit Mining

Open pit mining recorded strong performance in the period with production from both the Missouri and Sand King pits resulting in 588,348t mined at 1.9g/t for contained ounces of 35,811oz (31 December 2022: 21,473oz). Total material moved for the period was 1,474,599 BCM with the strip ratio dropping to 2.8, representing a 32% drop from prior period (31 December 2022: 4.1).

Underground

Development of Riverina Underground continued to progress in line with expectations with development advancing a further 1,755 metres in the period (including 224 ore development metres) and a total of 2,020 metres since commencement in May 2023. First ore from Main Lode was developed four weeks ahead of schedule with a total of 13,450t of development ore mined during the period at 2.8g/t for contained ounces of 1,221oz (including low grade development ore).

Grade control and extensional drilling commenced during the period, with assay results confirming the high-grade tenor of the Main Lode mineralisation in the upper levels. The results confirm confidence in the geology interpretation and expected grades.

Processing

During the period, a total of 505,791t was milled at 2.0g/t for 30,717oz produced, representing a 31% increase at the Davyhurst mill compared with prior period (31 December 2022: 23,523oz). The period-on-period increase reflects numerous improvement projects implemented at the Davyhurst mill throughout the period. This included replacing the tertiary crusher, which was completed safely and on budget. Since commissioning of the new crusher, the crushing circuit has been operating at nameplate capacity of 1.2Mtpa and increased throughput rates.

During the period, the Company also completed a third-party toll treatment campaign at FMR Investments Greenfields Mill. A total of 2,575 ounces was produced, utilising excess lower grade stockpiles that did not form part of the Davyhurst processing schedule.

Exploration

During the period, the Company commenced a priority 33-hole drill program targeting underground potential at Sand King. This program completed subsequent to period end, with high grade intercepts improving underground potential. Following this initial success, an expanded phase two drilling program of \$2 million will proceed from February 2024.

JOINT VENTURE

On 30 October 2023, the Company signed a Lithium focused joint venture ("JV") with Wesfarmers Chemicals, Energy and Fertilisers (**WesCEF**).

In December 2023, an amendment was signed to allow for completion of Tranche 1 of the transaction. On 22 December 2023 the Company received \$10 million cash consideration upon completion of Tranche 1. Receipt of remaining \$16 million is subject to the remaining conditions precedent being satisfied or waived by 30 April 2024.

On 23 February 2024, the Company announced details of Court proceedings against Riverina Resources Pty Ltd (**Riverina Resources**) and Greenstone Resources Limited (**Greenstone**), who hold nickel rights over tenements held by the Company. Those tenements are also subject of the farm-in agreement between the Company and Davyston Exploration Pty Ltd (wholly owned subsidiary of WesCEF). See *Matters Subsequent to End of Half Year* for further details.

The Company is not aware of any reason why the WesCEF JV transaction will not complete by 30 April 2024.

Refer to note 9 of the financial statements for further details.

GROUP FINANCIAL OVERVIEW

During the period, the Company sold 32,156 ounces of gold at an average price of \$2,996 (31 December 2022: 25,432 at average price of \$2,576). AISC for the period was \$2,729/oz sold, representing a 7% reduction from prior comparative period (31 December 2022: \$2,950/oz).

Finance Summary	Units	6 months ended 31-Dec-23	6 months ended 31-Dec-22	Change	Change %
Revenue	\$'000	96,354	65,585	30,769	47%
EBIT ^[1]	\$'000	12,378	(20,721)	33,099	160%
EBITDA ^[2]	\$'000	23,751	(11,645)	35,396	304%
Net profit after tax	\$'000	10,791	(21,238)	32,029	151%
Cash flow from operations	\$'000	10,549	(5,798)	16,347	-282%
Cash flow from investing activities	\$'000	(9,591)	(7,319)	(2,272)	31%
Growth capital	\$'000	(29,013)	(7,319)	(21,694)	296%
Proceeds from disposal of assets	\$'000	9,350	-	9,350	100%
Proceeds from formation of joint venture	\$'000	10,000	-	10,000	100%
Other	\$'000	72	-	72	100%
Cash in bank	\$'000	19,240	24,729	(5,489)	-22%
Earnings per share	cents	0.63	(1.54)	2.17	141%

[1] EBIT: earnings before interest & tax

[2] EBITDA: earnings before interest, tax, depreciation and amortisation

Profit

Revenue increased by 47% from prior period to \$96.4 million (31 December 2022: \$65.6 million), driven by 6,724oz (26%) increase in ounces sold and a \$420/oz increase in average realised sales price for the period.

The Group recorded a profit before tax of \$10.8 million for the Half-Year (31 December 2022: \$21.2 million net loss) due to operational improvements and the \$19 million in proceeds from completion of the Lady Ida tenement sale and first proceeds from formation of the JV with WesCEF.

Balance sheet

Total assets increased by \$28.7 million compared with 30 June 2023 to \$143.3 million, driven by \$29.0 million invested in growth capital relating to Riverina UG development and numerous infrastructure improvement projects and right of use assets.

Total liabilities increased by \$14.8 million compared with 30 June 2023 to \$98.4 million, attributed to increased trade and other payables related to Riverina UG ramp up in development and infrastructure projects. There was also a \$7.6 million increase in lease liabilities, offsetting increase in right of use assets. Additions to lease liabilities are primarily driven by Riverina UG mining contract, with a number of new equipment added as part of above-mentioned ramp up.

Cashflow

Operating cash inflows for the period increased by \$16.3 million to \$10.5 million, driven by improved operational performance from the open pit projects delivering higher grade ounces and reduced strip ratios (strip ratio reduced 73% to 2.8 at 31 December 2023). This was in addition to a 47% higher realised gold price compared with prior comparative period.

Investing cash outflows increased by \$2.3 million to \$9.6 million primarily due to \$22.8 million spent on mine development attributed to Riverina UG development and resource extension projects. Growth infrastructure projects also had investment of \$6.2 million, which included the crusher replacement. These growth capital payments were offset by proceeds from Lady Ida tenement sale settlement (\$9.3 million) and formation of WesCEF JV (\$10.0 million).

Financing cash outflows of \$6.5 million were \$14.0 million unfavourable compared to the prior period primarily due to \$12.7 million in debt funding received from a related party in the prior period. Current period financing outflows are attributed to the Group's lease liabilities repayments.

DIVIDENDS

No amounts were paid or declared by way of dividends since the end of the previous financial year.

The Directors do not recommend the payment of a dividend in respect of the current Half-Year.

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

Subsequent to period end, the Company announced:

- Placement of 136,363,637 shares at an issue price of \$0.22 to raise \$30 million before costs. Placement strengthens the balance sheet as the Company rapidly advances Sand King towards Final Investment Decision ("FID") whilst continuing the on-schedule ramp up of Riverina Underground; and
- On 23 February 2024, the Company announced details of Court proceedings against Riverina Resources and Greenstone, who hold nickel rights over tenements held by Carnegie Gold Pty

Ltd (**Carnegie**), a wholly owned subsidiary of the Company. Those tenements are also subject of the farm-in agreement between the Company and Davyston Exploration Pty Ltd (**DEPL** who are a wholly owned subsidiary of WesCEF). Riverina Resources and Greenstone must not unreasonably withhold their consent to the transfer by Carnegie of any its rights under the 2007 Agreement, and their consent is a condition to completion of the DEPL Transaction. They have so far refused to consent despite numerous requests and so the Company and Carnegie have commenced proceedings for an order that they consent.

There are no other matters or circumstance that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

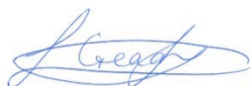
A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included immediately following the Directors' Report and forms part of the Directors' Report.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain instances to the nearest dollar (where indicated).

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors



Luke Creagh

Managing Director
Perth, Western Australia
14 March 2024



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

To the Directors of Ora Banda Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ora Banda Mining Limited for the half-year ended 31 December 2023 there have been:

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

KPMG.

KPMG

R Gambitta
Partner

Perth

14 March 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2023

	NOTES	31 DEC 2023 \$'000	31 DEC 2022 \$'000
Revenue	6	96,354	65,585
Cost of sales	7	(89,728)	(78,530)
Gross profit/(loss)		6,626	(12,945)
Other income	8	18,485	1,986
Corporate and administration expenses	10	(8,542)	(6,636)
Exploration and evaluation expenses		(4,191)	(3,126)
Operating profit/(loss)		12,378	(20,721)
Finance income		312	140
Finance costs		(1,899)	(657)
Profit/(loss) before tax		10,791	(21,238)
Income tax expense		-	-
Profit/(loss) for the period		10,791	(21,238)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in fair value of financial assets at fair value through OCI		40	-
Total comprehensive income/(loss) for the period		10,831	(21,238)
 Total comprehensive income/(loss) attributable to: Equity holders of the parent		 10,831	 (21,238)
 Earnings/(loss) per share attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share (cents)		0.63	(1.54)
Diluted earnings/(loss) per share (cents)		0.58	(1.54)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	NOTES	31 DEC 2023 \$'000	30 JUN 2023 \$'000
Current assets			
Cash and cash equivalents		19,240	24,729
Receivables and other assets		1,227	6,473
Inventories	11	20,985	16,638
Prepayments		3,782	1,081
Assets classified as held for sale	17	-	1,378
Total current assets		45,234	50,299
Non-current assets			
Receivables and other assets		554	626
Mine properties	12	47,293	24,310
Property, plant and equipment	13	26,258	22,301
Right-of-use assets	14	23,946	16,773
Investments		-	310
Total non-current assets		98,051	64,320
Total assets		143,285	114,619
Current liabilities			
Trade and other payables		38,115	31,804
Lease liabilities		13,993	8,828
Provisions		2,209	1,948
Borrowings	15	10,958	-
Liabilities directly associated with assets classified as held for sale	17	-	398
Total current liabilities		65,275	42,978
Non-current liabilities			
Borrowings	15	-	10,930
Lease liabilities		14,441	12,041
Provisions		18,657	17,585
Total non-current liabilities		33,098	40,556
Total liabilities		98,373	83,534
Net assets		44,912	31,085
EQUITY			
Share capital		494,319	493,150
Reserves		13,835	11,968
Accumulated losses		(463,242)	(474,033)
Total equity		44,912	31,085

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

	NOTES	SHARE CAPITAL	ACCUMULATED LOSSES	OTHER CONTRIBUTED EQUITY	SHARE BASED PAYMENTS RESERVE	FAIR VALUE OF INVESTMENTS IN LISTED EQUITIES RESERVE	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022		463,299	(431,213)	-	2,795	(46)	34,835
Loss for the period		-	(21,238)	-	-	-	(21,238)
Total comprehensive loss for the period		-	(21,238)	-	-	-	(21,238)
Contribution from related party	15	-	-	2,591	-	-	2,591
Transfer of expired options			354		(354)	-	-
Exercise of options and performance rights		479	-	-	(479)	-	-
Share based payments		-	-	-	1,748	-	1,748
Balance as at 31 December 2022		463,778	(452,097)	2,591	3,710	(46)	17,936
Balance as at 1 July 2023		493,150	(474,033)	4,290	7,777	(99)	31,085
Profit for the period		-	10,791	-	-	-	10,791
Other comprehensive income		-	-	-	-	40	40
Total comprehensive profit for the period		-	10,791	-	-	40	10,831
Issue of ordinary shares (net of costs)		396	-	-	-	-	396
Exercise of employee share awards		773	-	-	(773)	-	-
Share based payments		-	-	-	2,600	-	2,600
Balance as at 31 December 2023		494,319	(463,242)	4,290	9,604	(59)	44,912

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cashflows

For the six months ended 31 December 2023

	NOTES	31 DEC 2023 \$'000	31 DEC 2022 \$'000
Cash flows from operating activities			
Receipts from customers		96,354	65,640
Payments to suppliers and employees		(84,859)	(71,226)
Interest received		312	113
Interest paid		(1,258)	(325)
Net cash flows from/ (used in) operating activities		10,549	(5,798)
Cash flows from investing activities			
Payments for mine development expenditure		(22,767)	(4,943)
Payments for property plant and equipment		(6,246)	(2,376)
Proceeds from disposal of assets	17	9,350	-
Proceeds from formation of JV	8	10,000	-
Refund of deposits		72	-
Net cash flows (used in) investing activities		(9,591)	(7,319)
Cash flows from financing activities			
Deposit received for future royalties	15	-	1,740
Proceeds from borrowings		-	11,000
Repayment of lease liabilities		(6,447)	(5,167)
Net cash flows (used in)/ from financing activities		(6,447)	7,573
Net (decrease) in cash and cash equivalents held		(5,489)	(5,544)
Cash and cash equivalents at the beginning of the financial period		24,729	27,755
Cash and cash equivalents at the end of the financial period		19,240	22,211

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Half-Year Financial Statements

1. REPORTING ENTITY

Ora Banda Mining Limited (**Company**) and its subsidiaries (**Group**) are a for-profit group of entities incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (**ASX**). These condensed consolidated financial statements for the six months ended 31 December 2023 for the Group (**Half-Year financial statements**). The nature of the operations and principal activities of the Group are described in the Directors' Report.

These Half-Year financial statements were authorised for issue by the Company's board of directors on 14 March 2024.

2. BASIS OF PREPARATION

Statement of compliance

The Half-Year financial statements are a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The Half-Year financial statements do not include notes of the type normally included in a complete set of annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 30 June 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Basis of preparation

The Half-Year financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated. Where necessary comparatives have been adjusted to ensure consistent presentation.

The Half-Year financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2023.

Going concern

The Half-Year financial statements has been prepared on a going concern basis, which presumes the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 31 December 2023, the Group had cash of \$19.2 million and gold inventory (net realisable value) of \$16.0 million. At period end, the Group had a working capital deficit of \$20.0 million, including \$11 million of borrowings which are classified as current (31 December 2022: working capital of \$7.3 million). The Group generated a profit after tax of \$10.8 million for the period ended 31 December 2023 (31 December 2022: loss of \$21.2 million), driven by completion of the Lady Ida tenement sale

and formation of WesCEF JV. Net cash inflows from operating and investing activities was \$1.0 million (31 December 2022: \$13.1 million outflow). Subsequent to period end, the Company successfully raised \$30 million (before costs) via the placement of 136,363,637 shares at an issue price of \$0.22, which will be used for the development of the Sand King underground mine and working capital.

Cashflow forecasts have been prepared for the next 12 months to support the assessment of going concern, which anticipates that the Group will be able to pay its debts as and when they fall due during the period. Noting the inherent risks associated with achieving the cashflow forecast, key assumptions in the cashflow forecast include:

- development of the Riverina Underground mine continuing in line with schedule and budget;
- achieving planned gold production (volume, grade and recoveries) at forecast costs of production from open pit and underground mining operations; and
- realisation of forecast gold revenues from planned gold production at anticipated pricing.

The Directors have a reasonable expectation that these assumptions can be satisfied and believe it is appropriate to prepare the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business. In the event that the key assumptions noted above are not achieved, the Directors believe that alternative sources of funding would be available.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these Half-Year financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenditure. Actual results may differ from these estimates.

The significant estimates and judgements by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these Half-Year financial statements are consistent with those adopted and disclosed in the Company's 30 June 2023 annual financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

5. SEGMENT INFORMATION

During the period the Group has been undertaking mining and processing operations at the Davyhurst gold project and the exploration, evaluation and development of its interests in mineral tenement licences.

The Group has one operating segment, being gold mining in Western Australia.

6. REVENUE

	31 DEC 2023 \$'000	31 DEC 2022 \$'000
Gold sales	88,444	65,451
Gold sales - third party toll treatment	7,708	-
Silver sales	202	134
	96,354	65,585

No sales were made under hedge arrangements during the Half-Year and the Company has no hedge arrangements for future financial years.

During the period, the Company generated revenue of \$7.7 million from 2,575 ounces produced from a third-party toll treatment campaign at FMR Investments Greenfields Mill. This campaign used excess lower grade ore stockpiled that did not form part of the Davyhurst processing schedule.

7. COST OF SALES

	31 DEC 2023 \$'000	31 DEC 2022 \$'000
Mining	31,089	28,806
Processing	21,916	17,214
Toll treatment	5,876	-
Haulage	6,013	5,445
Site services	5,314	2,811
Employee benefit expense	10,728	9,304
Royalties	2,139	1,387
Change in inventories	(16,624)	(3,074)
Inventory write down	12,126	7,580
Depreciation	6,797	5,505
Amortisation	4,354	3,551
	89,728	78,530

8. OTHER INCOME

	31 DEC 2023 \$'000	31 DEC 2022 \$'000
(Loss)/gain on modification of right of use asset	(536)	1,967
Net gain on sale of assets (note 17)	9,021	-
Proceeds from formation of WesCEF JV (note 9)	10,000	-
Other	-	19
	18,485	1,986

9. WesCEF JV

On 30 October 2023 the Company signed a Lithium focused JV with WesCEF. Key details of the binding JV and farm-in agreement are as follows:

- The Group sells 65% of its mineral rights (excluding gold and by-products) that are non-core to the Group on the Davyhurst tenement package for \$26 million cash consideration and a 2% royalty;
- Davyston Exploration Pty Ltd (**DEPL**), a wholly owned subsidiary of WesCEF, and the Group to form a 65%/35% JV to advance exploration of a large under-explored tenement package;
- DEPL has the ability to sole fund \$15 million of exploration over three years to increase stake in JV to 80%;
- The Group is free carried from any discovery to the completion of a Definitive Feasibility Study (**DFS**) over the area applicable to that DFS;
- Areas outside DFS area will remain in the exploration JV, with exploration solely funded by DEPL up to any further completed DFS;
- Upon completion of each DFS, DEPL has the option to acquire the Group's remaining JV interest in the DFS area only at fair value (to be agreed between the parties or determined by an independent expert); and
- The Group retains all rights to gold minerals over the entire Group tenement package and maintains exclusive access over current and planned gold mining areas.

Cash consideration for the deal totals \$30 million, payable as follows:

- \$26 million payable upfront by DEPL upon completion, with Hawke's Point Holdings L.P. (**Hawke's Point**) having the election to pay \$4 million royalty component (discussed below) in cash or reduce existing debt facility;
- \$3.9 million payable upon the earlier of the execution of formal mineral sharing, JV and royalty agreements or 30 April 2024; and
- On-sell 1.5% of the 2% royalty (for non-gold minerals products) to Hawke's Point for \$4 million (Shareholder approval obtained).

As at 31 December 2023, the following events have occurred in relation to the above:

- The Group and DEPL signed an amendment to the above transaction to allow for completion of stage 1 of the transaction;
- This transaction (**Tranche 1**) completed on 22 December 2023, with OBM receiving \$10 million cash consideration which has been recognised as a gain in the six-month period; and
- Concurrently with the payment of the \$10 million, the formation of the JV with DEPL was completed for the tenements whose conditions precedent for the grant of mineral rights have been satisfied.

Subject to remaining conditions precedent (as per original agreement) being satisfied or waived by 30 April 2024, completion will proceed on remaining tenements. This will result in the Group receiving the balance of the cash consideration (\$16 million) from DEPL. On completion of the deal with DEPL, the Company can then on-sell the above-mentioned royalty to Hawke's Point for a further \$4 million. This will be through either cash or reduction in existing debt. Refer to Note 18 for further information.

10. CORPORATE AND ADMINISTRATIVE EXPENSES

	31 DEC 2023	31 DEC 2022
	\$'000	\$'000
Employee benefits expenses	2,257	1,899
Share-based payments	2,600	1,748
Administration	3,463	2,970
Depreciation expense	222	19
	8,542	6,636

Share based payments

During the period, 12,291,024 performance rights were issued to key management personnel with a total fair value of \$2,347,060.

11. INVENTORIES

	31 DEC 2023	30 JUN 2023
	\$'000	\$'000
Materials and supplies – cost	5,018	5,169
Ore stocks – net realisable value	11,681	8,162
Gold in circuit – net realisable value	4,286	3,307
Total inventories	20,985	16,638

During the Half-Year, ore stockpiles and gold in circuit were reduced by \$12.1 million (2022: \$7.6 million) as a result of a write down to net realisable value. This write down was recognised as an expense in cost of sales.

At 31 December 2023 ore stockpiles and gold in circuit were held at net realisable value (30 June 2022: net realisable value) with all other inventories at cost.

12. MINE PROPERTIES

	31 DEC 2023	30 JUN 2023
	\$'000	\$'000
Development		
Cost brought forward	19,535	5,690
Expenditure during the year	27,337	15,223
Disposal of assets (note 17)	-	(1,378)
Balance at period end	46,872	19,535
Production		
Cost brought forward	4,775	15,472
Rehabilitation provision adjustment	-	(3,032)
Amortisation	(4,354)	(7,665)
	421	4,775
Total mine properties	47,293	24,310

13. PROPERTY, PLANT AND EQUIPMENT

	MOTOR VEHICLES	BUILDINGS & INFRA- STRUCTURE	PLANT & EQUIPMENT	CAPITAL WIP	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2022	397	4,933	12,305	507	18,142
Additions	-	-	-	9,073	9,073
Transfers	104	1,788	4,777	(6,669)	-
Depreciation expense	(120)	(1,001)	(3,793)	-	(4,914)
Balance 30 June 2023	381	5,720	13,289	2,911	22,301
Balance 1 July 2023	381	5,720	13,289	2,911	22,301
Additions	-	-	-	7,261	7,261
Transfers	286	(302)	1,479	(1,463)	-
Depreciation expense	(71)	(622)	(2,611)	-	(3,304)
Balance 31 December 2023	596	4,796	12,157	8,709	26,258

14. RIGHT-OF-USE ASSETS

	31 DEC 2023	30 JUN 2023
	\$'000	\$'000
Cost		
Opening balance	53,981	43,834
Additions	13,473	12,490
Disposals	-	(2,343)
Closing balance	67,454	53,981
Accumulated depreciation & impairment		
Opening balance	(37,208)	(31,417)
Disposal	-	130
Depreciation charge for the period	(6,300)	(5,921)
Closing balance	(43,508)	(37,208)
Carrying amount – Opening balance	16,773	12,417
Carrying amount – Closing balance	23,946	16,773

Key additions during the year reflect modifications to existing Byrncut Underground mining contract, with additions to the fleet resulting from a ramp up in operations at Riverina Underground.

15. BORROWINGS

Borrowings from Related Party

On 23 December 2022, the Company received proceeds of \$12.7 million including \$10.96 million in debt funding plus \$1.7 million for a royalty modification from its major shareholder Hawke's Point.

On 21 March 2023, the Company announced the sale of non-core Lady Ida exploration tenements to Beacon Minerals Ltd. In order to satisfy the condition precedent to the transaction, Hawke's Point agreed to vary the Royalty such that it will not apply to these tenements.

The debt modification was determined to be non-substantial. The updated discounted cash flows, associated with the 9-month extension, resulted in a \$0.4 million fair value adjustment at 30 June 2023. The remaining fair value discount will be unwound until repayment date, which is scheduled to be 30 September 2024.

The cash consideration of \$1.7 million for the royalty modification was received from Hawke's Point on 14 June 2023 and has been recorded as Other Contributed Equity, consistent with the proceeds from the original royalty. Total recognised in Other Contributed Equity relating to Hawke's Point royalties is \$4.3 million.

The borrowings of \$10.96 million have been classified as current liabilities as this amount is due for repayment on 30 September 2024 and the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date nor is there an expectation the Group will repay amounts within the following 12 months.

16. CONTINGENT LIABILITIES

The Directors are of the opinion that the recognition of a provision is not required in respect of the following matters as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

Bank Guarantees

The Group has negotiated a number of bank guarantees in favour of various service providers. The total nominal amount of these guarantees at the reporting date is \$0.6 million (30 June 2023: \$0.6 million).

Legal Proceedings

The Company (and its wholly owned subsidiaries) is a party to various proceedings in the Wardens Court pursuant to which third parties are seeking to challenge its title to various mining tenements by way of forfeiture and other proceedings. The Group has legal representation in respect of these complaints. The directors do not believe the complaints have a reasonable prospect of success and the complaints will be vigorously defended by the Group.

NSR Royalty

As described in Note 15, the Company has entered an agreement with Hawke's Point to pay a capped net smelter return (NSR) royalty with respect to certain gold products. This term of the royalty was amended on 8 June 2023. The royalty is payable at 1.0% NSR from 1 January 2024 and is uncapped.

This arrangement is a contingent liability and, therefore, no liability has been recorded on the Statement of Financial Position specific to a royalty charge under the arrangement until the gold is produced.

17. ASSETS HELD FOR SALE

On 16 March 2023, the Company announced the sale of certain non-core Lady Ida tenements to Lamerton Pty Ltd and Geoda Pty Ltd for \$10 million. At 30 June 2023, Ministerial consent for the transfer of tenements was outstanding. Accordingly, this transaction was not recorded as a sale at 30 June 2023.

A refundable deposit of \$1.0 million was received on 23 March 2023 and was recorded as a current payable at 30 June 2023.

The transaction completed on 19 September 2023 following completion of all conditions precedent and subsequent receipt of the remaining \$9.0 million.

18. EVENTS AFTER BALANCE DATE

Subsequent to period end, the Company announced:

- Placement of 136,363,637 shares at an issue price of \$0.22 to raise \$30 million before costs; and
- On 23 February 2024, the Company announced details of Court proceedings against Riverina Resources and Greenstone, who hold nickel rights over tenements held by Carnegie Gold Pty Ltd (**Carnegie**), a wholly owned subsidiary of the Company. Those tenements are also subject of the farm-in agreement between the Company and Davyston Exploration Pty Ltd (wholly owned subsidiary of WesCEF). Riverina Resources and Greenstone must not unreasonably withhold their consent to the transfer by Carnegie of any its rights under the 2007 Agreement, and their consent is a condition to completion of the DEPL Transaction. They have so far refused to consent despite numerous requests and so the Company and Carnegie have commenced proceedings for an order that they consent.

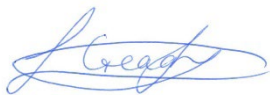
There are no other matters or circumstance that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

In the opinion of the Directors:

1. the Half-Year financial statements and notes of the Company and its subsidiaries (collectively the Group) set out on pages 6 to 20 are in accordance with the *Corporations Act 2001* (Cth), 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 Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* (Cth); and other mandatory professional reporting requirements; and
2. 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 Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the board of directors



Luke Creagh
Managing Director

Perth, Western Australia
14 March 2024

Independent Auditor's Review Report

To the shareholders of Ora Banda Mining Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Ora Banda Mining Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Ora Banda Mining Limited does not comply with the *Corporations Act 2001*, including:

- 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
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023.
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date.
- Notes comprising a summary of material accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Ora Banda Mining Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the 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 these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply 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 *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim 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.



KPMG



R Gambitta
Partner

Perth

14 March 2024