



**PINNACLE  
MINERALS LTD  
AND ITS CONTROLLED ENTITIES**

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# **HALF YEAR FINANCIAL REPORT**

**FOR THE SIX MONTHS ENDED  
31 DECEMBER 2023**

**ACN 655 033 677**

# FINANCIAL REPORT

for the half year ended 31 December 2023

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## CORPORATE DIRECTORY

### Directors

William (Bill) Witham  
Maurice (Nic) Matich  
Stephen Ross  
Lincoln Liu

Executive Chairman  
Managing Director  
Non-executive Director  
Non-executive Director

### Company Secretary

Jay Stephenson

### Head Office and Registered Office

*Registered Office and Principal Place of Business*

Unit 6, Level 1 389 Oxford Street  
Mt Hawthorn WA 6016  
Telephone +61 8 9426 0666

### Share Registry

Automatic Group  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

### Securities Exchange

Australian Securities Exchange ('ASX')  
Level 40, Central Park, 152-158 St Georges Terrace  
PERTH WA 6000  
Telephone: 131 ASX (131 279) (within Australia)  
Telephone: +61 2 9338 0000  
Facsimile: +61 2 9227 0885  
Website: [www.asx.com.au](http://www.asx.com.au)  
ASX Code: PIM

### Auditor

Hall Chadwick Audit (WA) Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

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## DIRECTORS' REPORT

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Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the six months ended 31 December 2023.

The names, appointment periods and particulars of the Company directors who held office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

<b>Director</b>	<b>Position</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Mr. William (Bill) Witham	Executive Chairman	3 Nov 2021	-
Mr. Maurice (Nic) Matich	Managing Director	20 Oct 2022	-
Mr. Stephen Ross	Non-Executive Director	3 Dec 2021	-
Mr. Lincoln Liu	Non-Executive Director	8 Dec 2021	-

The names of the secretaries in office at any time during or since the end of the half year are:

<b>Company Secretary</b>	<b>Position</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Mr. Jay Stephenson	Company Secretary	3 November 2021	-

Directors have been in office since 1 July 2023 up until the date of this report unless otherwise stated.

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# CHAIRMANS LETTER

14 March 24

Subject: Six-Month Report to 31 Dec 2023 of Pinnacle Minerals Limited

I am pleased to present the six-month report of Pinnacle Minerals Limited (Pinnacle) for the period ending December 31, 2023. This report summarises our past achievements, upcoming challenges, and future prospects as we continue to navigate the dynamic landscape of minerals exploration.

Through rigorous geological analysis and exploration activities, our exploration team has conducted successful exploration campaigns in WA, SA and Canada, uncovering high-potential mineralization in several target areas. These include the expansion of mineral targets in Western Australia for mineral sands and uranium and rare earth elements in South Australia.

In Canada, we have forged strategic partnerships with local communities, governments, and industry stakeholders to facilitate responsible and sustainable exploration practices, as well as attract funding from Canadian-based investors.

While we have made significant strides, we acknowledge the increasing challenges that persist within the minerals exploration sector. These challenges include regulatory hurdles, geopolitical uncertainties, and environmental concerns. However, we remain committed to overcoming these challenges through robust risk management and sustainable practices. Our commitment to sustainability remains unwavering, and we continue to prioritize environmental stewardship and social responsibility in all our activities.

Looking ahead, we are optimistic about the future prospects of Pinnacle. The global demand for minerals, has shown recent weakness but we know will continue to grow over time, driven by urbanization, energy transition, and technological advancements. As a result, we see ample opportunities for growth and value creation in the years to come.

Key areas of focus for the upcoming months include accelerated exploration, where we will intensify our exploration efforts in lithium in WA and Quebec, uranium in South Australia, leveraging new technologies and geological expertise to unlock value for our shareholders. We will also push forward with our mineral sands and kaolin projects, which should yield proven reserves in the next year.

We are mindful of our financial position and have maintained our cash at bank through the EDLP Fund offtake agreement for our Adina East Project.

Our commitment to have a laser-like focus on cost management has enabled us to optimize our exploration expenditure and minimise overheads.

Pinnacle will continue to pursue strategic investments in exploration projects with significant upside potential, constantly diversifying and reviewing our portfolio.

We remain committed to fostering strong relationships with our shareholders, employees, communities, and other stakeholders, recognizing their importance in our journey towards sustainable growth.

In conclusion, I would like to express my sincere gratitude to our shareholders for their continued support and confidence in Pinnacle. Together, we will continue to chart a course towards success, creating long-term value and prosperity for all stakeholders.

Thank you for your attention.

Warm regards,



William (Bill) Witham

Chairman

Pinnacle Minerals Limited

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## REVIEW OF OPERATIONS

During the half-year the Company made a loss for the period after providing for income tax that amounted to \$1,103,993 (2022: \$487,748).

**Pinnacle Minerals Ltd (“Pinnacle”) is an ASX listed technology minerals company focused on delivering shareholder value via the systematic exploration and development of its portfolio of battery and technology metals projects in Canada, Western Australia and South Australia. Pinnacle aims to deliver exploration success via systematic and geologically rigorous techniques. The Company’s focus is the “Adina East Project” in James Bay, Quebec which is proximal to the world class Adina Lithium Project (Winsome Resources: ASX:WR1) and adjacent to the Trieste Lithium Project (Loyal Lithium: ASX:LLI) and the Tilly Lithium Project (ASX:WR1). The Company’s Australian exploration assets are prospective for Uranium, Rare Earth Elements, Mineral Sands and Kaolin.**

The September quarter was focused on the Company’s White Knight and Wirrulla Projects, both located in South Australia.

On the 19<sup>th</sup> of July, Pinnacle applied for the “Wirrulla Project” (ELA 2023-00031), primarily for its’ rare earth element (REE) potential, as it is centered on a circular magnetic feature resembling a Mount Weld style intrusion. The tenement was granted (EL 6968) subsequent to the end of the reporting period on the 9<sup>th</sup> January 2024. Analysis of satellite and radar imagery on the Uranium prospectivity conducted during the reporting period was released on the 17<sup>th</sup> of January 2024. The project geology has subsequently being reinterpreted with the project considered prospective for both Uranium and Rare Earth Oxide (REE) mineralisation (both hard rock and clay hosted).

Data pertaining to the White Knight tenements held on the South Australian Resources Information Gateway (SARIG) was reviewed and historical drill cores held at the Tonsley Core Library were re-assayed. Nine holes returned assays greater than 500ppm Total Rare Earth Oxide (TREO), with three holes returning intervals of greater than 1,000 ppm TREO. These assays are encouraging given they are from the bedrock itself. The potential for higher grade TREO mineralisation in the overlying saprolite and clays is considered high and the assay results themselves have provided Pinnacle with data with which to vector in on higher grade clay hosted REE mineralisation.

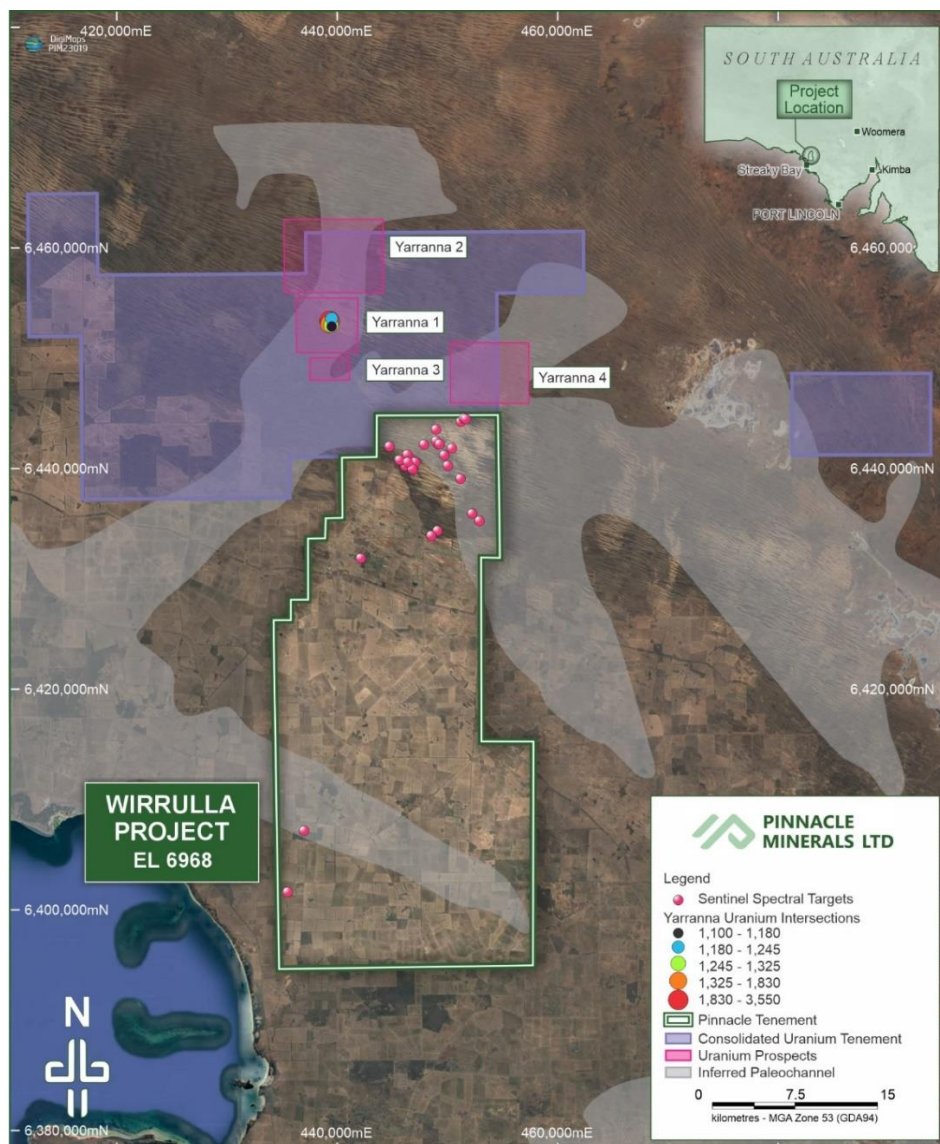


Figure 1: Wirrulla Project – Image released subsequent to the reporting period

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The December quarter was transformative for Pinnacle, with the Company announcing the acquisition of 75% of the Adina East Lithium Project, located in the prolific James Bay lithium district of Quebec from Electrification and Decarbonization AIE LP (the E&D Fund), an investment fund managed by Waratah Capital Advisors Ltd (Waratah). The transaction was executed on the 20th of December 2023.

As part of the transaction a US \$500,000 offtake pre-payment was made to Pinnacle by the E&D Fund in consideration for offtake rights to 25% of any minerals extracted from Adina East Project. The funds were received on the 21<sup>st</sup> of December 2023.

The Adina East Lithium Project is located in the prolific lithium region of James Bay, Quebec, Canada. The Project claims cover 72.7km<sup>2</sup>, bordering an interpreted extension of the Trieste Greenstone Belt and is located 24km from Winsome Resources' (WR1:ASX) Adina Project (59Mt at 1.12% Li<sub>2</sub>O)<sup>1</sup>. Additionally, the Project is adjacent to the Loyal Lithium (LLI:ASX) Trieste Project and the Winsome Resources (WR1:ASX) Tilly Project.

During the December quarter, Mr. William (Bill) Witham transitioned to the role of Executive Chairman. Mr. Witham joined the executive team to provide technical expertise as the company continues to diversify into battery metals exploration. Bill's experience in lithium exploration is well regarded being the founding director and the executive and technical manager of Electrostate Limited. Electrostate developed the Yinnetharra Lithium Project in WA which was sold to Delta Lithium Limited (ASX:DLI) for a circa \$25M vendor consideration in September 2022. Delta Lithium has a market capitalisation of c.\$213M<sup>2</sup> Mr. Witham was previously the Managing Director of Galaxy Resources (now Allkem ASX:AKE) prior to its' IPO in 2007. Allkem has gone on to be one of the world's largest lithium producers.

On the 25<sup>th</sup> of October Pinnacle announced the addition of two projects in the Abitibi region of Quebec. The "Lac Rug" and "Lac Bignibi" Lithium Projects cover 271.2 km<sup>2</sup> in the Abitibi Greenstone Belt, Quebec, one of the largest mineral-rich areas worldwide. The addition of the two projects strengthened Pinnacle's land holding in Quebec further accelerated Pinnacle's transition to a battery minerals explorer.

Pinnacle embarked on first pass reconnaissance exploration of its' suite of projects in Canada in Late October and early November. Both exploration programs (James Bay and the Abitibi) were shortened by the onset of the Canadian winter. Positive visual results from both projects were received. At the Adina East Project visual assessment of the mineral assemblages may be indicative of a spodumene differentiation trend, including tourmaline, beryl, garnet and muscovite.

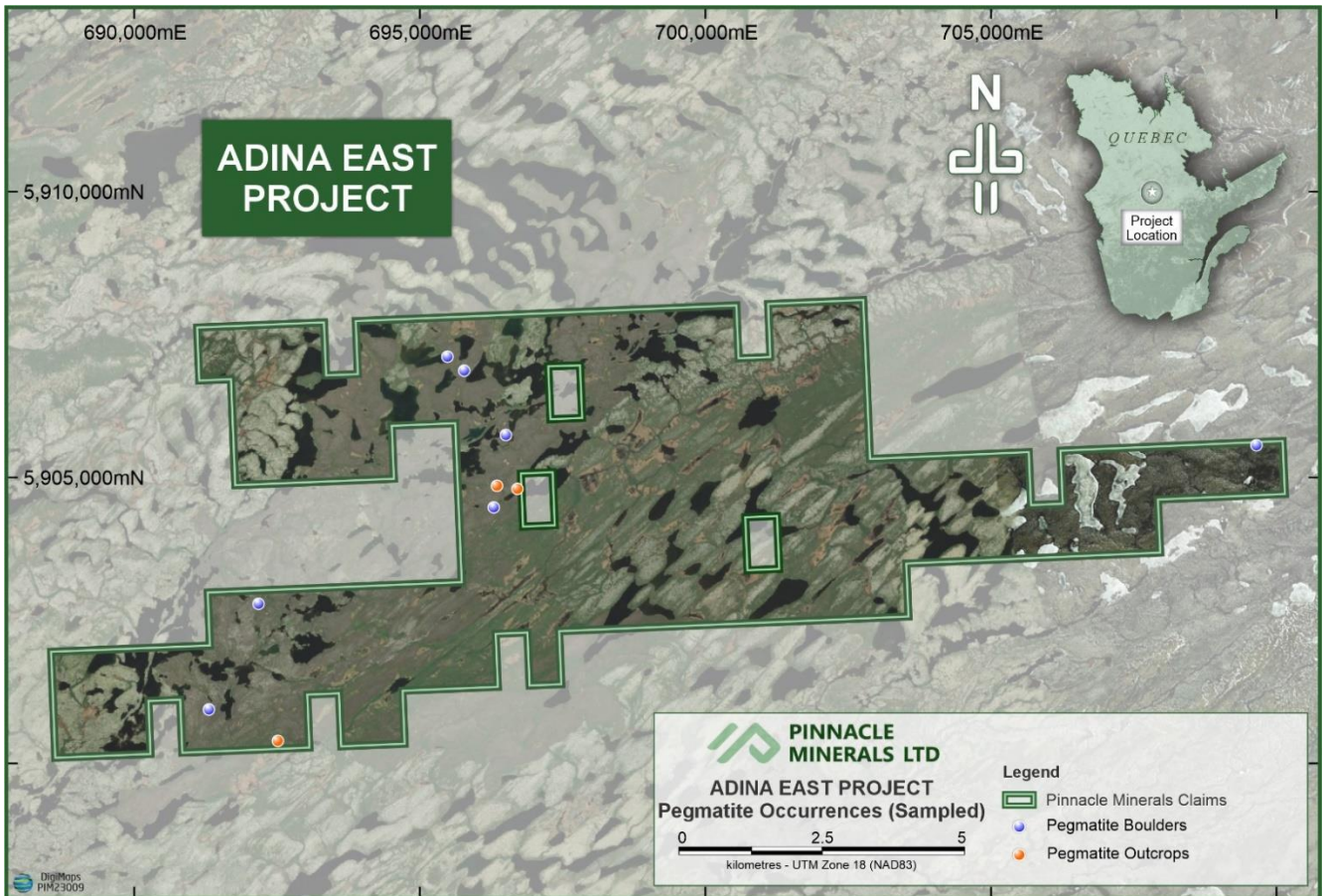


Figure 2: Sample locations (pegmatite lithologies)

1 – Winsome Resources Limited (ASX:WR1) ASX announcement 11<sup>th</sup> December 2023

2 – As at the 23<sup>rd</sup> February 2024 (30 cps)

In late December the company began land access negotiations with landholders affected by the proposed drill program for the Capel Project. Overall, negotiations were successful, and several access agreements signed during and subsequent to the quarter. Surface rights applications and POW's have been lodged with the Department of Mines and the Company is eagerly awaiting approval of these submissions and plan to begin a maiden drill program at the project in 2024 targeting heavy mineral sands (primarily ilmenite with zircon credits).

The company completed a strategic review of its project portfolio in the December quarter and surrendered the following non-core tenements:

Project	Tenement
Latham Project	E70/6318
Tammin Project	E70/6319
	E70/6342
Bobalong Project	E70/6094
Camel Lake Project	ELA2020-00230



# PROJECTS

## Adina East Lithium Project - Background

The Adina East Project is located in Quebec’s James Bay region (Figure 4) with a total of 147 claims encompassing 72.7km<sup>2</sup> (7,274.47 ha) adjacent to an interpreted extension of the Trieste greenstone belt (Figure 3). Located within Category-III lands, the Adina East Project does not carry any restrictions relating to mining or exploration according to the James Bay Agreement with the Cree Nation.

The Project is adjacent to both Loyal Lithium’s (ASX:LLI) Trieste project where high grade spodumene-bearing dykes (11.5m at 1.72% Li<sub>2</sub>O)<sup>3</sup> were identified less than 6km from the boundary of the Project<sup>4</sup> and, Winsome Resources’ Tilly Project where swarming pegmatites have been mapped<sup>5</sup>. These dykes are interpreted to extend into the Adina East Project. The claims are readily accessible from Mirage Outfitters, 75km to the northwest of the Project, allowing year-round access.

Multiple historically mapped pegmatites exist within the Project area. These pegmatites are located approximately 24 km along strike east in the same stratigraphic sequence and location that hosts the Winsome Resources’ (ASX:WR1) Adina Lithium Project, which contains a resource of 59Mt at 1.12% Li<sub>2</sub>O with high-grade assay results of up to 4.19% Li<sub>2</sub>O over 4.1m.<sup>6</sup>

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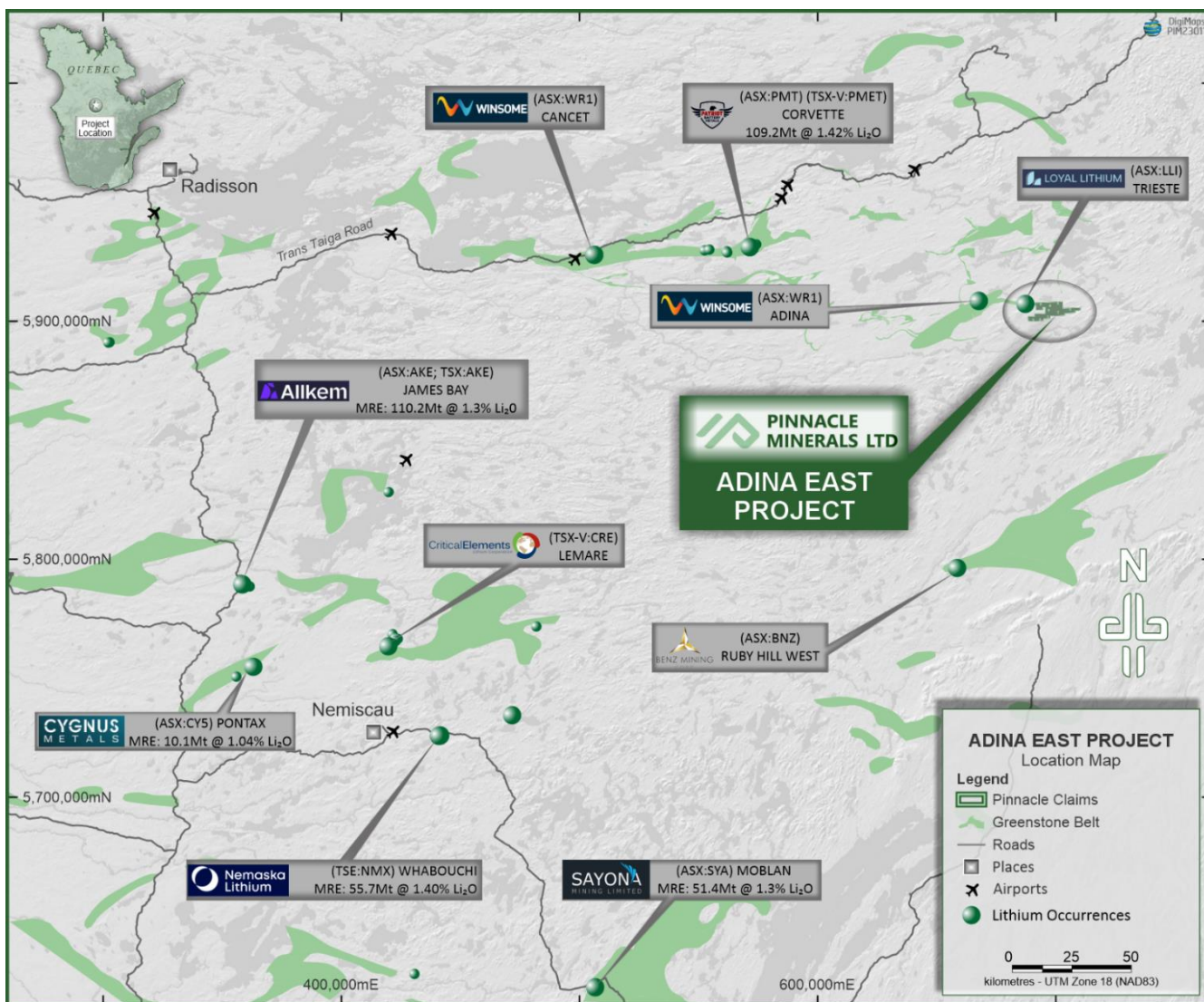


Figure 3: James Bay Province Highlighting Adina East Project Location.

3 – Loyal Lithium Limited (ASX:LLI) ASX announcement 2<sup>nd</sup> January 2024

4 – Loyal Lithium Limited (ASX:LLI) ASX announcement 16<sup>th</sup> August 2023

5 – Winsome Resources Limited (ASX:WR1) ASX announcement 19<sup>th</sup> April 2023

6 – Winsome Resources Limited (ASX:WR1) ASX announcement 14<sup>th</sup> February 2023

## Lac Rug and Lac Bigniba Projects – Background

The Lac Rug Project is centered 26km south-east of Lebel sur Quevillon township, Abitibi, Quebec. The project consists of 207 claims covering a surface area of approximately 116.5km<sup>2</sup>, which are in the process of being transferred to the company's 100% owned subsidiary Pinnacle Abitibi Mining Limited. The geological area of the project is favourable for primarily lithium and beryl, but also gold, zinc and base metals.

The Lac Bigniba Project is centered 60kms NNE of Amos and 46km west of Lebel-sur-Quevillon township, Abitibi, Quebec. The Geant Dormant Gold Mine (421,600 Oz at 8.08g/t gold<sup>7</sup>) is located 12kms to the west of the project area. Lac Bigniba consists of 282 claims covering a surface area of approximately 154.7km<sup>2</sup>, which are in the process of being transferred to Pinnacle Abitibi Mining Limited.

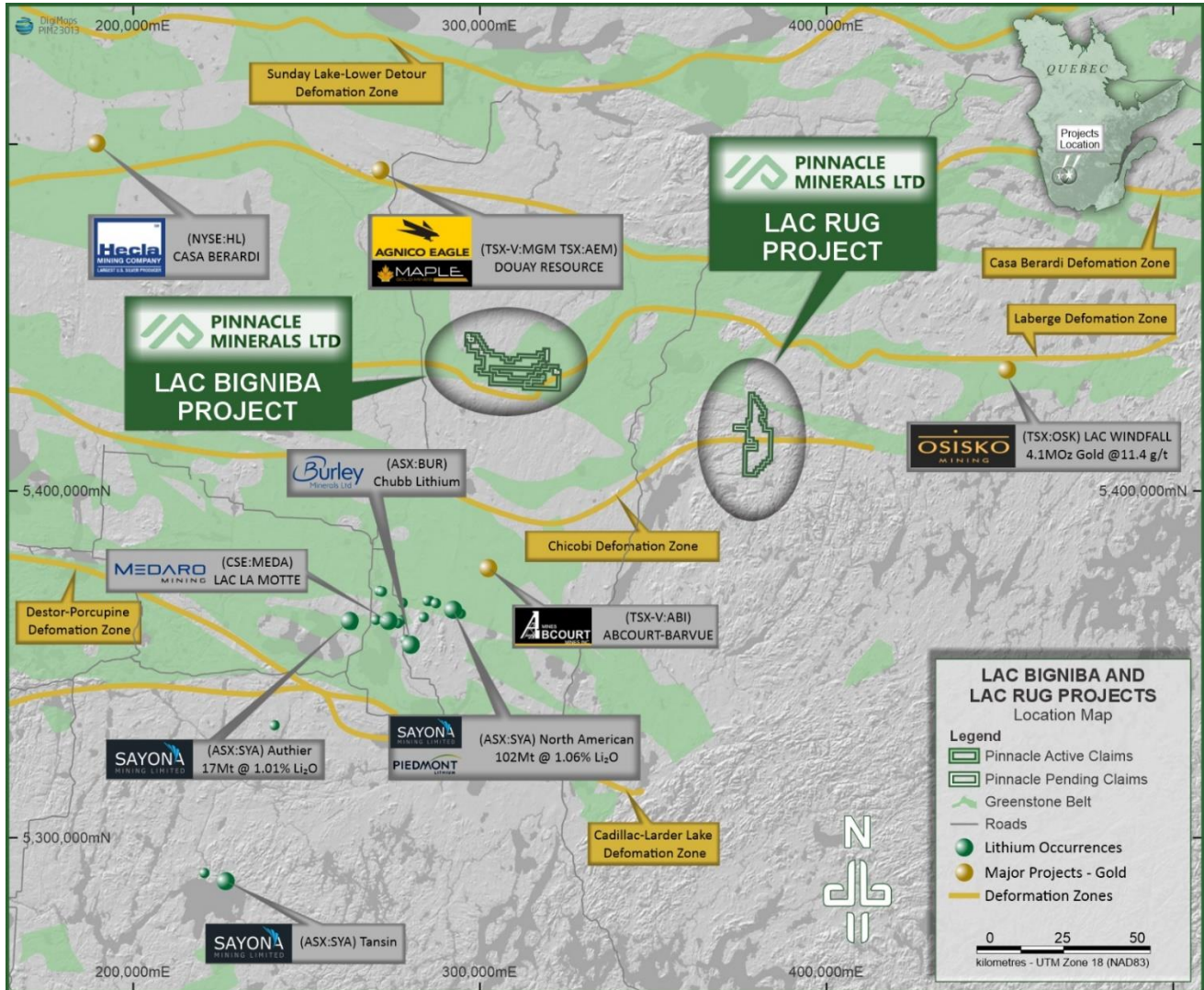


Figure 4: Abitibi Province highlighting Lac Rug and Lac Bigniba Project locations.

7 – Inferred and indicated resources, <https://abcourt.ca/en/projects/geant-dormant/> and Pinnacle calculations

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## South Australian Projects

### Background on the White Knight and Wirrulla Projects

The White Knight Project (Figure 5) covers a total area of 1,148km<sup>2</sup> on the western side of the Eyre Peninsula, and is strategically located adjacent to Andromeda Metals (ASX:ADN) high-grade Mount Hope Kaolin Project and Oar Resources (ASX:OAR) high-grade Gibraltar Kaolin-Halloysite Project. Extensive kaolin has historically been recorded at the White Knight Project but has not been followed up with modern exploration techniques.

The Wirrulla Project (Figure 1) which was granted subsequent to the reporting date, is 957km<sup>2</sup> of tenure in the northwestern extents of the Eyre Peninsula South Australia. The project is centered on a circular magnetic feature resembling a Mount Weld style intrusion and was applied for in July 2023 primarily for its' rare earth element (REE) potential which was identified from historical drilling intercepts where elevated apatite > 10% (typical in carbonatites) were intercepted.

The REE ionic absorption potential of the Narlaby palaeochannel has also been identified by Cobra (COBR.LON) who have defined the Boland Ionic Rare Earth Project which is hosted with-in the palaeochannel. Cobra has recently acquired tenements EL6966 and EL6967 adjacent to the Wirrulla Project which cover a substantial portion of the palaeochannel.

Desktop studies undertaken whilst the tenement was under application have highlighted the uranium prospectivity in the northern extents of the tenement where the uranium-bearing Narlaby paleochannel is mapped continuing into the tenement. The palaeochannel hosts high grade uranium mineralisation at Yarranna (Figure 1) only 10km from the targets identified by satellite and radar imagery analysis conducted by Pinnacle.

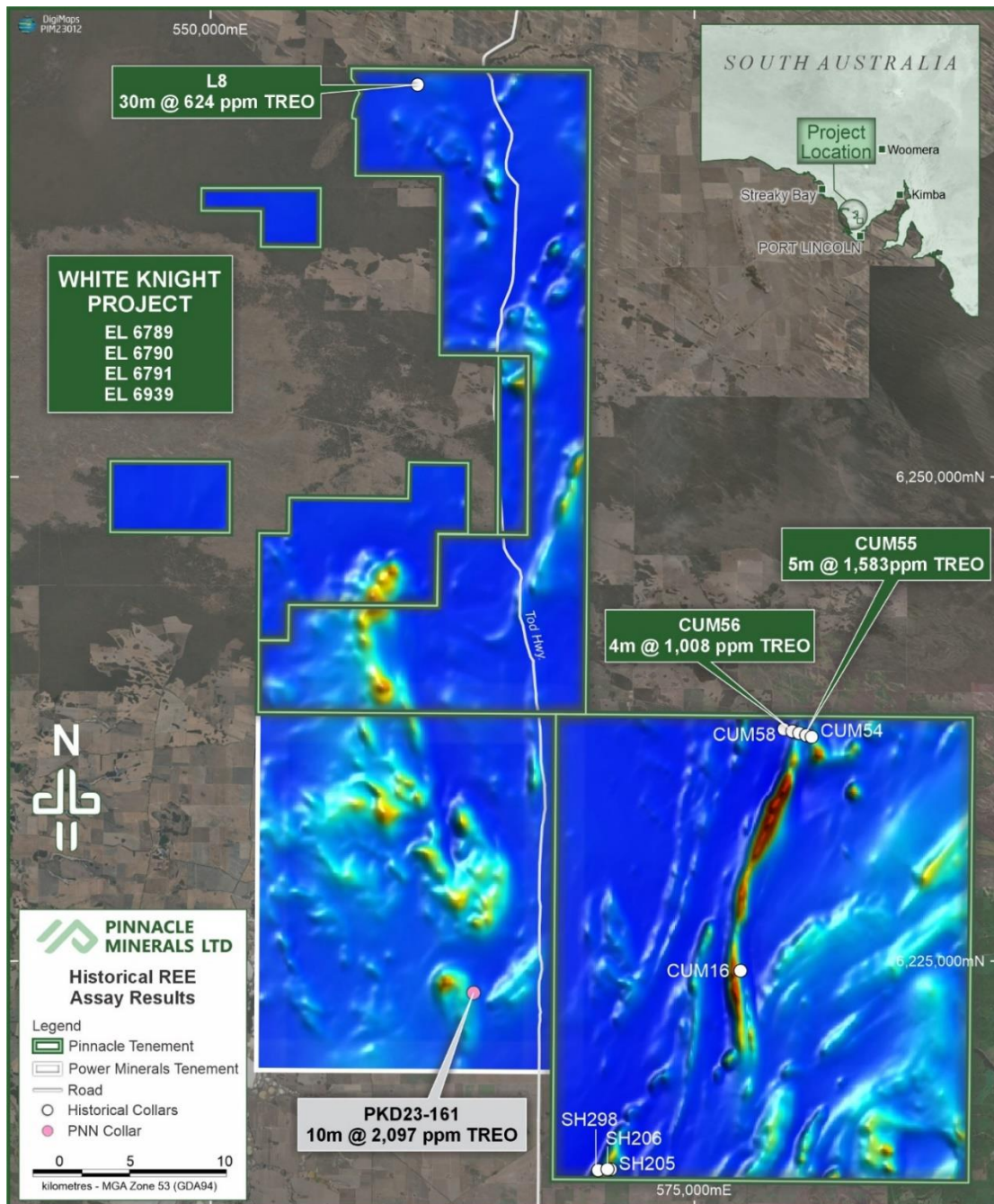


Figure 5: White Knight Project highlighting historical collars and ASX:PNN REE intercept.

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## West Australian Projects

### “Great Southern Projects” (Holly and Bobalong)

Drilling previously undertaken at the Bill’s Middle and Tambellup East targets has shown the kaolin at Bobalong to exhibit exceptional quality. Specifications for the kaolin included 38.3% Al<sub>2</sub>O<sub>3</sub> and 45.9% SiO<sub>2</sub>, high whiteness, and high brightness of 80% to 85%, with small particle size, high opacity, and low impurities. Results achieved to date, indicate the potential for a high-value product suitable for DSO export, via the deep-water port of Albany, 133km to the south.

Kaolin samples have been tested at Intertek Genalysis in Australia and Wuhan University of Technology in China. The Company has received a qualification report from the University showing that it meets the specifications for potential offtake partners.

The Holly Project consists of two granted tenements covering 136.8km<sup>2</sup> with an Exploration Target of between 140mt and 350mt of kaolin<sup>8</sup> with a brightness of 74% to 84%. The project is yet to be extensively explored by the Company.

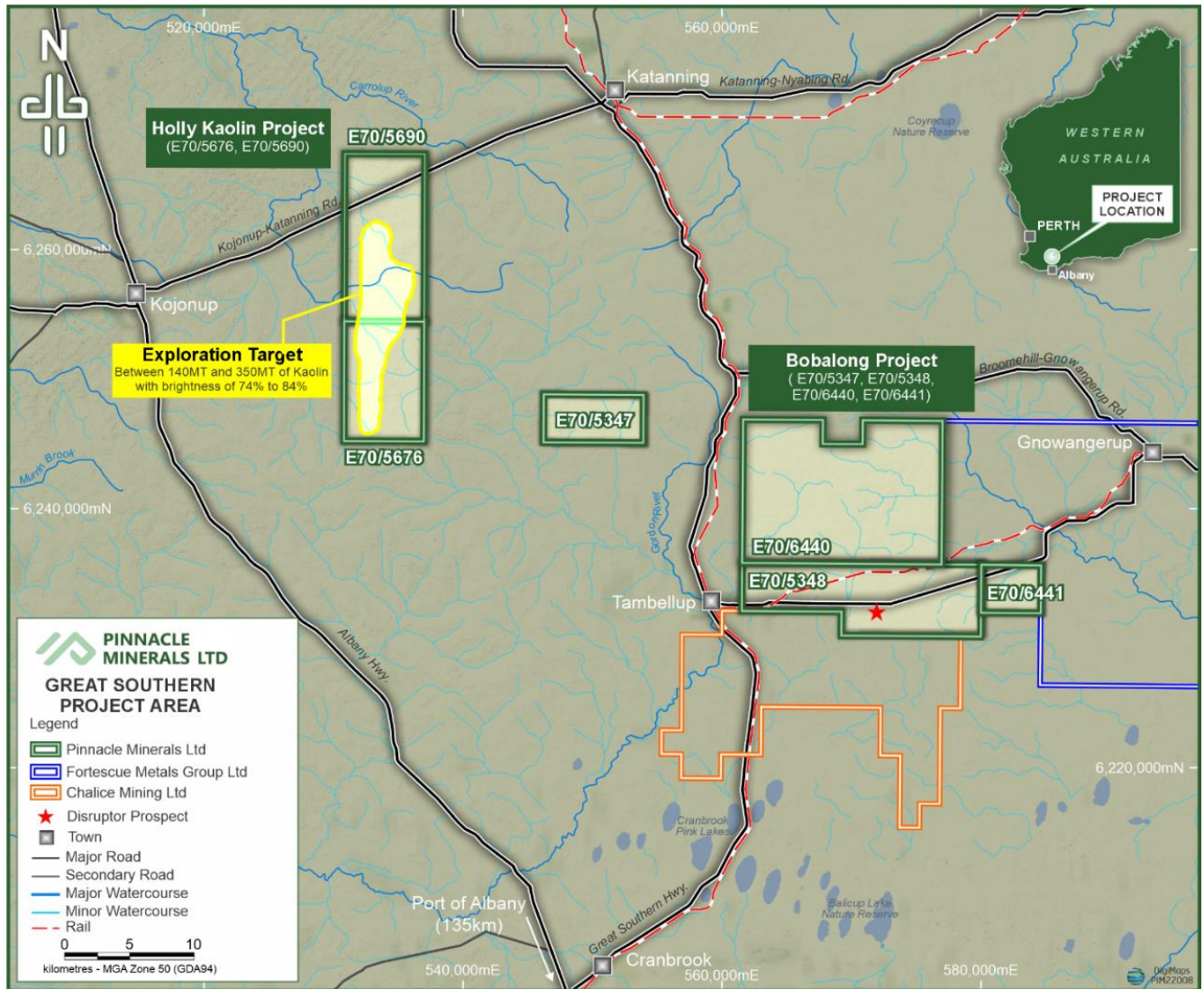


Figure 6: Pinnacle Minerals - Great Southern Project(s)

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## Capel Mineral Sands Project – Background

The project (Figure 7) was previously held by Tronox Limited (NYSE:TROX), a global, vertically integrated producer of titanium dioxide and inorganic chemicals, with a US \$2b market capitalisation.

Previous, regional-scale exploration, conducted in 2010 by Iluka Resources Limited, discovered moderate-grade HM from surface on several drill lines. Pinnacle believes there is potential for defining cohesive mineralisation at a more local scale, sufficient for delineating an appreciable heavy minerals sands resource, within the tenement.

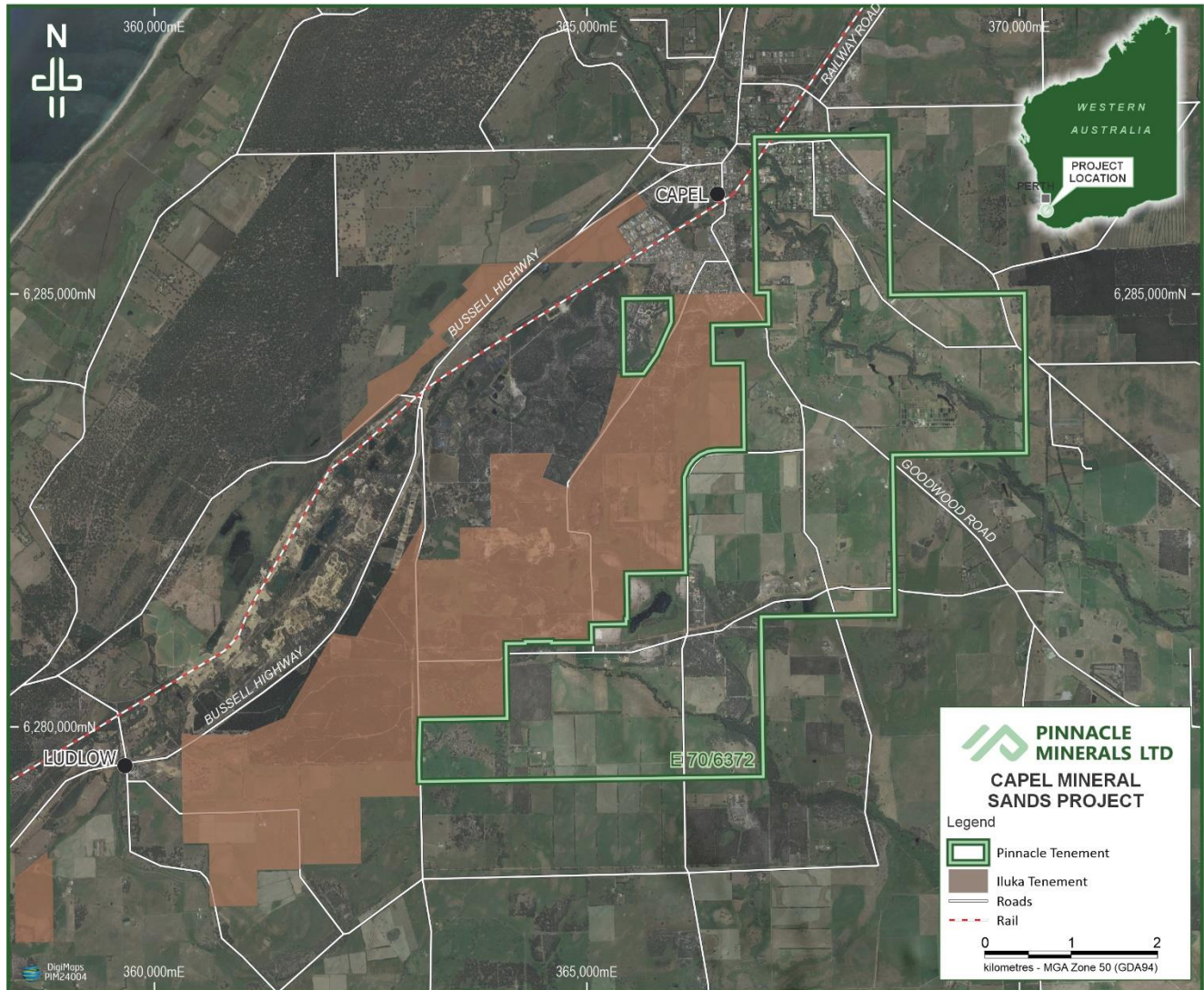


Figure 7: Capel Mineral Sands Project

## Competent person statement

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by William Witham, a Competent Person who is a Member of The Australian Institute of Geoscientists (AIG). William Witham is a director of Pinnacle Minerals Ltd. William Witham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. William Witham consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

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During the Reporting Period the company issued 9,088,177 shares and 7,629,637 options as consideration for 75% of the Adina East Project. In addition, the company issued 1.2m options to Directors and Employees and 3m performance options to Mr. Bill Witham as part of his executive remuneration package.

The Company's capital structure at the beginning and end of the Half is outlined below:

	Ordinary Shares	Options
Existing on Issue 30 <sup>th</sup> June 2023	36,375,200	33,037,634
Acquisition (Adina East)	9,088,117	7,629,637
Director and Co-Sec Options		1,200,000
Director Options		3,000,000
<b>TOTAL: 31<sup>st</sup> December 2023</b>	<b>45,463,317</b>	<b>44,867,271</b>

## SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company.

To provide investors with greater diversity and exploration upside the Company diversified its asset base and exploration focus in the final quarter of 2023 towards battery minerals with the acquisition of 75% of the Adina East Project in James Bay Canada and the staking of the Lac Rug and Lac Bigniba Projects in the Abitibi region of Québec, Canada. As such, new subsidiaries, Pinnacle Minerals James Bay Ltd and Pinnacle Abitibi Mining Limited were incorporated during the period.

## PRINCIPAL ACTIVITIES

The Company continued the systematic exploration and development of its portfolio of battery and technology metals projects in Canada, Western Australia and South Australia

## EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

### Wirrulla Project

Tenement EL 6968 (Wirrulla Project) was granted on the 11<sup>th</sup> January 2024.

Dirt Exploration (and its principal, Dr Neil Pendock) acquired, processed and analysed Sentinel multispectral data (Sentinel) and Synthetic Aperture Radar (SAR) data over the Wirrulla Project. The methodology employed (resistivity mapping) has been retrospectively shown to detect basement-hosted unconformity-related uranium deposits such as NextGen Energy's Arrow deposit, the largest, highest-grade undeveloped uranium deposit in the world<sup>10</sup>.

Correlating synthetic aperture radar (SAR) and Sentinel (captured on the 16th of June 2007 and 7th October 2023 respectively) with the Yarranna uranium prospects, Dirt Exploration generated numerous targets (Figure 1), of which a cluster less than 10km from the Yarranna prospects are considered the most prospective. This cluster overlies and is adjacent to an interpreted extension of the Narlabby paleochannel which hosts the Yarranna mineralisation.

### Manna West Project

On the 19<sup>th</sup> February Pinnacle entered into an exclusive option agreement to acquire the Manna West Lithium Project (Figure 8). The Project is located 3.5km west of the Global Lithium's (GL1:ASX) Manna Lithium Project (36.0Mt at 1.13% Li<sub>2</sub>O)<sup>11</sup> and overlays greenstones prospective for lithium and gold. Furthermore, the project is within 5km from the Cardunia granitoid which has LCT chemistry and is interpreted to be a driver for lithium mineralisation at the Manna deposit. The project's proximity to the granitoid is considered by Pinnacle to be optimal for the emplacement of fractionated pegmatites containing lithium rich minerals.

9 - <https://www.isoenergy.ca/>

10 - Dr. Neil Pendock, Dirt Exploration, Uranium exploration at Wirrulla, South Australia, using visible-near infrared [VNIR], shortwave infrared [SWIR] & synthetic aperture radar [SAR] satellite imagery

11 - Global Lithium Resources (ASX:GL1) ASX Announcement 26<sup>th</sup> July 2023

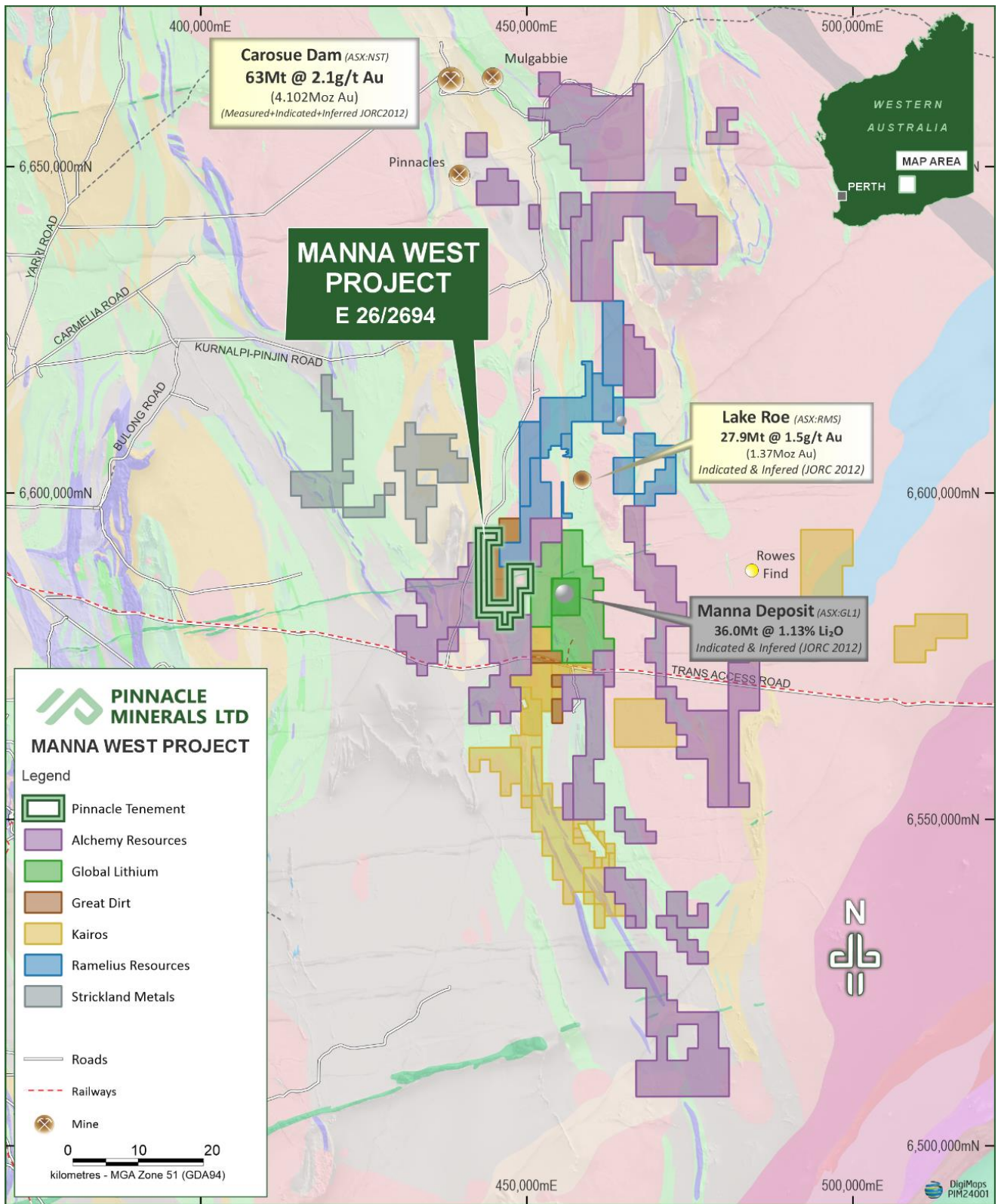


Figure 8: Manna West Project highlighting regional geology and projects

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2023 has been received and can be found on page 17.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

For, and on behalf of, the Board of the Company,



**William Witham**

Chair

**Date. 14 March 2024**

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## AUDITOR'S INDEPENDENCE DECLARATION PINNACLE MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Pinnacle Minerals Limited.

As lead audit partner for the review of the financial report of Pinnacle 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:

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



Hall Chadwick Audit (WA) Pty Ltd  
ABN 42 163 529 682



Nikki Shen  
Director

Dated 14 March 2024

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## DIRECTORS' DECLARATION

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The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001:

- (a) Comply with Accounting Standards AASB 134: Interim Financial Reporting; and
- (b) Give a true and fair view of the financial position of the entity as at 31 December 2023 and of its performance for the six months ended on that date.

In the directors' opinion there are reasonable grounds to believe that Pinnacle Minerals 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 directors.

For, and on behalf of, the Board of the Company,



**Mr. William Witham**  
Chair  
14 March 2024

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PINNACLE MINERALS LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Pinnacle Minerals Limited (the Company) and controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial 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.

#### 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 is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2023 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

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.

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**Independence**

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



Hall Chadwick Audit (WA) Pty Ltd  
ABN 42 163 529 682



Nikki Shen  
Director

Dated 14 March 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the six months ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Revenue and other income		47,326	27,208
Administration expense		233,799	129,333
Professional Fees and legal		59,952	164,413
Share Based Payments		128,512	-
Exploration expensed		425,712	-
Employee benefit expense		303,344	221,210
<b>Loss before income tax</b>		<b>(1,103,993)</b>	<b>(487,748)</b>
Income tax expense/(benefit)		-	-
<b>Loss for the half year</b>		<b>(1,103,993)</b>	<b>(487,748)</b>
<b>Other comprehensive income for the half year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the half year</b>		<b>(1,103,993)</b>	<b>(487,748)</b>
Loss per share attributable to the ordinary equity holders of the Company		<b>¢</b>	<b>¢</b>
Basic (loss) per share		(0.030)	(0.013)
Diluted (loss) per share		(0.0155)	(0.007)

*The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.*

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2023

	<b>Note</b>	<b>31 December 2023 \$</b>	<b>30 June 2023 \$</b>
Current assets			
Cash and cash equivalents	3	2,334,321	2,411,995
Trade and other receivables	4	43,729	71,105
<b>Total current assets</b>		<b>2,378,050</b>	<b>2,483,100</b>
Non-current assets			
Mineral exploration and evaluation assets	6	3,952,228	3,091,901
<b>Total non-current assets</b>		<b>3,952,228</b>	<b>3,091,901</b>
<b>Total assets</b>		<b>6,330,278</b>	<b>5,575,001</b>
Current liabilities			
Trade and other payables	5	202,273	93,803
<b>Total current liabilities</b>		<b>202,273</b>	<b>93,803</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>202,273</b>	<b>93,803</b>
<b>Net assets</b>		<b>6,128,005</b>	<b>5,481,198</b>
Equity			
Contributed equity	2	7,707,352	6,298,694
Reserves	2.2	1,476,729	1,134,587
Accumulated losses		(3,056,076)	(1,952,083)
<b>Total equity</b>		<b>6,128,005</b>	<b>5,481,198</b>

*The consolidated statement of financial position is to be read in conjunction with the accompanying notes.*

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2023

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 01-Jul-2023</b>	6,298,694	1,134,587	(1,952,083)	5,481,198
Total comprehensive loss for the half year	-	-	(1,103,993)	(1,103,993)
Issue of Options	-	342,142	-	342,142
Issue of Shares (net of costs)	1,408,658	-	-	1,408,658
<b>Balance as at 31 December 2023</b>	<b>7,707,352</b>	<b>1,476,729</b>	<b>(3,056,076)</b>	<b>6,128,005</b>
<b>Balance at 01-Jul-2022</b>	6,498,694	832,500	(1,000,367)	6,330,827
Total comprehensive loss for the half year			(487,748)	(487,748)
Issue of Loyalty Options and broker options net of costs	(200,000)	282,399	-	82,399
<b>Balance at 31-Dec-2022</b>	<b>6,298,694</b>	<b>1,114,899</b>	<b>(1,488,115)</b>	<b>5,925,478</b>

*The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.*

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flow from operating activities			
Interests received		47,326	-
Payments to suppliers & employees		(741,464)	(381,573)
<b>Net cash (outflow) from operating activities</b>		<b>(694,138)</b>	<b>(381,573)</b>
Cash flow from investing activities:			
Payments for exploration expenditure assets		(122,077)	(207,351)
Receipt from offtake payment		738,540	
<b>Net cash (outflow) from investing activities</b>		<b>616,463</b>	<b>(207,351)</b>
Cash flow from financing activities:			
Proceeds from issue of options (net of costs)		-	82,399
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>82,399</b>
<b>Net increase / (decrease) in cash held</b>		<b>(77,675)</b>	<b>(506,525)</b>
Cash and cash equivalents at the beginning of the half-year		2,411,995	3,804,953
<b>Cash and cash equivalents at the end of period</b>	3	<b>2,334,321</b>	<b>3,298,428</b>

*The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.*

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# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

### GENERAL INFORMATION

Pinnacle Minerals Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Unit 6, Level 1 389 Oxford Street, Mt Hawthorn WA. These are the consolidated financial statements and notes of Pinnacle Minerals Limited (the Company) and controlled entity (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Pinnacle Minerals Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

The nature of operations and principal activities of the Company are described in the Directors' Report.

### 1. BASIS OF PREPARATION

The financial statements were authorised for issue on 14 March 2023 by the directors of the Company.

#### 1.1 STATEMENT OF COMPLIANCE

The half year financial report is 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 Standard IAS 34 'Interim Financial Reporting'. The interim report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

#### 1.2 ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT REPORTING PERIOD

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

#### 1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

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### 1.4 GOING CONCERN

The 31 December 2023 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$1,103,993 (2022: \$487,748 loss) and a net cash outflow from operating, investing, and financing activities of \$77,675 (2022: \$506,525 inflow).

As at 31 December 2023, the Company had working capital of \$2,175,777 (2022: \$3,221,477 working capital).

The Directors believe that the Company has sufficient cash reserves to meet its expenditure commitments and working capital requirements for the next 12 months.

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# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

### 2. ISSUED CAPITAL

	31 Dec 2023 No.	30, June 2023 No.
Fully paid ordinary shares	45,463,317	36,375,200

	31 Dec 2023		30 June 2023	
	No.	\$	No.	\$
Balance at beginning of the period	36,375,200	6,298,694	36,375,200	6,498,694
• Shares issued James Bay acquisition at 15.5c issued	9,088,117	1,408,658	-	-
Share issue costs	-	-	-	(200,000)
Balance at end of the period	45,463,317	7,707,352	36,375,200	6,298,694

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

#### 2.1 OPTIONS

	31 Dec 2023 No.	30 June 2023 No.
Balance at beginning of the period	33,037,634	9,250,000
• Loyalty Options issued exercisable at 25c before 20 July 2026	-	18,187,634
• Options to Lead Manager of Loyalty Option Offer exercisable at 25c before 20 July 2026	-	2,500,000
• Performance options issued to director	-	3,000,000
• Options to consultant exercisable at 30c before 4 May 2026	-	100,000
• Exercisable at 15c on or before 20.12.26 <sup>1</sup>	7,629,637	-
• Exercisable at 16c on or before 20.12.26 <sup>2</sup>	1,200,000	-
• Performance options issued to William Witham <sup>3</sup>	3,000,000	-
Balance at end of the period	<b>44,867,271</b>	<b>33,037,634</b>

- Options issued to the vendors of Adina East as part of the consideration.
- Options issued to Directors and Management.
- Performance Options issued to William Witham. The board has assessed it to be \$1,680 as at 31 December 2023.

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# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

### 2.2 RESERVES

	31 Dec 2023 No.	30 June 2023 No.
Balance at beginning of the period	1,134,587	832,500
<ul style="list-style-type: none"> <li>Loyalty Options issued exercisable at 25c before 20 July 2026</li> </ul>	-	82,399
<ul style="list-style-type: none"> <li>Options to Lead Manager of Loyalty Option Offer exercisable at 25c before 20 July 2026</li> </ul>	-	200,000
<ul style="list-style-type: none"> <li>Loyalty Options issued exercisable at 25c before 20 July 2026</li> </ul>	-	19,688
<ul style="list-style-type: none"> <li>issue of options to board and management on 20 December 2023</li> </ul>	103,200	-
<ul style="list-style-type: none"> <li>Vesting of Options to Managing Director</li> </ul>	25,312	19,688
<ul style="list-style-type: none"> <li>Issue of Options for acquisition of Adina East</li> </ul>	213,630	
Balance at end of the period	1,476,729	1,134,587

2.2.1 The option reserve records the fair value of options issued to the Directors and Company Secretary, the Lead Managers, the vendors and the total funds raised in the Loyalty Option issue.

2.2.2 As at 30 June 2023, the Options to the Lead Manager of the Loyalty Option Offer have been valued at \$0.08 per option using the Black Scholes Valuation Model using the following inputs.

Spot Price	\$0.13
Strike Price	\$0.25
Time to Expiry	4 years
Volatility	104%
Risk-Free Interest Rate	3.12%

2.2.3 As at 31 December 2023, the Options to the Board and management have been valued at \$0.086 per option using the Black Scholes Valuation Model using the following inputs.

Spot Price	\$0.15
Strike Price	\$0.16
Time to Expiry	3 years
Volatility	89.7%
Risk-Free Interest Rate	3.8%

2.2.4 The Options to the vendors of the Adina East Project were valued at \$0.028 per option using the comparable market price of the Pinnacle options which were trading on ASX at time of the issuance of the options.

### 3. CASH AND CASH EQUIVALENTS

	31 Dec 2023 \$	30 June 2023 \$
Cash and cash equivalents	2,334,321	2,411,995
	2,334,321	2,411,995

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# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

### 4. TRADE AND OTHER RECEIVABLES

	31 Dec 2023 \$	30 June 2023
Other receivables - GST Recoverable	25,067	40,976
Other receivables - Interest receivable	13,575	14,755
Prepayments	5,087	15,374
	<u>43,729</u>	<u>71,105</u>

### 5. TRADE AND OTHER PAYABLES

	31 Dec 2023 \$	30 June 2023 \$
Trade creditors	100,164	11,660
Other payables <sup>(i)</sup>	89,109	39,643
Accrued expenses	13,000	42,500
	<u>202,273</u>	<u>93,803</u>

<sup>(i)</sup>Other payables are non-interest bearing and are normally settled on 30-day terms.

### 6. EXPLORATION AND EVALUATION

	31 Dec 2023 \$	30 June 2023 \$
Balance at the beginning of the period	3,091,901	2,496,650
Exploration of tenements	402,291	595,251
Write off exploration expenditure	(425,712)	-
Acquisition of Adina East Project <sup>1</sup>	1,622,288	-
Receipt of Offtake payment	(738,540)	-
Balance at the end of the Period	<u>3,952,228</u>	<u>3,091,901</u>

- The Group issued 9,088,117 Shares at an issue price of \$0.155 per share and 7,629,637 Options at a value of \$0.028 per option to the vendors of the Adina East Project in James Bay Canada and in addition to the Adina East Project tenement acquisition, the group received US \$500,000 during the six-month period which net off with Exploration and Evaluation above.

### 7. OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments - Australia and Canada. The Group operates predominantly in the minerals exploration and evaluation industry.

The Group currently operates materially in one business segment and two geographical segments as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker. In the previous period the Group operated in one business segment and one geographical segment.

The three segments are detailed below:

# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

### Canada Exploration

All expenses or capitalised exploration in relation to the Adina East and other Canadian exploration activities are allocated to Canada Exploration.

### Australia Exploration

All expenses or capitalised exploration in relation to the Australian exploration activities are allocated to Australia Exploration.

### Corporate Items

All items that are not related to exploration and evaluation either expensed or capitalised are allocated to corporate.

Segment Financial Performance for the period ended 31 December 2023.

	Canada Exploration	Australia Exploration	Corporate	Total
Segment revenue	-	-	47,326	47,326
Segment expenditure	214,889	210,823	725,607	1,151,319
Segment (loss) from continuing operations before tax	(214,889)	(210,823)	(678,281)	(1,103,993)
Segment Net assets	883,747	3,060,179	2,190,978	6,134,904

Segment Financial Performance for the period ended 31 December 2022.

	Canada Exploration	Australia Exploration	Corporate	Total
Segment revenue	-	-	27,208	27,208
Segment expenditure	-	-	514,956	514,956
Segment (loss) from continuing operations before tax	-	-	(487,748)	(487,748)
Segment Net assets	-	2,704,001	3,355,594	6,056,595

## 8 COMMITMENTS AND CONTINGENT LIABILITIES

### 8.1 COMMITMENTS

The Group must expend CAD \$1,000,000 on exploration on the Adina East mining claims within 24 months of the Joint Venture commencement date. If the Group does not satisfy the required expenditure, then the Group must spend an amount equal to 1.50 multiplied by the differences between CAD \$1,000,000 and the amount the Group has actually expended within 24 months from the Joint Venture commencement date before the end of the date that is 36 months after the Joint Venture commencement date.

Since 31 December 2023, the Directors are not aware of any other matter or circumstance that has significantly or may significantly affect the commitments and contingencies disclosed in the 30 June 2023 annual report.

# NOTES TO THE FINANCIAL STATEMENTS

## for the six months ended 31 December 2023

### 8.2 CONTINGENT ASSETS AND LIABILITIES

#### 8.2.1 CONTINGENT LIABILITIES

No contingent liabilities exist as at the date of this report.

#### 8.2.2 CONTINGENT ASSETS

No contingent assets exist as at the date of this report.

## 9 SUBSEQUENT EVENTS

### Wirrulla Project

Tenement EL 6968 (Wirrulla Project) was granted on the 11<sup>th</sup> January 2024.

Dirt Exploration (and its principal, Dr Neil Pendock) acquired, processed and analysed Sentinel multispectral data (Sentinel) and Synthetic Aperture Radar (SAR) data over the Wirrulla Project. The methodology employed (resistivity mapping) has been retrospectively shown to detect basement-hosted unconformity-related uranium deposits such as NextGen Energy's Arrow deposit, the largest, highest-grade undeveloped uranium deposit in the world<sup>10</sup>.

Correlating synthetic aperture radar (SAR) and Sentinel (captured on the 16<sup>th</sup> of June 2007 and 7<sup>th</sup> October 2023 respectively) with the Yarranna uranium prospects, Dirt Exploration generated numerous targets (Figure 1), of which a cluster less than 10km from the Yarranna prospects are considered the most prospective. This cluster overlies and is adjacent to an interpreted extension of the Narlaby paleochannel which hosts the Yarranna mineralisation.

### Manna West Project

On the 19<sup>th</sup> February Pinnacle entered into an exclusive option agreement to acquire the Manna West Lithium Project. The Project is located 3.5km west of the Global Lithium's (GL1:ASX) Manna Lithium Project (36.0Mt at 1.13% Li<sub>2</sub>O)<sup>11</sup> and overlays greenstones prospective for lithium and gold. Furthermore, the project is within 5km from the Cardunia granitoid which has LCT chemistry and is interpreted to be a driver for lithium mineralisation at the Manna deposit. The project's proximity to the granitoid is considered by Pinnacle to be optimal for the emplacement of fractionated pegmatites containing lithium rich minerals.

There were no further subsequent events.

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