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PEARL GULL IRON

PEARL GULL IRON LIMITED

ABN 62 621 103 535

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



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Corporate Directory

Directors:

Mr Russell Clark
Non-Executive Chairman

Mr Alex Passmore
Non-Executive Director

Mr Mathew O'Hara
Non-Executive Director

Company Secretary:

Mr Mathew O'Hara

Bank:

Westpac Banking Corporation
 40 St George's Terrace
 Perth WA 6000

Auditor:

KPMG
 235 St Georges Terrace
 Perth WA 6000

Telephone: (08) 9322 2022
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Solicitors:

Thomson Geer
 Level 27, Exchange Tower
 2 The Esplanade
 Perth WA 6000

Telephone: (08) 9404 9100
 Facsimile: (08) 9300 1338

For shareholder information contact:

Share registry:

Automic Group
 Level 2, 267 St Georges Terrace
 Perth, WA 6000
 Email: hello@automic.com.au
 Website: www.automic.com.au

Stock exchange:

ASX Limited
 ASX: PLG

Capital structure:

204,541,790 Fully paid ordinary shares

4,425,550 Unlisted options exercisable at \$0.30, expiring on or before 13 September 2024, 13 holders

6,469,998 Unlisted incentive options, nil exercise price, expiring on or before 1 June 2026, 11 holders

32,352,307 Unlisted options exercisable at \$0.30, expiring on or before 13 September 2024, 152 holders

20,000,000 Unlisted options exercisable at \$0.30, expiring on 13 September 2024, 308 holders

20,000,000 Unlisted options exercisable at \$0.05, expiring 6 February 2026, 2 holders

For information on the Company contact:

Principal & Registered Office:

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 Subiaco WA 6008

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 Email: admin@pearlgulliron.com.au
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Directors' Report

Your Directors present the half-yearly report of Pearl Gull Iron Limited (**Pearl Gull** or the **Company**) for the period 1 July 2023 to 31 December 2023.

Directors

The persons who were Directors of Pearl Gull Iron Limited during the interim reporting period and up to the date of this report are:

- | | |
|-------------------------|---|
| - Mr Russell Clark | Non-Executive Chairman (appointed on 1 July 2021) |
| - Mr Alexander Passmore | Director (appointed on 15 August 2017) |
| - Mr Mathew O'Hara | Director (appointed on 31 March 2023) |

Review of Operations

Pearl Gull is a focussed iron ore exploration and development company with mining title over a significant portion of Cockatoo Island. Cockatoo Island is situated off the coast of Northwest Australia and has a rich history of high-grade iron ore mining since the 1950's. Pearl Gull holds a significant tenure position as well as critical infrastructure on Cockatoo Island. Pearl Gull's experienced Board and Management has the skills and track record to have the Company move forward with a number of commercial opportunities that exist at this world class iron ore project location.

The net loss after tax for the half-year ended 31 December 2023 was \$0.5 million (2022: \$0.6 million). This loss is predominantly attributable to expenditure on exploration and evaluation activities \$0.1 million (2022: \$0.2 million) and corporate expenses \$0.2 million (2022: \$0.2 million) during the period.

During the half year ended 31 December 2023, the Company engaged ERM Australia Consultants Pty Ltd (**ERM**), formerly CSA Global, to assist with strategic planning and determination of next steps in regard to the Magazine Deposit and Switch Pit. The work undertaken by ERM was ongoing during the half year and will assist in determining the key 2024 exploration activities to be undertaken on Cockatoo Island.

Care and maintenance activities on Cockatoo Island were also increased during the period, with a number of site visits undertaken to progress key care and maintenance activities. The Company completed inspections of pit areas, waste dumps and workshop areas on the leases. Other activities consisted of an environmental clean-up, including repairs to facilities, and the implementation of a weed management plan. A revised Care and Maintenance Plan was also developed and submitted to DMIRS for approval as part of the lease commitments with consultants engaged to progress key care and maintenance items as part of the overall Care and Maintenance Plan. The Company continues to liaise with DMIRS regarding its environmental monitoring obligations.

During the half year ended 31 December 2023 new project generation was also a key focus. The Company continued identifying and reviewing new opportunities with the objective of strengthening its existing asset base.

Mineral Resource and Exploration Target

During 2023, ERM reported a maiden Inferred Mineral Resource estimate (**MRE**) on the Magazine deposit, located on Cockatoo Island. The Magazine deposit is located wholly within Mining Lease M04/235-I, held by Pearl Gull. The MRE has been reported in accordance with the guidelines of the JORC Code (2012). The MRE is presented in Table 1 below.

Directors' Report

Table 1: Magazine Mineral Resource by classification reported above a 25% Fe cut-off (1 March 2023)

Deposit	Classification	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	Mn %	CaO %	MgO %	Na ₂ O %	LOI %
Magazine	Inferred	24.5	34.3	46.3	2.7	0.01	0.00	0.01	0.01	0.42	0.01	1.04
	Total	24.5	34.3	46.3	2.7	0.01	0.00	0.01	0.01	0.42	0.01	1.04

Notes:

- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- Data is reported to significant figures and differences may occur due to rounding.
- Refer ASX Announcement 28 March 2023 for further information.

In addition to the MRE, based on 2021 Pearl Gull diamond drilling core and field mapping observations, ERM also estimated an Exploration Target for Switch Pit, comprising the Seawall haematite and the High-Wall haematite lens, summarised in Table 2 below.

Table 2: Switch Pit Exploration Target

Deposit	Fe %	Minimum Case (Mt)	Medium Case (Mt)	Maximum Case (Mt)
Seawall Haematite	66	0.38	1.7	6.6
High-Wall Haematite	55 to 65	0.1	0.5	1.9
Total		0.48	2.2	8.5

Notes:

- The grades are average estimates based on visual examination of the drill assays.
- The High-Wall haematite comprises interpreted eight lenses of approximately 1–2 m thicknesses.
- Refer ASX Announcement 28 March 2023 for further information.
- The potential quantity and grade of the Switch Pit iron mineralisation is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if future exploration will result in an estimation of a Mineral Resource.

Competent Person Statement

Mineral Resource Statement

The Statement of Estimates of Mineral Resources for the Magazine Deposit was reported by the Company in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 28th March 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

Exploration Target

The Exploration Target for Switch Pit was reported by the Company in accordance with ASX Listing Rule 5.7 in the announcement released to the ASX on 28th March 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed. The potential quantity and grade reported are conceptual only in nature. Insufficient exploration has been conducted to estimate a Mineral Resource and it is uncertain whether future exploration will lead to the estimation of a Mineral Resource in the defined areas.

Directors' Report

Significant Change in State of Affairs

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

Matters Subsequent to Reporting Date

No matters or circumstances have arisen since the half-year ended 31 December 2023 which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, KPMG, to provide the Directors of Pearl Gull Iron Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is attached to the Independent Review Report to Members.

This report is signed in accordance with a resolution of the Board of Directors.



Russell Clark

Non-Executive Chairman

Perth, Western Australia

14 March 2024

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PEARL GULL IRON

**Condensed Interim
Financial Statements**

Half-Year Ended 31 December 2023



Condensed Statement of Financial Position

As at 31 December 2023

	Notes	31 Dec 2023 (\$'000's)	30 Jun 2023 (\$'000's)
Assets			
Current assets			
Cash and cash equivalents		1,400	1,827
Trade and other receivables		3	-
Other current assets		10	30
Total current assets		1,413	1,857
Non-current assets			
Property, plant and equipment		11	17
Capitalised exploration and evaluation expenditure	5	9,382	9,311
Total non-current assets		9,393	9,328
Total assets		10,806	11,185
Liabilities			
Current liabilities			
Trade and other payables		59	74
Provision	6	698	698
Total current liabilities		757	772
Non-current liabilities			
Provisions	6	6,853	6,652
Total non-current liabilities		6,853	6,652
Total liabilities		7,610	7,424
Net assets		3,196	3,761
Equity			
Issued capital	7	14,326	14,353
Other contributed equity		(2,005)	(2,005)
Reserves		1,413	1,413
Accumulated losses		(10,538)	(10,000)
Total equity attributable to shareholders		3,196	3,761

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



Condensed Statement of Comprehensive Income

For the half year ended 31 December 2023

	Notes	31 Dec 2023 (\$'000's)	31 Dec 2022 (\$'000's)
Income			
Other income		13	2
Expenses			
Corporate expenses		(227)	(221)
Salaries, wages and superannuation		(92)	(110)
Exploration expenditure		(96)	(190)
Finance expense	6	(130)	(118)
Depreciation and amortisation		(6)	(7)
Loss before income tax		(538)	(644)
Income tax benefit		-	-
Net loss after income tax		(538)	(644)
Other comprehensive income			
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year		(538)	(644)
Loss per share for the year attributable to shareholders			
		Cents	Cents
Basic loss per share		(0.26)	(0.61)
Diluted loss per share		(0.26)	(0.61)

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows

For the half year ended 31 December 2023

Notes	31 Dec 2023 (\$000's)	31 Dec 2022 (\$000's)
Cash flows from operating activities		
Interest received	13	2
Payments to suppliers and employees	(288)	(304)
Expenditure on mineral interests	(125)	(201)
Net cash used in operating activities	(400)	(503)
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	-	16
Net cash used in investing activities	-	16
Cash flows from financing activities		
Advance proceeds from entitlement offer	-	309
Share issue costs	(27)	-
Net cash provided by financing activities	(27)	309
Net decrease in cash and cash equivalents	(427)	(178)
Cash and cash equivalents at the beginning of the period	1,827	911
Cash and cash equivalents at the end of the year	1,400	733

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

Condensed Statement of Changes in Equity

For the half year ended 31 December 2023

	Issued Capital (\$000's)	Contributed equity (\$000's)	Reserves (\$000's)	Accumulated losses (\$000's)	Total (\$000's)
Balance as at 1 July 2022	13,243	(2,005)	631	(8,856)	3,013
Loss for the period	-	-	-	(644)	(644)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(644)	(644)
Transactions with shareholders					
Issue of share capital	-	309	-	-	309
Share-based payments	(19)	-	-	-	(19)
Balance as at 31 December 2022	13,224	(1,696)	631	(9,500)	2,659
Balance as at 1 July 2023	14,353	(2,005)	1,413	(10,000)	3,761
Loss for the period	-	-	-	(538)	(538)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(538)	(538)
Transactions with shareholders					
Issue of share capital	-	-	-	-	-
Issue of share options	-	-	-	-	-
Share issue costs	(27)	-	-	-	(27)
Share-based payments	-	-	-	-	-
Balance as at 31 December 2023	14,326	(2,005)	1,413	(10,538)	3,196

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

Notes to the Condensed Financial Statements

For the half year ended 31 December 2023

Note 1 – Corporate information

Pearl Gull Iron Limited is a for profit company incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (**ASX**). The financial statements of the Company for the half-year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 14 March 2024.

Note 2 – Significant accounting policies

Basis of preparation

The interim condensed financial statements of the Company for the half-year ended 31 December 2023 are condensed general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The interim condensed financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2023 and considered together with any public announcements made by Pearl Gull Iron Limited during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations of the ASX listing rules.

The Company's principal accounting policies adopted are consistent with the policies for the financial year ended 30 June 2023 unless otherwise stated.

Comparatives

Certain prior half-year amounts have been reclassified for consistency with the current half-year presentation.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. As the Company has more than \$10,000,000 of total assets, amounts in the Directors' Report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Accounting standards issued but not yet effective

The Australian Accounting Standards Board (**AASB**) has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods. Only the following are considered potentially relevant to the Company.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture clarified the treatment of transactions with associates or joint venture partners, with the full gain or loss to be recognised on disposal of a business combination to an associate or joint venture. *AASB 2021-7(a-c) Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* deferred the mandatory effective date of relevant amendments to 1 January 2025.

New Accounting standards applicable to 30 June 2024 year end

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2023 affected any of the amounts recognised in the current period or the comparative period.

Notes to the Condensed Financial Statements

For the half year ended 31 December 2023

Note 2 – Significant accounting policies (continued)

New Accounting standards applicable to 30 June 2024 year end (continued)

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrows the initial recognition exemption for deferred tax balances and clarifies that the exemption does not apply to leases or decommissioning obligations. This standard is mandatorily effective for the year ending 30 June 2024 but has no effect on the Company for the current or prior year, and will have no effect on reported balances unless the Company recognises deferred tax assets or liabilities.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current amends *AASB 101 Presentation of Financial Statements* to clarify when liabilities with uncertain settlement dates are current. This amendment has no effect on the Company for the current or prior year, but may affect treatment of future convertible notes. *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* deferred the relevant mandatory effective date for the Company until the year ending 30 June 2024.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends various accounting standards and *AASB Practice Statement 2 Making Materiality Judgements*, to remove requirements for disclosure of immaterial accounting policies and clarify treatment of accounting estimates. This will have no effect on reported balances but will remove immaterial accounting policy disclosures and change disclosures of material estimates. This standard is mandatorily effective for the year ending 30 June 2024.

Going Concern

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

The Company has incurred a net loss after tax for the half-year ended 31 December 2023 of \$538,000 (December 2022: \$644,000) and experienced net cash outflows used in operating activities of \$400,000 (December 2022: \$503,000). As at 31 December 2023, the Company had net current assets of \$656,000 (30 June 2023: net current assets of \$1,085,000) and cash and cash equivalents of \$1,400,000 (30 June 2023: \$1,827,000).

The Directors have prepared a cash flow for a period of 12 months from the date of signing this report which indicates that they have sufficient funds to meet the Company's minimum committed expenditure requirements. The cash flow forecast assumes:

- the Company will not be required to incur the entire \$698,000 in rehabilitation expenditure obligations, which are disclosed as current liabilities, in the next 12 months; and
- exploration spending is incurred in excess to the minimum requirements to maintain the tenements in good standing.

These assumptions, indicates further funding may be required in order for the Company to actively explore its mineral properties and fund corporate administration, which has not been included within the cash flow forecast.

Based on the cash flow forecasts, and taking into account the Company's history of deferring the rehabilitation obligations by working with the relevant authorities and raising capital to fund operations, the Directors are confident that the Company will be able to meet its objectives, including maintaining tenements in good standing and meeting committed expenditure for the 12 month period from the date of this report. Accordingly the Directors consider the going concern basis of preparation is appropriate.

However, these conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Notes to the Condensed Financial Statements

For the half year ended 31 December 2023

Note 3 – Significant accounting judgements, estimates and assumptions

The Company's significant accounting judgements, estimates and assumptions are consistent with the financial year ended 30 June 2023.

Trade and other receivables and Trade and other payables are valued at face values of amounts receivable and payable with no variations for potential defaults or similar issues. Trade receivables and trade payables are non-interest bearing, unsecured and generally on 30-days term.

The current rehabilitation provision disclosed in note 6 is for the costs of required care and maintenance associated with Mining Lease M04/235-I that is held solely by the Company. This provision is calculated by summing estimated costs of performing items in the Care and Maintenance plan. Changes in both required actions and costs of required actions may increase or decrease the value of this provision. This valuation is recurrently reviewed by the Directors.

The non-current rehabilitation provision disclosed in note 6 is for the expected rehabilitation and closure costs associated with Mining Lease M04/235-I. This provision is calculated from the estimated rehabilitation and closure costs associated with the mine closure plan, the current term of M04/235-I until 2 October 2033, current inflation forecasts and the long-term inflation goal of the Reserve Bank of Australia, and Australian 10-year bond rates. Increases/decreases in expected inflation increase/(decrease) the valuation of this provision while increases/decreases in the 10-year bond rate decrease/increase the valuation of this provision. The valuation model and assumptions are recurrently reviewed by the Directors.

Note 4 – Operating segments

Identification of reportable segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Company operates within the mineral exploration industry within Western Australia.

The Company determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Company has only one operating segment, being exploration, and the segment operations and results are the same as the Company results.

Note 5 – Capitalised exploration and evaluation expenditure

	31 Dec 2023 (\$000's)	30 Jun 2023 (\$000's)
Areas of interest in exploration and evaluation phases:		
Balance at the beginning of the year	9,311	9,183
Movement in rehabilitation asset (see Note 6)	71	128
Total	9,382	9,311



Notes to the Condensed Financial Statements

For the half year ended 31 December 2023

Note 6 – Provisions

	31 Dec 2023 (\$000's)	30 June 2023 (\$000's)
Current		
Rehabilitation provision	698	698
Total	698	698
Non-current		
Rehabilitation provision		
Carrying amount at the beginning of the year	6,652	6,286
Unwind of discount	130	238
Changes in rehabilitation estimate (see Note 5)	71	128
Carrying amount at the end of the year	6,853	6,652

The rehabilitation provisions represent provision for site rehabilitation of the area previously disturbed, valued based on judgements disclosed in note 3.

Note 7 – Issued capital

	31 Dec 2023 (\$000's)	30 Jun 2023 (\$000's)
Issued and paid-up capital		
Ordinary shares fully paid	14,326	14,353

Movement in ordinary shares on issue	Date	31 Dec 2023 (Number)	31 Dec 2023 (\$000's)	30 Jun 2023 (Number)	30 Jun 2023 (\$000's)
Ordinary shares					
Balance at beginning of half-year/year		204,541,790	14,353	100,027,858	13,243
Conversion of incentive options	28 Sept 2022	-	-	3,000,002	-
Placement (Tranche 1)	3 Jan 2023	-	-	15,450,000	309
Entitlement Offer	25 Jan 2023	-	-	16,641,177	333
Placement (Tranche 2)	7 Feb 2023	-	-	34,550,000	691
Entitlement Offer Shortfall	7 Feb 2023	-	-	34,872,753	697
Funds received for issue of options	7 Feb 2023	-	-	-	2
Capital raising costs (share-based payments)		-	-	-	(782)
Capital raising costs (other)		-	(27)	-	(140)
Balance at end of half-year/year		204,541,790	14,326	204,541,790	14,353

Note 8 – Commitments and contingencies

There are no material changes to the commitments and contingencies disclosed in the most recent Annual Financial Report.

Note 9 – Events occurring after the report date

No matters or circumstances have arisen since the half-year ended 31 December 2023 which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Directors' Declaration

For the half year ended 31 December 2023

In accordance with a resolution of the Directors of Pearl Gull Iron Limited, I state that:

In the opinion of the Directors':

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and the performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Russell Clark

Non-Executive Chairman

Perth, Western Australia

14 March 2024



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

To the Directors of Pearl Gull Iron Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Pearl Gull Iron for the half-year ended 31/12/2023 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

Matthew Hingeley
Partner
Perth
14 March 2024

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Independent Auditor's Review Report

To the shareholders of Pearl Gull Iron Limited

Report on the Condensed Half-year Financial Report

Conclusion

We have reviewed the accompanying **Condensed Half-year Financial Report** of Pearl Gull Iron Limited (the Company).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Half-year Financial Report of Pearl Gull Iron Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company'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 **Condensed Half-year Financial Report** comprises:

- Condensed statement of financial position as at 31 December 2023
- Condensed statement of profit or loss and other comprehensive income, Condensed statement of changes in equity and Condensed statement of cash flows for the Half-year ended on that date
- Notes 1 to 9 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2023.

Basis for Conclusion

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

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 2, "Going Concern" in the Condensed Half-year Financial Report. The events or conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Condensed Half-year Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Condensed Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed 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 Responsibilities for the Review of the Condensed Half-year Financial Report

Our responsibility is to express a conclusion on the Condensed Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company'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 a Condensed 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.



KPMG



Matthew Hingeley

Partner

Perth

14 March 2024