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OzAurum Resources Limited & Controlled Entities

ABN 63 643 244 544

Consolidated Interim Financial Report

for the Half-Year ended 31 December 2023

Corporate Directory

Directors

Jeffrey Williams
Chairman

Andrew Pumphrey
CEO and Managing Director

Andrew Tudor
Non-executive Director

Company Secretary

Stephen Hewitt-Dutton

Registered and Principal Office

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Auditor

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Share Registrar

Automatic Registry Services

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Perth WA 6000
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Stock Exchange Listing

Australian Securities Exchange

Home Exchange: Perth WA

ASX Code: **OZM**

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*Your directors
submit the financial
report of the
consolidated group
for the six-month
period ended
31 December 2023
("half-year").*

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Directors' Report

The Directors of OzAurum Resources Limited (ASX: OZM, 'OzAurum', or 'Company') submit the financial report of the consolidated group for the six-month period ended 31 December 2023 ("half-year").

DIRECTORS

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

- **Jeffrey Williams** (Chairman)
- **Andrew Pumphrey** (CEO and Managing Director)
- **Andrew Tudor** (Non-executive Director)

Directors have been in office since the start of the financial period to the date of his report unless otherwise stated.

RESULTS OF OPERATIONS

The Company reported a net loss of \$1,612,327 for the half-year ended 31 December 2023 (31 December 2022: \$1,828,694).

REVIEW OF OPERATIONS

During the half-year, the Company implemented a Brazil exploration strategy which led to the Company entering into a term sheet to acquire a lithium exploration project along with lodgment of applications for 10 new tenements within the Governador Valadares region in the state of Minas Gerais, Brazil. Since the end of the half-year the Company has acquired the Boca Rica lithium project and expanded its strategy in Brazil by lodging applications for 50,000ha of tenure prospective for Niobium and rare earth elements (REE).

In addition, to Company has continued to advance the Mulgabbie North gold project in Western Australia with completion of the mineral resource estimate and continued work on the scoping study¹ investigating the potential heap leach processing of the Mulgabbie North gold project.

During September 2023, the Company successfully raised \$2.4m (before costs) in a placement to professional and sophisticated investors to fund the Company's operations.

BRAZIL LITHIUM

Brazil Exploration Strategy

OzAurum identified the Governador Valadares area of Brazil in a broad strategic review of lithium opportunities across Brazil which we undertook via desktop studies and field visits. Brazil is fast becoming a Tier 1 hard rock lithium producing jurisdiction in the world with Sigma Lithium leading the charge with a targeted production rate² of 104,000 tpa lithium carbonate equivalent "LCE" from a hardrock reserve base of 54.8 Mt @ 1.44% LiO₂ and also CBL's (Companhia Brasileira de Litio) underground lithium mine.

¹ As defined by Clause 38 of the JORC Code

² See Sigma Lithium website Project Summary for details on targeted production rate - <https://sigmalithiumresources.com>

Linopolis Jaime Lithium Project

During the half-year, numerous projects have been reviewed and the Company entered a Binding Term Sheet to acquire the Linopolis Jaime Project. To date the vendor of the Linopolis Jaime project has not been able to deliver the mineral rights as set out in the term sheet and accordingly all activities in relation to the project have been placed on hold.

Boca Rica Lithium Project

The Boca Rica Project was identified after conducting site visits and reviews on over 100 lithium projects within the State of Minas Geras. This project currently consists of 3,871ha covering an area of known Lithium-Caesium-Tantalum (LCT) pegmatite swarms that are extensive along strike for up to 1.7km's. This project offers us the opportunity to make a significant lithium discovery.

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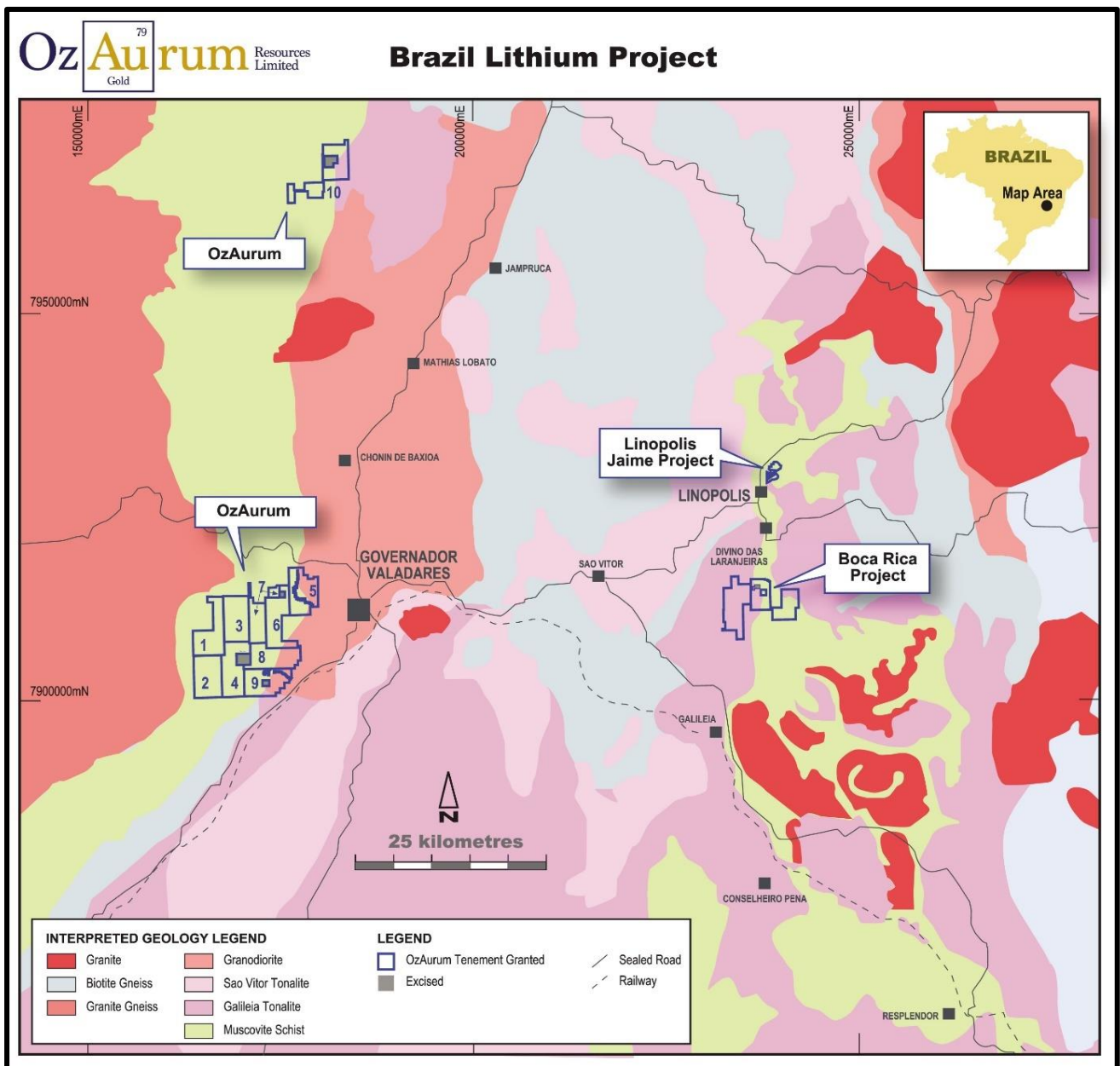


Figure 1: Brazil Lithium Project Location

A spodumene zone has been identified that is approximately 6m in true width. Two rockchip samples were taken of strongly weathered spodumene crystals only from a shallow underground adit that returned results of 1.16 % Li₂O and 0.13% Li₂O (see ASX announcement dated 15 March 2024). Strongly weathered spodumene crystals are typically low in lithium due to leaching of the lithium in the weathering process. Spodumene crystals in this zone are up to 1m long and represent 20% of the zone.

Once we have received the required environmental permits, we will be mobilising the company owned diamond drilling rig immediately to drill diamond holes targeting the spodumene zone below the weathering profile. The depth of weathering is expected to be 30 metres.

The Boca Rica Projects consists of three tenements which are currently the subject of Term Sheets entered into with the respective Vendors. Details of the Term Sheets are set out in the Company's ASX announcement dated 15 March 2024. OzAurum has been satisfied with its due diligence enquiries to date and intends to proceed into the option period at the conclusion of the due diligence period under all three Term Sheets. The consideration payable under each Term Sheet is payable in tranches over a period up to 24 months. Over the balance of the 2024 calendar year, the Company will pay approximately AUD\$200,000, with the remainder being paid in 2025 and 2026.

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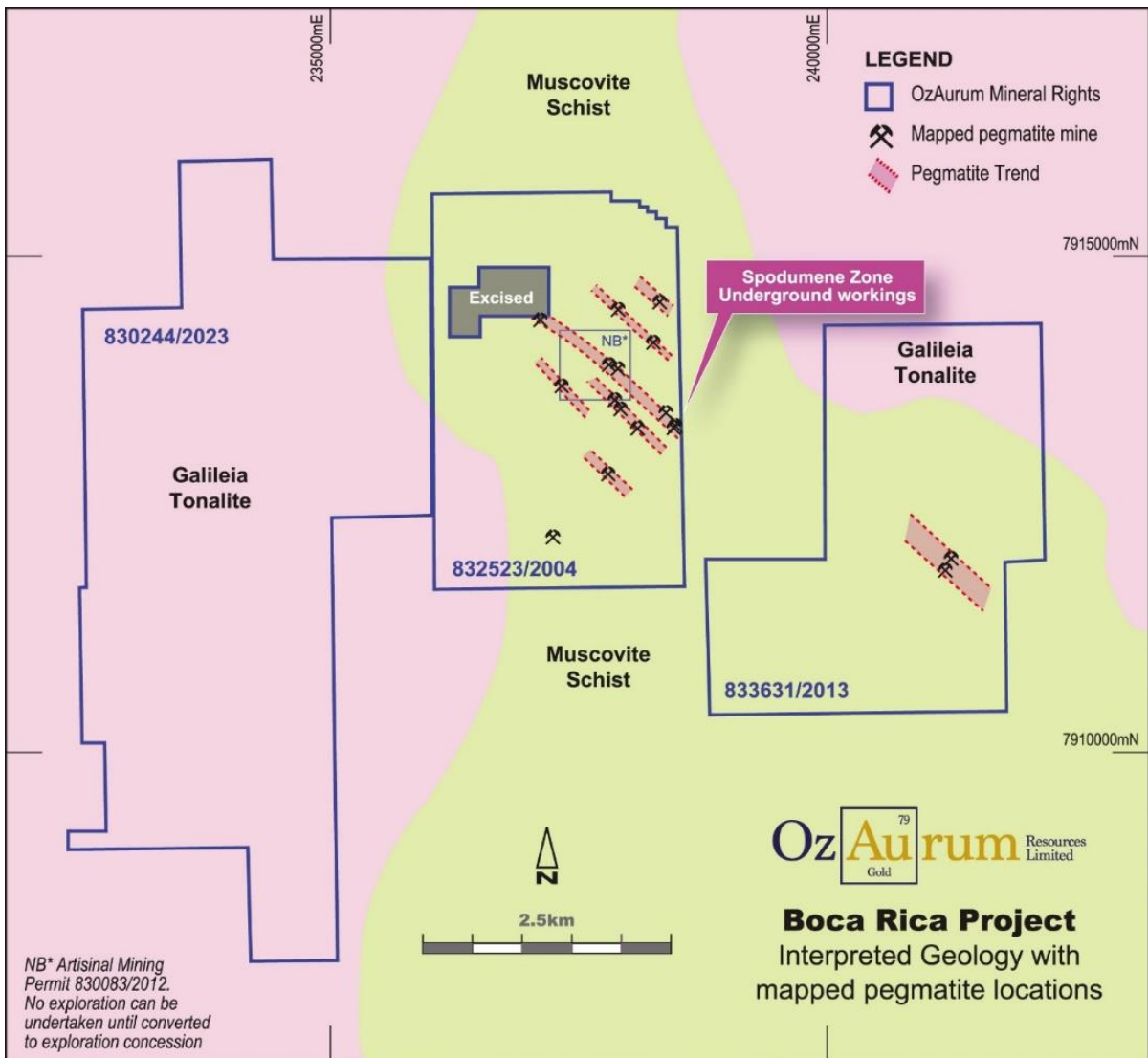


Figure 2: Boca Rica interpreted geology and pegmatites

Tenement Applications

New applications were lodged for 19,100ha of additional exploration licences, in areas within 65km of Governador Valadares. Considered by OzAurum to be highly prospective for lithium discoveries, being the southern extension of known LCT pegmatite belt. Recently, 8 of the 100% owned applications have been granted.



Figure 3: Artisanal workings in pegmatite situated within OzAurum's new tenure

Brazil Exploration Strategy

In addition, the Company is currently in negotiations regarding acquisition of additional advanced lithium exploration projects in state of Minas Gerais, Brazil. In order to assist with the progress of the project reviews and negotiations, the Company's Board undertook several site visits and meetings during January. The Managing Director, Andrew Pumphrey, spent the majority of the December 2023 quarter in Brazil and was based in Governador Valadares for the first seven weeks of 2024.

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Catalao and Salitre Niobium + REE Projects

OzAurum has recently applied for 50,000ha of tenure adjacent to the Catalao and Salitre Carbonate complexes. Both of which host significant Niobium and Phosphate resources and are both currently being mined for Niobium and Phosphate. Brazil dominates the world supply of Niobium and the Catalao II carbonatite mining and processing operation by CMOC is a globally significant supplier of ferroniobium.

OzAurum has interpreted a number of circular features within its tenure and we are excited about the opportunity that these projects offer to discover carbonatite or clay hosted Niobium and Rare Earth Elements (REE).

Initial exploration plans at both the Catalao and Salitre projects will include geophysics and auger drilling geochemistry testing the interpreted circular features and extensive areas of laterite for carbonatite or clay hosted Niobium and REE. Grant of this new tenure is expected to take 2 months.

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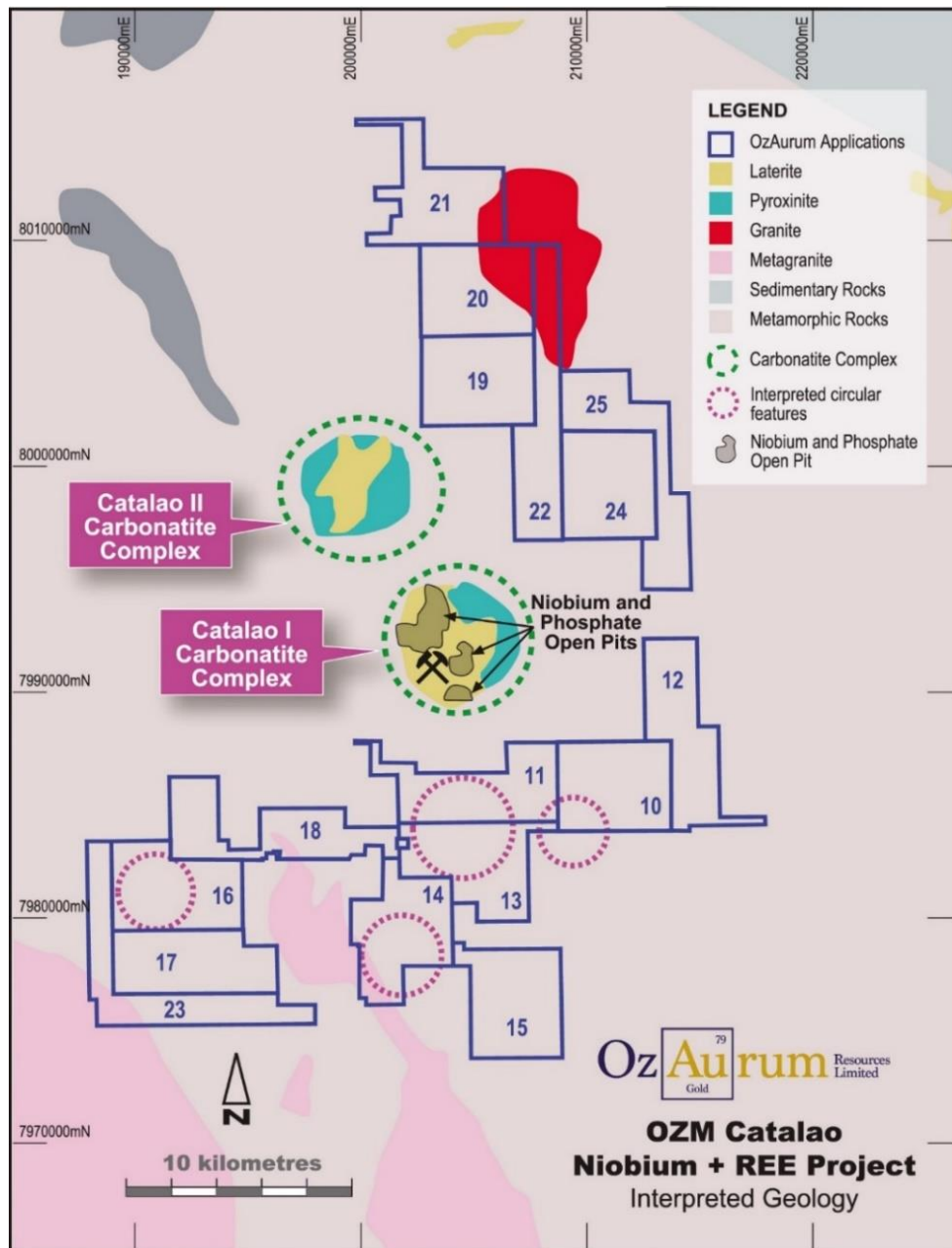


Figure 4: OZM Catalao Niobium and REE applications

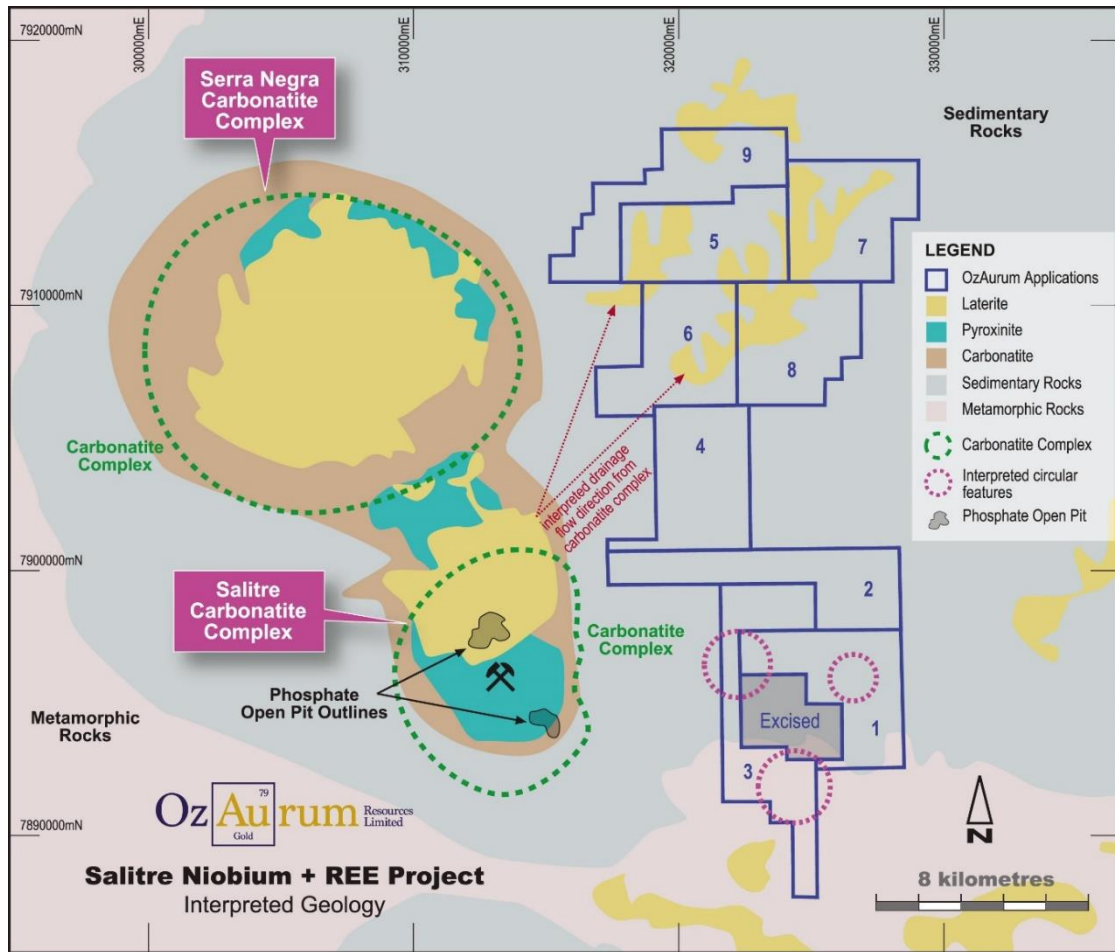


Figure5: OZM Salitre Niobium and REE applications

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Drilling Capability

Following a review of the alternatives for undertaking drilling, the Company decided to establish an in-house diamond drilling capability, giving us full flexibility in our drilling programs, certainty around rig availability and reduced drilling costs. In preparation for the commencement of exploration drilling, the Company has purchased a diamond drilling rig and all the associated drilling equipment. The Company owned diamond drill rig has been upgraded by OzAurum and is now equipped to undertake wireline diamond drilling with a rated capacity of 1,060m depth NQ2 core size.

MULGABBIE PROJECT

Mulgabbie North Mineral Resource Estimate

OzAurum's successful drilling programmes over the past 2 years enabled the Company to estimate the initial mineral resource estimate for the Mulgabbie North Gold Project with the confidence to move forward with the heap leach scoping study technical works.

Our understanding of the Mulgabbie North shear zone hosted gold system including structural and lithological controls on gold mineralisation are now well understood. The confidence we have in this MRE is buoyed by the consistent nature of gold mineralisation evidenced by excellent repeatability of assay results between twinned diamond drill holes, RC drill holes and AC drill holes.

The Mulgabbie North MRE consists of 5 prospect areas all situated along the Relief Shear: James, Ben, Alicia, Demag Zone and Paleochannel. Future MRE expansion potential through future drilling has the potential to connect gold mineralisation between James, Ben, Demag and the Alicia Prospects. Recent re interpretation and relogging of AC drill chips has confirmed the Mulgabbie North paleochannel extends for over 3.8km and this will be targeted with future drilling.

The Mulgabbie North Gold Project is located approximately 135 km northeast of Kalgoorlie in the Eastern Goldfields of WA, in a typical greenstone belt geological setting within the prolific Archaean Yilgarn Craton. The Eastern Goldfields is a world-class gold district, serviced by the City of Kalgoorlie-Boulder, a significant mining and infrastructure hub.

The Mulgabbie North MRE estimate is situated on 100% owned tenure including mining lease M28/240, prospecting licence P28/1256 and exploration licence E31/1085 within the broader 126 km² Mulgabbie project area. The project is situated approximately 3.5km east of the 4.0 Mtpa Northern Star Carosue Dam mining operation and mill. Access to the area from Kalgoorlie is via the Tropicana heavy haulage road then 15km north west along the OzAurum L28/48 access road to Mulgabbie North.

Table 1: Mulgabbie North Mineral Resource Estimate

| Mulgabbie North Gold Deposit | | | |
|---|-------------------|--------------|----------------|
| JORC 2012 Classification | Tonnes | Grade Au g/t | Ounces |
| Measured | 1,475,000 | 0.82 | 39,000 |
| Indicated | 5,620,000 | 0.71 | 128,000 |
| Inferred | 4,543,000 | 0.85 | 93,000 |
| Total Measured, Indicated and Inferred | 11,638,000 | 0.70 | 260,000 |
| <i>Notes: The Mineral Resources are reported at 0.3 g/t Au cutoff to a depth of 150m below the surface. All numbers are rounded to reflect appropriate levels of confidence. Apparent difference may occur due to rounding.</i> | | | |

Reported according to the 2012 JORC Code on 18 July 2023. Full details of the Mulgabbie North resource calculations as per JORC Code (2012) are contained in the Company's announcement dated 18 July 2023.

Mulgabbie North Scoping Study

On 10 February 2023 the Company announced that it had appointed mining consultants Burnt Shirt, headed by well-known Mining Engineer and Geologist Jeremy Peters. Jeremy Peters has extensive experience working in open pit and underground mining operations to the level of Registered Mine Manager with over 30 years' experience. Jeremy Peters has consulted internationally in both mining and geology and is an advisor to major stock exchanges in relation to reporting codes and listing compliance.

The scoping study will assess potential Heap Leach processing of the Mulgabbie North Gold Project. A team of mining specialists has been recruited, all with extensive experience in the Goldfields region that will cover project aspects including heritage, environmental, metallurgy, mining engineering, geology, geotechnical and hydrogeology.

Work required for the study continued during the half-year. The study is examining heap leach options for the Mulgabbie North project based on a staged approach. OzAurum currently has a granted Mining Lease M28/240 at Mulgabbie North and a number of granted Miscellaneous Licences for road access, potential water bore sites and pipelines to M28/240.

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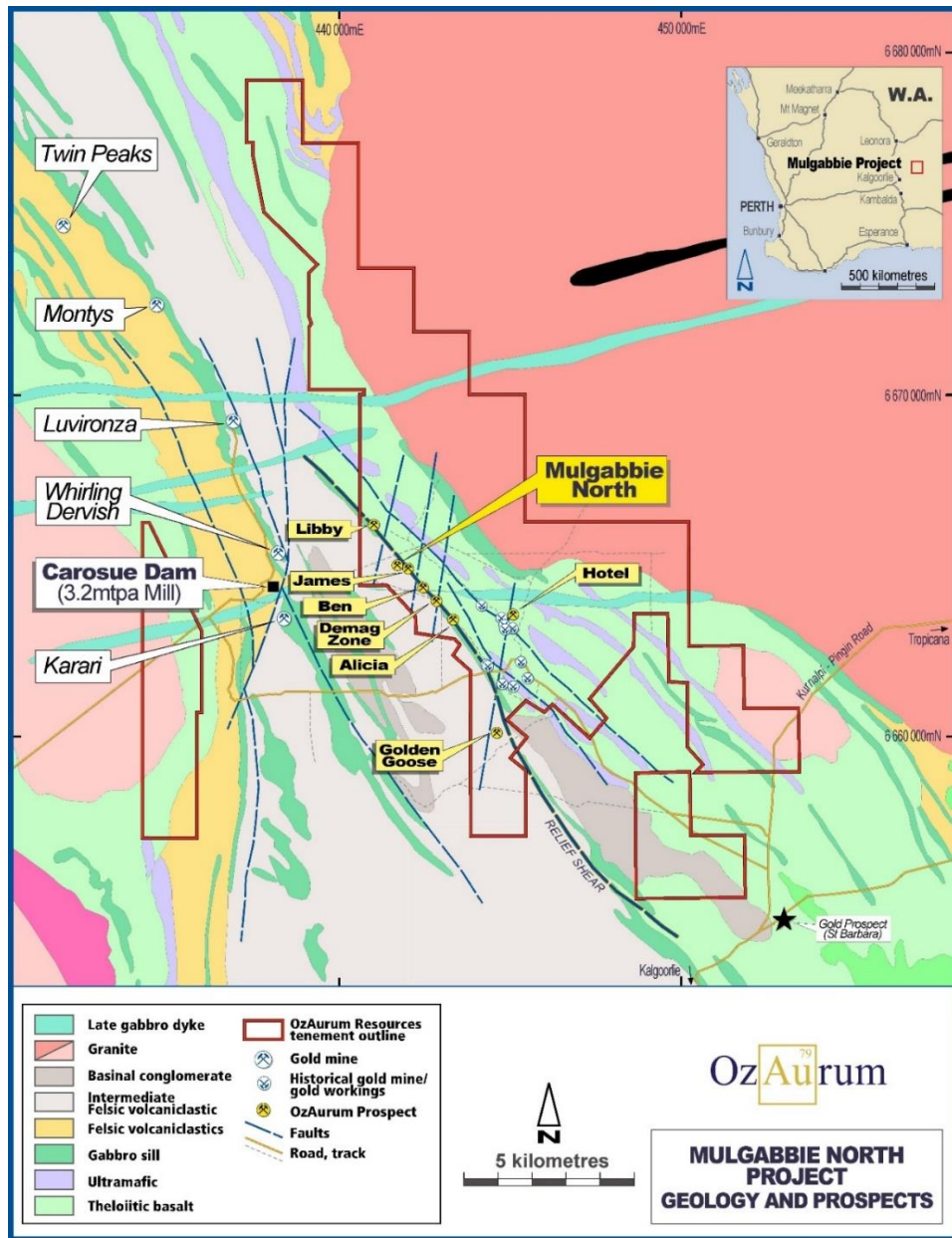


Figure 6: Mulgabbie North Project

PATRICIA PROJECT

Patricia Project Summary

The Patricia Gold Project is situated Northeast of Kalgoorlie in the Eastern Goldfields of Western Australia and located within the Celia Tectonic Zone that hosts numerous large gold deposits and operating gold mines including Sunrise Dam, Deep South, Safari Bore, Linden and the Anglo Saxon Gold Mine.

To date, OzAurum has completed a maiden drill program which was later extended to include a total of 41 holes drilled for 7,850m. While no drilling or exploration work was reported during the current period, the Company has received significant RC and diamond drilling results in previous reporting periods (See OzAurum's 2022 Annual Report released on the ASX, 20 September 2022, for further detail). With exploration to date at Patricia indicating promising results, including high-grade gold mineralisation, the Company continues to assess options to move this project forward.

Structural work is being undertaken with the objective of furthering our understanding of the structural controls at Patricia. Additional drill targets are expected to be identified following the completion of this work.

Corporate

In September 2023 the Company completed a placement, which was very well supported by existing and new investors. A total of \$2,381,250 (before costs) was raised from the Placement, through the issue of 31,750,000 Shares at an issue price of \$0.075 per Share, and settled on 27 September 2023. In conjunction with the Placement, the Company issued 15,875,000 free attaching Options with an exercise price of \$0.11 each and an expiry date 3 years after issue to Placement participants on a 1 for 2 basis.

The Company's Annual General Meeting held on 28 November 2023 approved the issue of above options along with a further 2,381,250 Option on the same terms to Pac Partners (and its nominees) in accordance with their engagement as broker and lead manager to the Placement.

The AGM also approved, and the Company issued, 7,250,000 Options, exercisable at \$0.23 each and expiring 4 years after issue to Directors and staff of the Company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as outlined in the review of operations, there were no significant changes in the state of affairs of the Group during the half year.

SUBSEQUENT EVENTS

Other than as outlined in the Review of Operations, there has been no matters or circumstances that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2023 is set out on page 11.

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



Jeffrey Williams
Chairman

Dated this 15th day of March 2024

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Andrew Pumphrey who is a Member of the Australian Institute of Geoscientists and is a Member of the Australasian Institute of Mining and Metallurgy. Andrew Pumphrey is a full-time employee of OzAurum Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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". Mr Pumphrey has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information relating to the mineral resource is extracted from the Company's ASX announcement dated 18 July 2023 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.'

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of OzAurum Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
15 March 2024

N G Neill
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2023

| | Note | 31 Dec 2023 \$ | 31 Dec 2022 \$ |
|--|------|--------------------|--------------------|
| Interest income | | 19,087 | 4,587 |
| Other income | | 3 | - |
| Total income | | 19,090 | 4,587 |
| Exploration costs | | (437,539) | (1,221,888) |
| Director fees | | (70,000) | (100,000) |
| Compliance and professional fees | | (81,858) | (117,806) |
| Depreciation | | (66,754) | (65,929) |
| Administration expenses | | (196,133) | (129,052) |
| Employee benefits expense | | (124,444) | (188,387) |
| Occupancy costs | | (8,315) | (6,884) |
| Share based payments | 9 | (642,489) | - |
| Foreign exchange loss | | (2,523) | - |
| Interest expense and finance charges | | (1,362) | (3,335) |
| Loss before income tax | | (1,612,327) | (1,828,694) |
| Income tax expense | | - | - |
| Loss from continuing operations after related income tax expense for the half year attributable to members of OzAurum Resources Limited | | (1,612,327) | (1,828,694) |
| Other comprehensive income | | - | - |
| Total comprehensive loss attributable to the members of OzAurum Resources Limited | | (1,612,327) | (1,828,694) |
| Loss per share for the half year attributable to members of OzAurum Resources Limited | | | |
| Basic and diluted loss per share (cents) | | (1.12) cents | (1.44) cents |

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

Consolidated Statement of Financial Position

as at 31 December 2023

| | Note | As at 31 Dec 2023 \$ | As at 30 Jun 2023 \$ |
|--------------------------------------|------|----------------------------|----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 2,139,835 | 1,114,702 |
| Other receivables | 3 | 18,085 | 16,207 |
| Other current assets | | 107,557 | 62,945 |
| Total Current Assets | | 2,265,477 | 1,193,854 |
| Non-Current Assets | | | |
| Property, plant and equipment | | 537,959 | 358,011 |
| Right of use asset | | 14,386 | 31,652 |
| Exploration assets | 4 | 1,225,006 | 1,146,383 |
| Total Non-Current Assets | | 1,777,351 | 1,536,046 |
| TOTAL ASSETS | | 4,042,828 | 2,729,900 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 5 | 201,326 | 120,954 |
| Lease liability | 6 | 16,857 | 36,094 |
| Provisions | | 56,199 | 48,568 |
| Total Current Liabilities | | 274,382 | 205,616 |
| Non-Current Liabilities | | | |
| Provisions | | 10,472 | 9,011 |
| Total Non-Current Liabilities | | 10,472 | 9,011 |
| TOTAL LIABILITIES | | 284,854 | 214,627 |
| NET ASSETS | | 3,757,974 | 2,515,273 |
| EQUITY | | | |
| Contributed equity | 7 | 16,415,238 | 14,414,991 |
| Reserves | | 1,240,095 | 385,314 |
| Accumulated losses | | (13,897,359) | (12,285,032) |
| TOTAL EQUITY | | 3,757,974 | 2,515,273 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2023

| | 31 Dec 2023 | 31 Dec 2022 |
|---|------------------|--------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (434,264) | (519,330) |
| Payment for exploration expenditure | (443,574) | (1,426,426) |
| Interest received | 19,087 | 5,313 |
| Other income | 3 | - |
| Interest paid | (1,362) | (3,335) |
| Net cash flows used in operating activities | (860,110) | (1,943,778) |
| Cash flows from investing activities | | |
| Acquisition of tenements | (78,623) | - |
| Payments for property, plant and equipment | (229,436) | (12,478) |
| Net cash flows used in investing activities | (308,059) | (12,478) |
| Cash flows from financing activities | | |
| Proceeds from issue of ordinary shares | 2,381,250 | - |
| Share issue costs | (165,669) | (37,031) |
| Payment of lease liability | (19,237) | (16,861) |
| Net cash flows provided by/(used in) financing activities | 2,196,344 | (53,892) |
| Net increase/(decrease) in cash held | 1,028,175 | (2,010,148) |
| Cash and cash equivalents at the beginning of the half-year | 1,114,702 | 4,295,589 |
| Effect of movement in exchange rates on cash held | (3,042) | - |
| Cash and cash equivalents at the end of the half-year | 2,139,835 | 2,285,441 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2023

| | Contributed Equity | Share Based Payments Reserves | Foreign Currency Translation Reserve | Accumulated Losses | Total Equity |
|--|--------------------|-------------------------------|--------------------------------------|---------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2023 | 14,414,991 | 385,314 | - | (12,285,032) | 2,515,273 |
| Total comprehensive loss for the half-year | - | - | - | (1,612,327) | (1,612,327) |
| Shares issued – Placement | 2,381,250 | - | - | - | 2,381,250 |
| Option issued to Directors and staff | - | 642,489 | - | - | 642,489 |
| Options issued to placement lead manager | - | 215,334 | - | - | 215,334 |
| Share issue costs | (381,003) | - | - | - | (381,003) |
| Movement for period | - | - | (3,042) | - | (3,042) |
| | 2,000,247 | 857,823 | (3,042) | (1,612,327) | 1,242,701 |
| Balance at 31 December 2023 | 16,415,238 | 1,243,137 | (3,042) | (13,897,359) | 3,757,974 |
| Balance at 1 July 2022 | 14,414,991 | 385,314 | - | (9,361,099) | 5,439,206 |
| Total comprehensive loss for the half-year | - | - | - | (1,828,694) | (1,828,694) |
| Balance at 31 December 2022 | 14,414,991 | 385,314 | - | (11,189,793) | 3,610,512 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2023

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The financial report includes financial statements of the consolidated entity consisting of OzAurum Resources Limited and its subsidiary (referred to as “the Group”).

(a) Basis of Preparation

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by OzAurum Resources Limited and its controlled entity during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide a full understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Group’s annual financial report for the financial period ended 30 June 2023 except for the impact (if any) of the new and revised Standards and Interpretations effective 1 July 2023 as discussed below.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. It has been determined by the Group that there are no new Accounting Standards or Interpretations that have a material or otherwise impact on its business.

Historical cost convention

These financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The Group has incurred a net loss after tax for the half year ended 31 December 2023 of \$1,612,327 (31 December 2022: \$1,828,694) and incurred net cash outflows from operating activities of \$860,110 (31 December 2022: \$1,943,778). At 31 December 2023, the Group had current assets of \$2,265,477 (30 June 2023: \$1,193,854).

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The ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises, to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group'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.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report. Subsequent to period end the Group expects to receive additional funds through debt or equity issues.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has a proven history of successfully raising capital.
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.
- The fact that future exploration and evaluation expenditures are generally discretionary in nature and may be slowed or suspended as part of the management of the Group's working capital and other forecast commitments.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

2. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

OzAurum Resources Limited operates in the mineral exploration industry.

Given the nature of the Group, its size and current operations, management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Group's management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

3. TRADE AND OTHER RECEIVABLES

| | 31 Dec 2023 | 30 Jun 2023 |
|------------------|-------------|-------------|
| | \$ | \$ |
| GST receivable | 16,555 | 14,677 |
| Other receivable | 1,530 | 1,530 |
| | 18,085 | 16,207 |

As of 31 December 2023, there were no trade or other receivables which were past due but not impaired.

4. EXPLORATION ASSETS

| | 31 Dec 2023 | 30 Jun 2023 |
|--|-------------|-------------|
| | \$ | \$ |
| <i>Exploration and evaluation phases</i> | | |
| At cost | 1,225,006 | 1,146,383 |

A reconciliation of the movements in the capitalised exploration assets is detailed below:

| | 6 months to 31 Dec 2023 | 12 months to 30 Jun 2023 |
|---|----------------------------|-----------------------------|
| | \$ | \$ |
| Opening balance | 1,146,383 | 1,146,383 |
| Acquisition of Linopolis Jaime Project | 44,951 | - |
| Due Diligence fee paid on lithium project in Brazil | 7,622 | - |
| Brazilian tenement applications made | 26,050 | - |
| Closing Balance | 1,225,006 | 1,146,383 |

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

5. TRADE AND OTHER PAYABLES

| | 31 Dec 2023 | 30 Jun 2023 |
|-----------------|-------------|-------------|
| | \$ | \$ |
| Trade payables | 107,895 | 52,192 |
| Accruals | 66,563 | 53,367 |
| Other creditors | 26,868 | 15,395 |
| | 201,326 | 120,954 |

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6. LEASES

The Company signed a three-year, lease agreement for office premises in Kalgoorlie, Western Australia with a commencement date of 4 June 2021. The lease agreement was accounted for under AASB 16 which resulted in the recognition of 'right of use asset' and 'lease liability' on the statement of financial position.

Lease liability is presented in the statement of financial position as follows:

| | 31 Dec 2023 | 30 Jun 2023 |
|---------------------------|-------------|-------------|
| | \$ | \$ |
| Lease liability – Current | 16,857 | 36,094 |

7. CONTRIBUTED EQUITY

| Shares | 31 Dec 2023 | 30 Jun 2023 |
|-----------------|-------------|-------------|
| | \$ | \$ |
| Ordinary shares | 16,415,238 | 14,414,991 |

| | 6 months to 31 Dec 2023 | | 12 months to 30 June 2023 | |
|--|----------------------------|------------|------------------------------|------------|
| | Number | \$ | Number | \$ |
| <i>Movements in ordinary shares on issue</i> | | | | |
| Shares on issue at beginning of period | 127,000,000 | 14,414,991 | 127,000,000 | 14,414,991 |
| - Shares issued - placement | 31,750,000 | 2,381,250 | | |
| - Share issue costs | - | (381,003) | | |
| Closing balance | 158,750,000 | 16,415,238 | 127,000,000 | 14,414,991 |

| Options | 31 Dec 2023 | | 31 Dec 2022 | |
|--|-------------|---------------------------------|-------------|---------------------------------|
| | 31 Dec 2023 | Weighted average exercise price | 31 Dec 2022 | Weighted average exercise price |
| | Number | \$ | Number | \$ |
| Outstanding at beginning of period | 13,725,000 | 0.375 | 13,725,000 | 0.375 |
| - Issued during the period – Director and staff options (note 9) | 7,250,000 | 0.23 | - | - |
| - Issued during the period – Placement and lead manager ¹ options | 18,256,244 | 0.11 | | |
| Outstanding at the end of the period | 39,231,244 | | 13,725,000 | 0.375 |
| Exercisable at the end of the period | 39,231,244 | 0.225 | 13,725,000 | 0.375 |

Note 1: Issued under the terms of their appointment as Lead Manager, PAC Partners received 2,381,250 options on the same terms as the placement options issued to placement participants.

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8. RESERVES

| | 31 Dec 2023 | 30 Jun 2023 |
|--------------------------------------|-------------|-------------|
| | \$ | \$ |
| Share payments reserve | 1,243,137 | 385,314 |
| Foreign currency translation reserve | (3,042) | - |
| | 1,240,095 | 385,314 |

A reconciliation of the movements in reserves is detailed below:

| | 6 months to 31 Dec 2023 | 12 months to 30 Jun 2023 |
|---|----------------------------|-----------------------------|
| | \$ | \$ |
| <i>Share based payments reserve</i> | | |
| Opening Balance | 385,314 | 385,314 |
| Issue of lead manager options | 215,334 | - |
| Issue of director and staff options | 642,489 | - |
| Closing Balance | 1,243,137 | 385,314 |
| <i>Foreign currency translation reserve</i> | | |
| Opening Balance | - | - |
| Movement for current period | (3,042) | - |
| Closing Balance | (3,042) | - |

9. SHARE BASED PAYMENTS

Following approval at the Company's Annual General Meeting held on 28 November 2023, the Company issued 2,381,250 options to Pac Partners under the terms of their appointment as Lead Manager to the Company's placement which was completed in September 2023. In addition the Company issued 7,250,000 options to Directors, staff and consultants. The fair value of the options was determined using the Black-Scholes option valuation methodology and applying the following inputs:

| | Lead Manager Options | Director and staff options |
|---------------------------------------|----------------------------|----------------------------------|
| Exercise price | \$0.11 | \$0.23 |
| Expiry date | 28/11/2026 | 26/11/2027 |
| Risk free rate | 4.16% | 4.16% |
| Volatility | 126% | 126% |
| Value per option | \$0.0904 | \$0.0886 |
| Total value of options | 215,334 | 642,489 |
| Amount to be expensed in future years | - | - |

10. CONTINGENT LIABILITIES

As at the date of the report, the Directors are not aware of any material contingent liabilities that would require disclosure.

11. COMMITMENTS

| Exploration commitments | 31 Dec 2023 | 30 Jun 2023 |
|--|--------------------|--------------------|
| | \$ | \$ |
| <i>Payable:</i> | | |
| Within one year | 279,600 | 279,600 |
| Later than one year but not later than 5 years | 468,651 | 503,576 |
| Later than 5 years | 185,305 | 185,305 |
| | 933,556 | 968,481 |

12. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions with related parties during the half-year were on the same basis as stated in the 30 June 2023 Annual Report.

13. FINANCIAL INSTRUMENTS

The fair value of financial instruments approximate their carrying values at balance date. There has been no change to the methods or valuation techniques used for the purpose of measuring fair value.

14. SUBSEQUENT EVENTS

Other than as outlined in the Review of Operations, there has been no other matters or circumstances that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

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Directors' Declaration

for the half-year ended 31 December 2023

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 21:
 - (a) comply with the Corporations Act 2001, Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Jeff Williams
Chairman

Dated this 15th day of March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of OzAurum Resources Limited

Report on the Half-Year Financial Report

Conclusion

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

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of OzAurum Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2024



N G Neill
Partner

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