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Annual Report 2023



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

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CORPORATE DIRECTORY

Directors	Mr Brett Grosvenor	(Non-Executive Director)
	Mr James Pearse	(Non-Executive Director)
	Mr Glenn Whiddon	(Non-Executive Director)
Company Secretary	Ms Oonagh Malone	
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REVIEW OF OPERATIONS

Carbine Resources has positioned itself to be a leading producer of silica sand, targeting the high purity silica market with product destined for the glass industry.

At Muchea West, the Company has its flagship project that it is advancing towards decisions regarding development and production. The recent Mining Licence Application (MLA70/1422) is the end product of exploration and processing studies completed to demonstrate the potential within the Project.

The MLA, lodged in December 2022 and recommended for grant on April 18 2023, continues to progress through the approvals process on the path to a mining license being granted.

The Down South Silica project is located close to the Bunbury port and offers the Company an opportunity to continue exploration activities during the MLA approvals period.



Figure 1: Project locations

Muchea West Silica Sand Project

The Muchea West Project is located approximately 40km north-northeast of Perth and approximately 500m to the west of Muchea. Covering a land area of 102km², the Project consists of a granted exploration licence, E70/4905, and a Mining Licence Application, MLA70/1422. There is excellent access with the Tonkin Highway and the Moora-Kwinana Railway providing a direct connection with the Kwinana Bulk Terminal, key for bulk transport projects.

Drill Program

Following the completion of dieback and unexploded ordnance surveys, access was granted for the purpose of resource extension drilling over the 2022 / 2023 dry season. The program of 58 holes was spaced 100m from previous drilling and 100m apart in the southeast area of E70/4905.

The planned 58 holes were completed by hand augering to varying depths. Drilling was terminated at drill refusal or at water, with the maximum depth being 11.5m despite planned depths to 29m. The planned depths were based on a surface 3m above the Gnangara Mound water table and proposed for machine drilling.



Figure 2: Auger sampling and completed hole showing minimal disturbance.

Single metre samples were collected for each hole, with the exception of the first metre. The program produced 421 samples with the results from the extensional drill program confirming the grades from previous drilling, and including intercepts such as:

- MW0258 – 10.5m at 99.58% SiO₂, 235 ppm Fe₂O₃ and 594 ppm Al₂O₃ from 1m
- MW0279 – 7m at 99.59% SiO₂, 96 ppm Fe₂O₃ and 1095 ppm Al₂O₃ from 1m
- MW0294 – 10m at 99.50% SiO₂, 184 ppm Fe₂O₃ and 432 ppm Al₂O₃ from 1m
- MW0297 – 9m at 99.45% SiO₂, 31 ppm Fe₂O₃ and 661 ppm Al₂O₃ from 1m
- MW0298 – 10m at 99.56% SiO₂, 32 ppm Fe₂O₃ and 434 ppm Al₂O₃ from 1m

Of the 58 holes completed, only 2 holes returned a profile with less than 99.0% SiO₂. All 373 holes drilled on the Project to date display the exceptional high grade and quality of the Muchea sand deposit.

The overall silica grades returned were consistent with previous drilling in this area. The grades of Fe₂O₃ and Al₂O₃ were variable. Several low topography areas were included in this drilling with increased clay contents. The Fe₂O₃ levels were higher than for the 2023 drilling with a maximum of 0.34% (MW0288) but on the southern line, a run of holes 700m long (MW0291 – MW0298, Figure 3) averaged less than 100 ppm (0.01%) Fe₂O₃.

Carbine has already displayed that, at these levels of Fe₂O₃ and Al₂O₃, the Muchea West silica sand can, by a simple attrition process, produce a final product that exceeds the requirements set for the high purity silica sand market.

The full profile at Muchea West is from surface to a level 3m above the water table, as defined in 2019. Drilling stops the moment the water table is intersected irrespective of planned hole depth which is a condition of the licence.

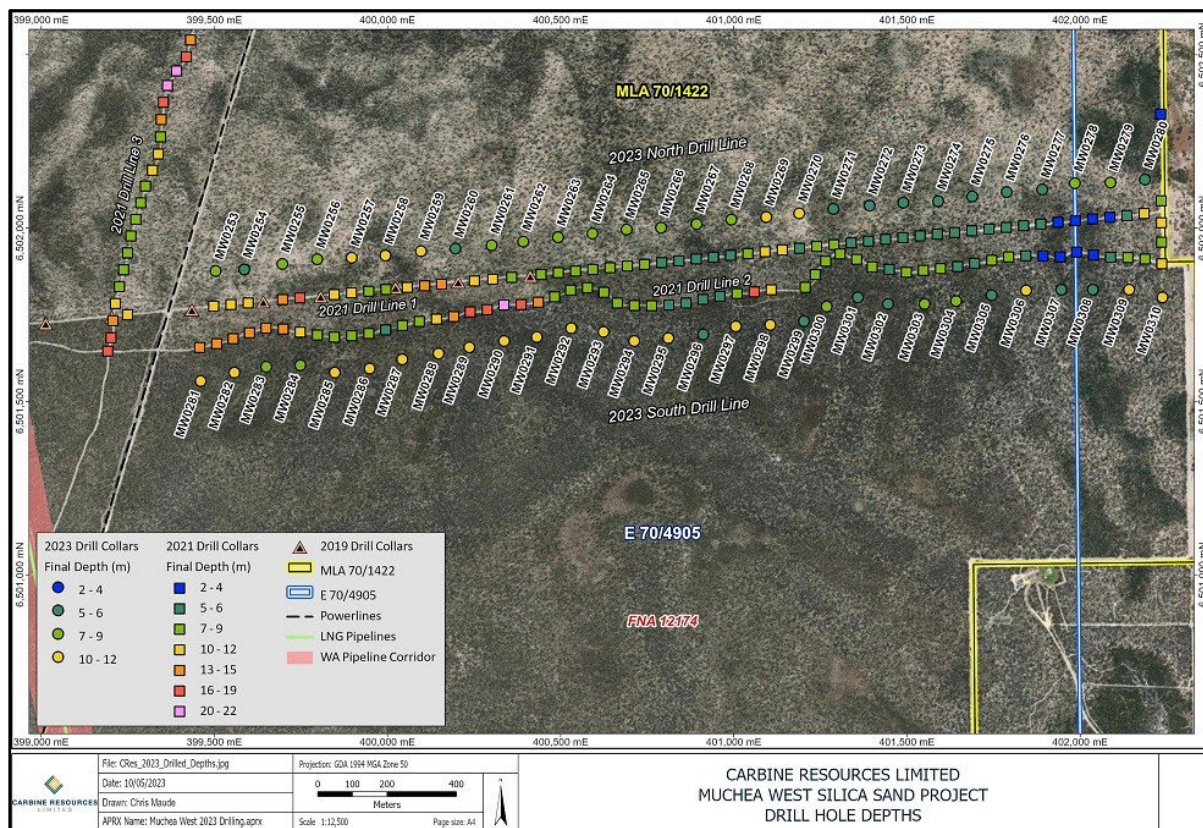


Figure 3: Drill spacings and depths

Mineral Resource Estimate Upgrade

Incorporating the results of the drill program completed in 2022/2023, the Company was pleased to announce an upgraded Resource of 110Mt at 99.65% SiO₂ in October 2023. The updated Resource represents both a growth in the Resource size as well as the levels of confidence with a portion of the Resource now in the Measured category.

The new Resource is in addition to the Exploration Target of 762 Mt to 938 Mt of Silica Sand at an average grade of 99.6% to 99.8% SiO₂. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate further mineral resources and it is uncertain if further exploration will result in the estimation of additional mineral resources.

The resource expansion program was undertaken to upgrade the confidence in the Mineral Resource Estimate categories ahead of a Feasibility Study aimed at a 20 year production scenario. This Estimate combines the prior drilling from 2019 with Carbine's 2021 and 2023 drilling over an area of less than 20% of the landholding at Mucua West. 100% of that landholding is silica sand.

The high silica grade and the low levels of impurities of the raw, in situ, deposit places Carbine at the forefront of existing Australian silica sand projects. Preliminary process testwork has demonstrated that a simple process of wet attritioning alone can reduce the Mucua West Fe₂O₃ content by 65% with similar reductions in the other deleterious elements for the Mucua West silica sand.

Table 1: 2023 Muchea West Silica Sand Project – All Drilling – SiO₂ cutoff of 99.00%

Material	Category	Volume million m ³	Tonnes million	Density t/m ³	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	K ₂ O %	TiO ₂ %	LOI %
Main Sand	Measured	7.90	12.17	1.54	99.62	0.052	0.028	0.005	0.039	0.232
Main Sand	Indicated	24.80	38.20	1.54	99.67	0.047	0.026	0.004	0.052	0.176
Main Sand	Inferred	21.92	33.75	1.54	99.66	0.052	0.025	0.005	0.051	0.181
Main Sand	Total	54.62	84.11	1.54	99.66	0.050	0.026	0.004	0.050	0.186
Lower Sand	Inferred	17.30	26.64	1.54	99.62	0.074	0.029	0.006	0.056	0.191
Lower Sand	Total	17.30	26.64	1.54	99.62	0.074	0.029	0.006	0.056	0.191
Main + Lower	Measured	7.90	12.17	1.54	99.62	0.052	0.028	0.005	0.039	0.232
Main + Lower	Indicated	24.80	38.20	1.54	99.67	0.047	0.026	0.004	0.052	0.176
Main + Lower	Inferred	39.22	60.39	1.54	99.65	0.062	0.027	0.005	0.053	0.186
Main + Lower	Total	71.92	110.75	1.54	99.65	0.056	0.027	0.005	0.051	0.187

Ongoing work at the Muchea West Silica Sand Project includes preparation of a drill program on E70/4905. With the success of the hand auger program, which constitutes low level activity and does not require a Program of Work to be submitted to the Department of Mining Industry Regulation and Safety, this method will again be pursued. An environmental, dieback and UXO clearance will still be required. This drilling is planned to continue on E70/4905 outside the MLA area.

A bulk sample, representative of the MLA area, will be compiled for a proposed Feasibility Study.

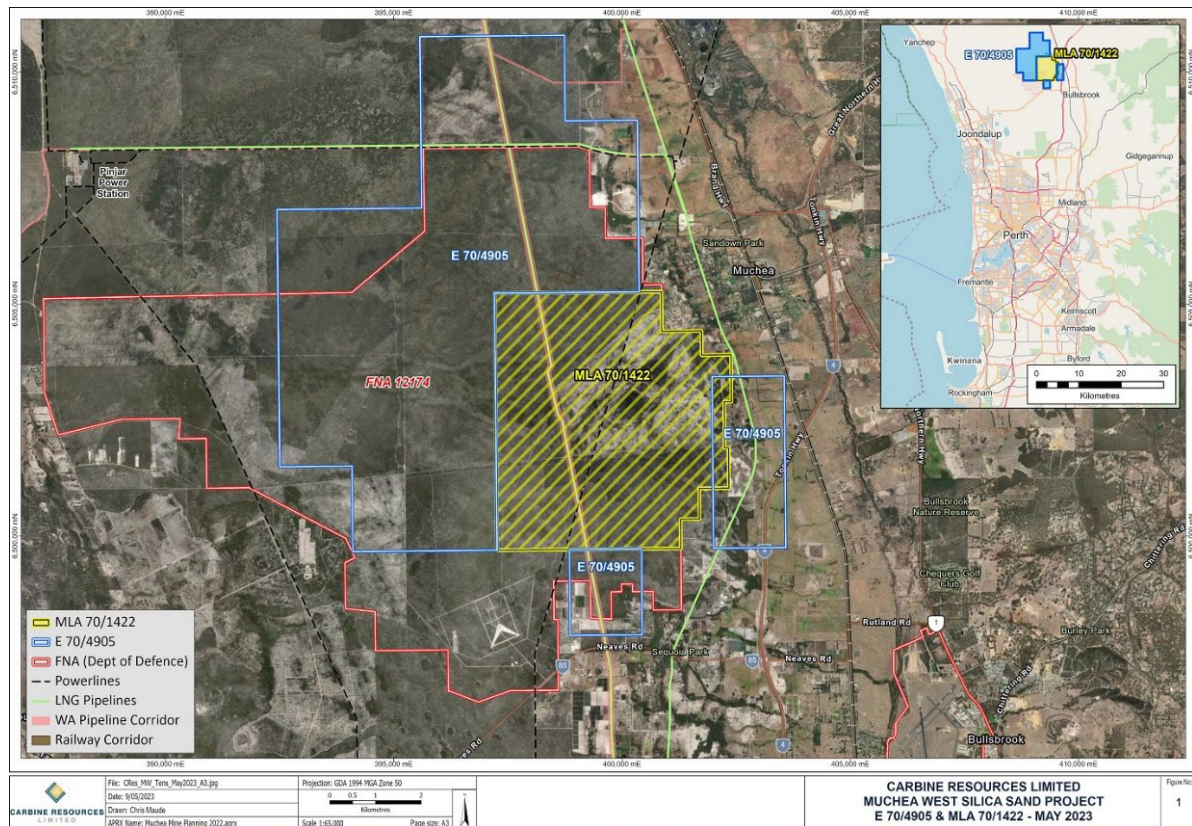


Figure 4: Muchea West Project with MLA70/1422

Mining Licence Application

An initial Mining Licence Application has been submitted to the Department of Mining Industry, Regulations and Safety (**DMIRS**). MLA70/1422, which was lodged with DMIRS on 19 December 2022 recommended for grant on April 18 2023, is for silica sand and is located in the southeast portion of the Company's Exploration Licence, E70/4905. The Company is awaiting confirmation of grant.

MLA70/1422 encapsulates the South East Area of Interest and includes 44Mt of the Company's JORC Resource, equating to 47% of the current Resource for E70/4905.

Carbine has completed a considerable amount of the environmental studies required to satisfy the conditions of a Mining Permit which shall be lodged as soon as possible and is expected to take a minimum of 2 years to be granted.

Down South Silica Sand Project

The Company holds 100% of the Bunbury Silica Sands Project which covers a land area of 5,800Ha consisting of three exploration licences, E70/5823, E70/6414 and E70/6415.

The Bunbury Silica Sands Project is located approximately 10km southeast of Bunbury in the Wellington Land Division of the Southwest Mineral Field (Figure 5) and within the shires of Capel (17.56096 Bl) and Dardanup (2.43903 Bl). The area can be located on the Collie (SI50 – 06) 1:250,000 map sheet and the Bunbury (2031) 1:100,000 map sheet.

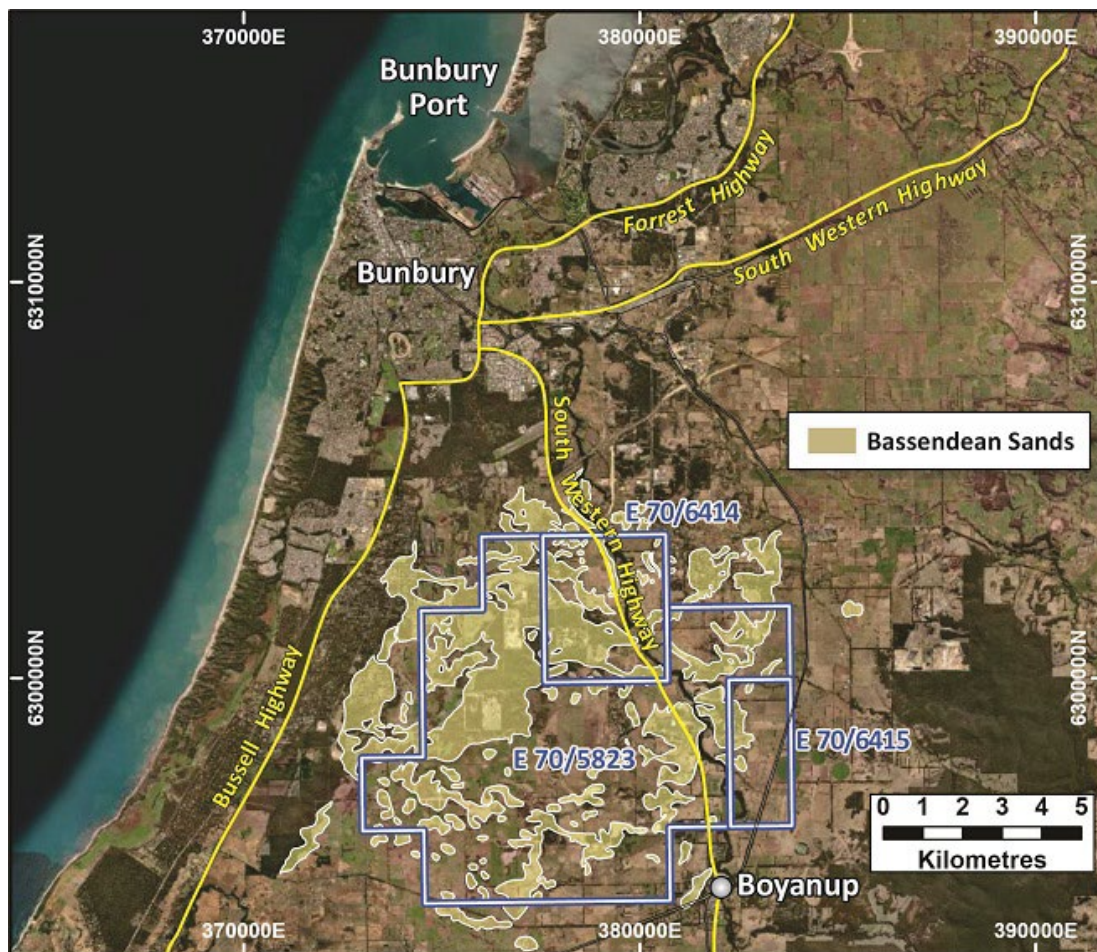


Figure 5: Bunbury Silica Sands Tenement Locations

The ground has been the subject of numerous drilling programs, predominantly for mineral sands, but at least three companies have explored for silica sands.

Work completed by Westralian Sands prior to 1970 identified a number of areas of interest (Areas A, B and C shown in Figure 6) and the culmination of this work led to a small mining operation to test the economics of a silica sand export project from their Area A location.

Later, Australian United Silica Corporation Pty Ltd (AUSCO) mapped surface expressions of white sand and produced an outline of areas of potential (1, 2 and 3 shown in Figure 6).

The Company has been undertaking a data review aimed at informing exploration planning activities for the Bunbury Silica Sands Project. Field based activities are planned to commence upon completion of the review and subject to access arrangements being agreed and access being granted to finalise the design of the planned activities.

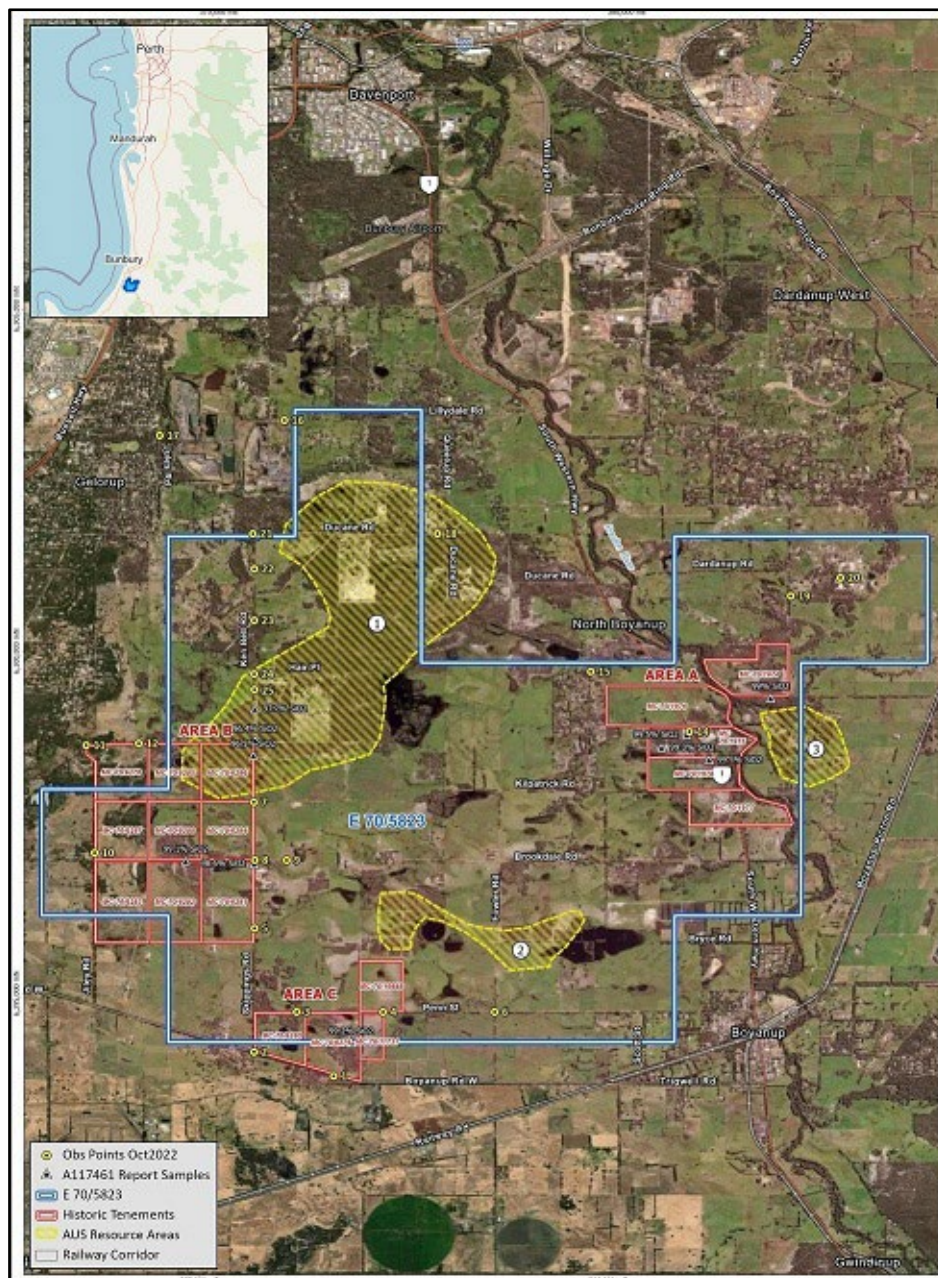


Figure 6: Areas of Interest at Bunbury Silica Sands Project

Competent Persons' Statements

The exploration results in this report were reported by the Company in accordance with listing rule 5.7 on 17 May 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.

The mineral resource estimates (MRE) were first reported by the Company in accordance with Listing Rule 5.8 on 4 July 2022 (2022 MRE) and 30 October 2023 (2023 MRE). 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 estimate in the previous announcements continue to apply and have not materially changed.

The information in this report that relates to technical assessment of the Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Mr Lynn Widenbar BSc(Hons), MSc, DIC, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Widenbar is an employee of Widenbar and Associates Pty Ltd. Mr Widenbar has sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, 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 Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Exploration Target was reported to the ASX on 30 October 2023 and the material assumptions and technical parameters continue to apply.

MINERAL RESOURCE STATEMENT

The following information is provided in accordance with Listing Rule 5.21 and as at 31 December 2023.

Carbine Resources Limited ensures that the Mineral Resource Estimate is subject to appropriate levels of governance and internal controls. The Mineral Resource Estimate has been generated by independent external consultants and internal employees who are experienced in best practices in modelling and estimation methods. Where applicable, the consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource Estimate follows standard industry methodology using geological interpretation and assay results from samples won through drilling. Carbine Resources Limited reports its Mineral Resource in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

The tables below sets out the Mineral Resources as at 31 December 2023 (estimated in October 2023) and as at 31 December 2022 (estimated in July 2022) for the Muchea West Silica Sand Project, Western Australia. The Company confirms that the changes are a result of further drill programs.

Table 1: 2023 Muchea West Silica Sand Project – All Drilling – SiO₂ cutoff of 99.00%

Material	Category	Volume million m ³	Tonnes million	Density t/m ³	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	K ₂ O %	TiO ₂ %	LOI %
Main Sand	Measured	7.90	12.17	1.54	99.62	0.052	0.028	0.005	0.039	0.232
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Main Sand	Inferred	21.92	33.75	1.54	99.66	0.052	0.025	0.005	0.051	0.181
Main Sand	Total	54.62	84.11	1.54	99.66	0.050	0.026	0.004	0.050	0.186
Lower Sand	Inferred	17.30	26.64	1.54	99.62	0.074	0.029	0.006	0.056	0.191
Lower Sand	Total	17.30	26.64	1.54	99.62	0.074	0.029	0.006	0.056	0.191
Main + Lower	Measured	7.90	12.17	1.54	99.62	0.052	0.028	0.005	0.039	0.232
Main + Lower	Indicated	24.80	38.20	1.54	99.67	0.047	0.026	0.004	0.052	0.176
Main + Lower	Inferred	39.22	60.39	1.54	99.65	0.062	0.027	0.005	0.053	0.186
Main + Lower	Total	71.92	110.75	1.54	99.65	0.056	0.027	0.005	0.051	0.187

Table 2: 2022 Muchea West Silica Sand Project –All Drilling – SiO₂ cutoff of 99.00%

Material	Category	Volume million m ³	Tonnes million	Density t/m ³	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	K ₂ O %	TiO ₂ %	LOI %
Main Sand	Indicated	25.90	39.89	1.54	99.73	0.034	0.025	0.003	0.052	0.135
Main Sand	Inferred	18.80	28.95	1.54	99.73	0.038	0.025	0.003	0.054	0.131
Main Sand	Total	44.70	68.84	1.54	99.73	0.035	0.025	0.003	0.053	0.134
Lower Sand	Indicated	-	-	1.54	-	-	-	-	-	-
Lower Sand	Inferred	15.80	24.32	1.54	99.66	0.069	0.029	0.006	0.057	0.165
Lower Sand	Total	15.80	24.32	1.54	99.66	0.069	0.029	0.006	0.057	0.165
Main + Lower	Indicated	25.90	39.89	1.54	99.73	0.034	0.025	0.003	0.052	0.135
Main + Lower	Inferred	34.60	53.28	1.54	99.70	0.052	0.026	0.005	0.056	0.147
Main + Lower	Total	60.50	93.17	1.54	99.71	0.044	0.026	0.004	0.054	0.142

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited ("the Company") and the entity it controlled ("the Group") for the year ended 31 December 2023, and the Auditor's report thereon.

Directors

Details for the current Directors of the Company are:

Brett Grosvenor

Non-Executive Director

Appointed 7 September 2023

Mr Grosvenor is an experienced executive with over 25 years' experience in the mining and power industry. Mr Grosvenor holds a Bachelor of Engineering and a Master of Business. He has held senior executive positions with a number of companies including director of development of Primero Group, focused on the development of projects from initial concept through to contract delivery and operation.

Mr Grosvenor is considered to be an independent director.

Interest in issued securities:

Nil

ASX-listed company directorships (last three years):

Perpetual Resources Ltd (current)

Firebird Metals Limited (current)

Firetail Resource Ltd (current)

Primero Group Limited (delisted 26 February 2021)

James Pearce

Non-Executive Director

Appointed 27 June 2023

Mr Pearce is a corporate lawyer with over 10 years' experience working for national, international and boutique law firms advising Australian businesses primarily in the mining, oil & gas and technology sectors. Mr Pearce holds Bachelor degrees in both Law and Commerce majoring in Finance.

Mr Pearce is considered to be an independent director.

Interest in issued securities:

Nil

ASX-listed company directorships (last three years):

Minrex Resources Ltd (current)

Iceni Gold Ltd (current)

Glenn Whiddon

Non-Executive Director

Appointed 27 June 2023

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory with a specific focus on natural resources. Mr Whiddon holds a degree in Economics and has extensive corporate and management experience.

Mr Whiddon is considered to be an independent director.

Interest in issued securities:

1,000,000 ordinary shares*

ASX-listed company directorships (last three years):

Minrex Resources Ltd (current)

Calima Energy Ltd (current)

Caprice Resources Ltd (current)

** Glenn Whiddon has no relevant interest in the shares held by 6466 Investments Pty Ltd. Jane Whiddon is the controller of this entity. They are included for good corporate governance purposes.*

Details of other Directors of the Company during the year are:

- Peter Batten to 10 November 2023
- Evan Cranston to 31 May 2023
- Oonagh Malone to 31 May 2023

Company Secretary

Ms Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over a decade of experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia and the Australian Institute of Company Directors. Ms Malone was appointed in September 2014. Ms Malone currently acts as company secretary for ASX-listed companies African Gold Limited, Aston Minerals Limited, Benz Mining Corp, Caprice Resources Limited, RareX Limited and Riversgold Limited.

Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year under review are:

Director	Board Meetings Eligible to Attend	Board Meetings Attended
Mr Peter Batten	4	4
Mr Evan Cranston	0	0
Ms Oonagh Malone	0	0
Mr Brett Grosvenor	1	1
Mr James Pearse	4	4
Mr Glenn Whiddon	4	4

There were no separate Remuneration Committee Meetings held during the year. There have been other matters of Board business which have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings held to control, implement and monitor the Company's activities throughout the year.

Directors' Interests

The relevant interest of each Director who held office during or since the end of the financial year in the share capital, performance rights and options of the Company shown in the Register of Directors' Shareholdings as at the date of this report is as follows:

DIRECTOR	ORDINARY SHARES FULLY PAID		PERFORMANCE RIGHTS	
	Direct	Indirect	Direct	Indirect
Mr Peter Batten*	-	1,000,000	5,000,000	-
Mr Evan Cranston**	-	4,164,250	-	-
Ms Oonagh Malone	333,334	-	-	-
Mr Brett Grosvenor	-	-	-	-
Mr James Pearse	-	-	-	-
Mr Glenn Whiddon***	-	1,000,000	-	-

* Shares held by Mr Peter Batten are held by Batten Resources Pty Ltd. Mr Batten resigned on 10 November 2023

** Shares held by Mr Evan Cranston are held by Konkera Pty Ltd. Mr Cranston resigned on 31 May 2023

*** Shares attributed to Mr Glenn Whiddon are included for good corporate governance. Mr Whiddon has no relevant interest in the shares which are held by 6466 Investments Pty Ltd. Jane Whiddon, Mr Whiddon's spouse, is the controller of this entity.

Principal Activities

The principal activities of the Company during the year were the exploration and evaluation of the Muchea West Silica Sands Project and the Bunbury Silica Sand Project in Western Australia.

Results

The loss for the financial year after income tax was \$1,292,389 (31 December 2022 Loss: \$1,488,095).

Dividends Paid or Recommended

No dividends have been paid or declared and the Directors at present do not recommend a dividend.

Financial Position

The net assets of the Company as at 31 December 2023 are \$9,720,347 compared to \$9,728,223 as at 31 December 2022.

Significant Changes in the State of Affairs

During the year ended 31 December 2023, the following significant changes in the state of affair of the Company were:

- On 26 May 2023, the Company issued 71,965,794 shares in connection with the acquisition of the Bunbury Silica Sand Project.
- On 31 May 2023, Mr Evan Cranston and Ms Oonagh Malone retired at the AGM and were not re-elected.
- On 27 June 2023, Mr James Pearse and Mr Glenn Whiddon were appointed as Non-Executive Directors.
- On 14 July 2023, 164,496,427 shares were released from escrow and quoted on the ASX.
- On 30 August 2023, Mr Peter Batten transitioned from Managing Director to Non-Executive Director.
- On 7 September 2023, Mr Brett Grosvenor was appointed as Non-Executive Director.
- On 10 November 2023, Mr Peter Batten resigned as Non-Executive Director.

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. The Company manages the the material business risks identified below and other day-to-day risks through a number of risk controls and mitigants. Specific risk controls and mitigants include but are not limited to:

- Board risk oversight;
- implementation and adoption of Company policies and standards;
- insuring business activities and operations in accordance with industry practice; and
- engaging appropriate finance, accounting, and legal advisors.

The Company has identified various material business risks it considers could impede the achievement of future operational performance and financial success, as set out below. Such risks are not intended to constitute an exhaustive list of all risks applicable to the Company.

- (a) *Exploration and development risks:* mineral exploration and development are high-risk undertakings. While the Company is progressing a systematic exploration program, there can be no assurance that exploration of current or future projects acquired will result in the discovery of an economic or exploitable resource.
- (b) *Operating risk:* the operations of the Company may be affected by various operational factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, plant and equipment issues or breakdowns, unanticipated metallurgical problems, adverse weather conditions, industrial and environmental accidents, industrial disputes and availabilities and increased costs, which are largely outside the control of the Company and may adversely impact the Company's operations and performance.
- (c) *Access:* access arrangements need to be negotiated in order for the Company to undertake further exploration on all of its projects. The Company may be unable to secure such arrangements on reasonable terms or at all given third parties are involved, which may impact the Company's ability to explore such areas.
- (d) *Title risk:* the Company's tenement portfolio is governed by the *Mining Act 1978* (WA), and related subsidiary legislation, which requires annual expenditure and/or reporting commitments, as well as other conditions requiring compliance. In order to mitigate such risks, the Company designs exploration programs that will meet minimum expenditure requirements and advance the development of the tenements in a timely manner.
- (e) *Commodity price volatility:* the Company's ability to proceed with the development of its silica sand projects and benefit from any future mining operations will depend on market factors, some of which are beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of silica. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into. The market for silica is subject to many variables and may fluctuate markedly, which may adversely effect the Company's activities and financial performance.
- (f) *Native title and Aboriginal heritage risks:* the Company's current or future projects may be over areas which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to its Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company must also comply with Aboriginal heritage legislation which makes it an offence for a person to damage or in any way alter an affected site. The Company appoints legal and other advisers to assist it conduct its activities in a manner which minimises such Native Title and Aboriginal Heritage risks, although some risks are outside of the Company's control.
- (g) *Environmental risks:* the operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.
- (h) *Permits and approvals:* certain mineral rights and interests held by the Company are subject to the need for ongoing or new government approvals and permits. These requirements, including work permits and environmental approvals, will change as the Company's activities develop. Delays in obtaining, or the inability to obtain, required authorisations, which are largely outside the Company's control, may significantly impact on the Company's operations.

Options and Performance Rights

No options were granted, exercised, cancelled or lapsed during the year.

The Company has agreed to issue, subject to shareholder approval, 15,000,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.02 each, 15,000,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.04 each, and 20,000,000 performance rights. Shareholder approval will be sought at the Company's annual general meeting and as such the options and performance rights have not yet been granted.

Matters Subsequent to the End of the Financial Year

There were no other events subsequent to the end of the financial year ended 31 December 2023 which significantly affected or could significantly affect the operations of the Company in future financial years.

Future Developments, Prospects and Business Strategies

Disclosure of further information regarding likely developments in the operations of the Company in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice of those operations, or the state of affairs of the Group in future financial periods.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and other key management personnel of Carbine Resources Limited during the financial year. These remuneration disclosures have been audited. The Group had no key management personnel other than the Directors and Company Secretary of the Company.

Details of Key Management Personnel at the end of the financial year are:

- Mr Brett Grosvenor – Non-Executive Director (appointed 7 September 2023)
- Mr James Pearse – Non-Executive Director (appointed 27 June 2023)
- Mr Glenn Whiddon – Non-Executive Director (appointed 27 June 2023)
- Ms Oonagh Malone – Company Secretary (ceased as Non-Executive Director on 31 May 2023 but continues as Company Secretary)

Details of other Key Management Personnel during the financial year are:

- Mr Evan Cranston – Non-Executive Director (ceased 31 May 2023)
- Mr Peter Batten – Managing Director until 30 August 2023 the Non-Executive Director until 10 November 2023

Compensation of Key Management Personnel

Due to the size of the Group, the Remuneration Committee is currently comprised of all of the Directors of the Board. The Committee assesses the appropriateness of the nature and amount of emoluments of such key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of appropriately qualified personnel. Presently there are no formalised arrangements which give rise to the payment of additional remuneration to non-executive directors contingent on Company performance.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The Company has not increased its total aggregate non-executive director remuneration from that disclosed in its prospectus in February 2007 of \$200,000. Given

the size of the Group and its operations there is no relationship between remuneration and Group performance and shareholder wealth. Non-executive directors' remuneration is determined according to market practice for junior listed companies based on information obtained from industry analysts. Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. No additional fees are payable for chairing or participating in sub-committees of the Board. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee. Executive directors' fees and payments, other than long term incentives subject to shareholder approval as detailed below, are documented in service agreements that are approved by the members of the Remuneration Committee before execution.

Voting and comments at the Company's 2022 Annual General Meeting (AGM)

At the 2022 AGM, 48.44% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022, resulting in a first strike against the Company. Since this time, there has been a significant change in the Board and its members. The current Directors consider that the remuneration for non-executive directors is comparable to its peers. Director remuneration (cash component) has significantly reduced for the 2023 financial year as a result of the resignation of the Managing Director.

Long term incentives ('LTI')

LTI are granted to reward directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. 5,000,000 Performance Rights, as described below and valued in note 17(c) were issued to each of prior directors Peter Main and Peter Batten in accordance with their service agreements and as approved by shareholders on 20 May 2021. The 5,000,000 Performance Rights issued to Mr Main ceased in December 2022 after his resignation in October 2022. The Board considered these Performance Rights an appropriate form of incentive because the issue of the Performance Rights sought to align directors' efforts with seeking share price growth and creation of shareholder value, while preserving cash and continuing to attract and maintain highly experienced and qualified Board members in a competitive market.

Share options and performance rights

Options over shares have been granted to the Directors and certain employees at the discretion of the Board in prior years. No options were issued to Directors or employees in 2023 or 2022.

The Company has agreed to issue, subject to shareholder approval, 7,500,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.02 each and 7,500,000 options expiring on 14 July 2026 at an issue price of \$0.001 and an exercise price of \$0.04 each to each of directors James Pearse and Glenn Whiddon. The Company has also agreed to issue, subject to shareholder approval, 5,000,000 performance rights vesting on appointment as a Non-Executive Director and 5,000,000 performance rights vesting on 12 months service as a Non-Executive Director to each of James Pearse and Glenn Whiddon. Shareholder approval will be sought at the Company's annual general meeting and as such the options and performance rights have not yet been granted. If the above equity securities are not approved, the Company will make a cash payment equal to the greater of the value of the equity securities (using standard valuation techniques) at the time of the preparation of the notice of meeting for the annual general meeting; or the average cash salary of the managing director / chief executive officer for the last two years, or in the event that there is no managing director / chief executive officer appointed at the time of shareholder approval, then the industry average for a full time managing director / chief executive officer of a similar peer group of ASX-listed companies as determined by an executive recruitment firm.

No individual has a contractual right to participate or to receive any guaranteed benefits. The issue of options has not been linked to performance conditions.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the 5 years to 31 December 2023.

	2023	2022	2021	2020	2019
Loss after income tax attributable to shareholders (\$)	(1,292,389)	(1,488,095)	(1,774,865)	(156,814)	(804,771)
Share price at year end (\$)	0.005	0.013	0.029	0.042	0.042
Total dividends declared (cents per share)	-	-	-	-	-
Returns of capital (cents per share)	-	-	-	-	-
Basic loss per share (cents)	(0.25)	(0.31)	(0.56)	(0.087)	(0.45)

Basic losses per share for 2019 to 2020 have been revised from previous years following the 9:10 share capital consolidation that occurred during 2021.

Details of Remuneration for the year ended 31 December 2023

	Short-Term Benefits		Post Employment Benefits	Share-Based Payment		Remuneration consisting of Share-Based Payment (%)
	Cash Salary and Fees (\$)	Non-monetary benefits (\$)	Superannuation (\$)	(\$)	Total (\$)	
Non-Executive Directors						
B Grosvenor	15,000	1,911	-	-	16,911	-
J Pearse	24,533	3,097	-	138,496	166,126	83
G Whiddon	24,533	3,097	-	138,496	166,126	83
E. Cranston	30,000	2,488	-	-	32,488	-
O. Malone	5,000	-	-	-	5,000	-
<i>Sub-total</i>	99,066	10,593	-	276,992	386,651	72
Executive Directors						
P. Batten*	163,545	5,190	17,000	-	185,735	-
Other Key Management Personnel						
O. Malone	60,000	6,014	-	-	66,014	-
Total	322,611	21,797	17,000	276,992	638,400	

* This includes \$9,320 of Non-Executive Director fees and \$15,750 of consulting fees received while Mr Batten was a Non-Executive Director.

Details of Remuneration for the year ended 31 December 2022

	Short-Term Benefits		Post Employment Benefits	Share-Based Payment	Total (\$)	Remuneration consisting of Share-Based Payment (%)
	Cash Salary and Fees (\$)	Non-monetary benefits (\$)	Superannuation (\$)	(\$)		
Non-Executive Directors						
P. Main	50,000	4,465	-	-	54,465	-
E. Cranston	63,375	5,926	-	-	69,301	-
O. Malone	2,935	-	-	-	2,935	-
Sub-total	116,310	10,391	-	-	126,701	-
Executive Directors						
P. Batten	237,928	5,926	22,600	-	266,454	-
Other Key Management Personnel						
O. Malone	48,000	5,926	-	-	53,926	-
Total	402,238	22,243	22,600	-	447,081	

Service Agreements

In 2021, the Company entered into a services agreement with Peter Batten pursuant to which the Company agreed to pay Mr Batten a base salary of \$200,000 per annum (plus superannuation) for services provided to the Company as Managing Director and issue Mr Batten (or his nominees) 5,000,000 Performance Rights on the terms and conditions set out below. This services agreement commenced from completion of the Muchea West Silica Sands Project acquisition on 15 July 2021 and is for an indefinite term. The Company and Mr Batten were able to terminate the services agreement at any time by giving the other party not less than three months' written notice. During 2022, the board increased his base salary before superannuation to \$240,000 per annum.

Mr Batten transitioned from the role of Managing Director to Non-Executive Director on 30 August 2023 then resigned as a director effective 10 November 2023. Mr Batten received no termination payment other than his final balance of annual leave owing. While a Non-Executive Director, Mr Batten received non-executive director fees of \$4,000 per month, for total Non-Executive Director fees of \$9,320, and received consulting fees of \$15,750 for additional work performed.

On appointment to the Board, all Non-Executive Directors enter into a letter agreement with the Company which summarises the Board policies and terms which mirror those set out within the Corporations Act 2001, including compensation, relevant to the office of Director. During Ms Malone's appointment as a Non-Executive Directors until 31 May 2023, while continuing to act as Company Secretary, she was paid an additional \$1,000 per month of Director fees. No other remuneration arrangements for Directors were in place during the year ended 31 December 2023.

Share Based Payment Compensation

No options over ordinary shares or performance rights in the Company were issued to any of the Key Management Personnel of the Company during the year and no options were exercised.

On 14 July 2021, 5,000,000 Director Performance Rights were issued to each of former directors Peter Main and Peter Batten, for a total of 10,000,000 Performance Rights issued with the following tranches and vesting conditions. The Performance Rights were to vest in five equal tranches, subject to meeting the applicable vesting condition relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

Tranche No.	Performance Rights	Vesting condition
1	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.06
2	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.09
3	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.15
4	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.25
5	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.35

The total value of these Director Performance Rights of \$228,000 was expensed in 2021 in accordance with accounting standards. No accounting adjustments were made in 2022 following the cessation of Mr Main's Performance Rights or in 2023 following the board's decision to not cease Mr Batten's Performance Rights, because these Performance Rights only had market-based vesting conditions.

The agreements to issue 10,000,000 performance rights and 15,000,000 share options to each of Mr Pearse and Mr Whiddon, subject to shareholder approval and with alternative remuneration if shareholders do not approve, constituted share based payments that were granted on their commencement date of 27 June 2023 because of the alternative remuneration. The options and performance rights granted to Mr Pearse and Mr Whiddon were valued at a total of \$55,395 each for the options and \$110,000 each for the performance rights, for a total value of \$330,790, as disclosed in note 17, with expenses recognised of \$138,496 each for a total share-based payment expense of \$276,992 for the year.

Option holdings of Key Management Personnel

2023	Balance at	Granted as			Balance at 31 Dec	Total Vested	Total Exercisable
Key Management	1 Jan 23 or	Remuneration	Options Exercised	Other Changes	23 or ceasing	31 Dec 23	31 Dec 23
Personnel	appointment						
Peter Batten	-	-	-	-	-	-	-
Evan Cranston	-	-	-	-	-	-	-
Oonagh Malone	-	-	-	-	-	-	-
Brett Grosvenor	-	-	-	-	-	-	-
James Pearse*	-	-	-	-	-	-	-
Glenn Whiddon*	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

* This does not include the 15,000,000 Options for each of Mr Pearse and Mr Whiddon that have been granted but are yet to be issued or approved by shareholders.

2022	Balance at	Granted as			Balance at 31 Dec	Total Vested	Total Exercisable
Key Management	1 Jan 22 or	Remuneration	Options Exercised	Other Changes	22 or ceasing	31 Dec 22	31 Dec 22
Personnel	appointment						
Peter Main	-	-	-	-	-	-	-
Peter Batten	-	-	-	-	-	-	-
Evan Cranston	-	-	-	-	-	-	-
Oonagh Malone	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

No options were held by Key Management Personnel at 31 December 2023 or 31 December 2022.

Performance rights holdings of Key Management Personnel

2023	Balance at	Received as	Performance rights	Performance rights	Balance at 31 Dec 23 or
Key Management Personnel	1 Jan 23 or appointment	Remuneration	converted	lapsed	ceasing
Peter Batten	5,000,000	-	-	-	5,000,000
Evan Cranston	-	-	-	-	-
Oonagh Malone	-	-	-	-	-
Brett Grosvenor	-	-	-	-	-
James Pearse*	-	-	-	-	-
Glenn Whiddon*	-	-	-	-	-
	5,000,000	-	-	-	5,000,000

* This does not include the 10,000,000 Performance rights for each of Mr Pearse and Mr Whiddon that have been granted but are yet to be issued or approved by shareholders.

2022	Balance at	Received as	Performance rights	Performance rights	Balance at 31 Dec 22 or
Key Management Personnel	1 Jan 22 or appointment	Remuneration	converted	lapsed	ceasing
Peter Main	5,000,000	-	-	5,000,000*	-
Peter Batten	5,000,000	-	-	-	5,000,000
Evan Cranston	-	-	-	-	-
Oonagh Malone	-	-	-	-	-
	10,000,000	-	-	5,000,000	5,000,000

* The 5,000,000 Performance rights held by Mr Main ceased in December 2022 after his resignation in October 2022.

Shareholdings of Key Management Personnel

2023	Balance at	Received as	Other	Balance at
Key Management Personnel	1 Jan 23 or appointment	Remuneration	Changes	31 Dec 23 or ceasing
Peter Batten*	1,000,000	-	-	1,000,000
Evan Cranston**	4,164,250	-	-	4,164,250
Oonagh Malone	333,334	-	-	333,334
Brett Grosvenor	-	-	-	-
James Pearse	-	-	-	-
Glenn Whiddon***	1,000,000	-	-	1,000,000
	<u>6,497,584</u>	<u>-</u>	<u>-</u>	<u>6,497,584</u>

2022	Balance at	Received as	Other	Balance at
Key Management Personnel	1 Jan 22 or appointment	Remuneration	Changes	31 Dec 22 or ceasing
Peter Main	1,000,000	-	-	1,000,000
Peter Batten*	1,000,000	-	-	1,000,000
Evan Cranston**	4,164,250	-	-	4,164,250
Oonagh Malone	333,334	-	-	333,334
	<u>6,497,584</u>	<u>-</u>	<u>-</u>	<u>6,497,584</u>

* Shares held by Batten Resources Pty Ltd

** Shares held by Konkera Pty Ltd

*** Shares attributed to Mr Glenn Whiddon are included for good corporate governance. Mr Whiddon has no relevant interest in the shares which are held by 6466 Investments Pty Ltd. Jane Whiddon, Mr Whiddon's spouse, is the controller of this entity.

End of the Remuneration Report (Audited)

Environmental Regulations

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Company has complied with all material environmental requirements up to the date of this report.

Insurance of Directors and Officers

During the year, the Group has paid an insurance premium in respect of a contract indemnifying the Company's Directors and officers. The total amount recognised in expenditure was \$21,797 (2022: \$22,243).

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Other Information

The registered office and principal place of business is Suite 23, 513 Hay Street, Subiaco WA 6008.

Non Assurance Services

There were no non-assurance services provided by the Company's auditors during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this full year consolidated financial statements.

Dated at Perth this 28th day of March, 2024.

Signed in accordance with a resolution of the Directors.



Mr James Pearce
Non-Executive Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		CONSOLIDATED	
	Notes	2023	2022
		\$	\$
Revenue from continuing operations	2(a)	59,459	26,340
Exploration & evaluation costs	8	(305,425)	(715,313)
Depreciation	7	(3,105)	(3,107)
Share based payment expense	20	(276,992)	-
Employee, director and consultant expenses	2(b)	(331,591)	(426,474)
General and administration expenses	2(c)	(434,735)	(365,797)
Loss on disposal of plant and equipment		-	(3,744)
Loss before income tax		<u>(1,292,389)</u>	<u>(1,488,095)</u>
Income tax	3	-	-
(Loss) after income tax attributable to members of Carbine Resources Limited		<u>(1,292,389)</u>	<u>(1,488,095)</u>
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Total comprehensive (loss) attributable to members of Carbine Resources Limited		<u>(1,292,389)</u>	<u>(1,488,095)</u>
(Loss) per share attributable to the ordinary equity holders of the company			
Basic (loss) per share	12	(0.25)	(0.31)
Diluted (loss) per share	12	(0.25)	(0.31)
(Loss) per share from continuing operations attributable to the ordinary equity holders of the company			
Basic (loss) per share	12	(0.25)	(0.31)
Diluted (loss) per share	12	(0.25)	(0.31)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		CONSOLIDATED	
	Notes	2023	2022
		\$	\$
Current Assets			
Cash and cash equivalents	4	1,267,957	2,343,305
Trade and other receivables	5	10,099	8,968
Other current assets	6	16,916	13,578
Total Current Assets		1,294,972	2,365,851
Non-Current Assets			
Plant and equipment	7	1,452	4,557
Exploration and evaluation expenditure	8	8,421,350	7,413,829
Financial assets	9	50,000	50,000
Total Non-Current Assets		8,472,802	7,468,386
Total Assets		9,767,774	9,834,237
Current Liabilities			
Trade and other payables	10	47,427	80,254
Provisions		-	25,760
Total Current Liabilities		47,427	106,014
Total Liabilities		47,427	106,014
Net Assets		9,720,347	9,728,223
Equity			
Issued Capital	11	40,929,558	39,922,037
Reserves	20	4,878,550	4,601,558
Accumulated losses		(36,087,761)	(34,795,372)
Total Equity		9,720,347	9,728,223

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	GROUP			
	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total Equity \$
Balance at 1 January 2023	39,922,037	(34,795,372)	4,601,558	9,728,223
Loss for the year from continuing operations	-	(1,292,389)	-	(1,292,389)
Total comprehensive income/ (loss) for the year	-	(1,292,389)	-	(1,292,389)
Transactions with owners in their capacity as owners:				
Capital raising	-	-	-	-
Capital raising costs	-	-	-	-
Share based payments - expensed	-	-	276,992	276,992
Share based payments – acquisition of mineral exploration interests	1,007,521	-	-	1,007,521
	1,007,521	-	276,992	1,284,513
Balance at 31 December 2023	40,929,558	(36,087,761)	4,878,550	9,720,347

	GROUP			
	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total Equity \$
Balance at 1 January 2022	39,922,037	(33,307,277)	4,601,558	11,216,318
Loss for the year from continuing operations	-	(1,488,095)	-	(1,488,095)
Total comprehensive income/ (loss) for the year	-	(1,488,095)	-	(1,488,095)
Transactions with owners in their capacity as owners:				
Capital raising	-	-	-	-
Capital raising costs	-	-	-	-
Share based payments	-	-	-	-
	-	-	-	-
Balance at 31 December 2022	39,922,037	(34,795,372)	4,601,558	9,728,223

This Statement of Consolidated Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	CONSOLIDATED	
		2023	2022
		\$	\$
Cash Flows From Operating Activities			
Payments to suppliers and employees		(790,615)	(724,525)
Payments for exploration expenditure		(344,615)	(311,191)
Interest received		59,882	27,489
Net cash (outflow) from operating activities	18	(1,075,348)	(1,008,227)
Cash Flows From Investing Activities			
Proceeds from sale of plant and equipment		-	3,682
Stamp duty on Muchea West Project acquisition		-	(302,915)
Net cash (outflow) from investing activities		-	(299,233)
Cash Flows From Financing Activities			
Proceeds from issue of shares		-	-
Capital raising costs		-	(1,281)
Net cash (outflow) from financing activities		-	(1,281)
Net (decrease)/ increase in cash and cash equivalents held		(1,075,348)	(1,308,741)
Cash and cash equivalents at the beginning of the year		2,343,305	3,652,046
Differences in foreign exchange		-	-
Cash and cash equivalents at the end of the year	4	1,267,957	2,343,305

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Basis of Preparation

These financial statements are general-purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

Carbine Resources Limited ("the Company") is a listed public company, incorporated and domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2023 comprises the Company and its subsidiary (together referred to as "the Group"). The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 28 March 2024.

The consolidated financial statements, comprising the financial statements and notes thereto also comply with International Financial Reporting Standards 'IFRS'. The presentation currency of the Group is Australian dollars.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period unless otherwise stated. The comparatives have been reclassified as required.

Going Concern

These 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 Group has incurred a net loss after tax for the year ended 31 December 2023 of \$1,292,389 (2022: \$1,488,095) and experienced net cash outflows from operating activities of \$1,075,348 (2022: \$1,008,227). As at 31 December 2023, the Group had net current assets of \$1,247,545 (31 December 2022: \$2,259,837).

The Directors recognise that additional funding either through the issue of shares, the sale of assets, or a combination of these activities will be required for the Group to continue to actively develop and explore its mineral exploration interests and fund corporate administration. The Directors are also aware that the Group can relinquish or defer expenditure on projects in order to maintain cash at appropriate levels.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate, as the Directors believe the Group will be able to pay its debts when they fall due.

In forming this view, the Directors have considered:

- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds;
- Potential assets sales; and
- The ability to raise additional capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 Group not be able to continue as a going concern.

Should the Group be unsuccessful with the initiatives detailed above then, there is a material uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with amounts realised being different from those shown in the financial statement.

Historical cost convention

The consolidated financial report has been prepared on an accruals basis and is based on historical costs, with the exception of certain financial assets at fair value.

(a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the Consolidated Statement of Financial Position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Consolidated Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions or deductibility imposed by the law.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(c) Mineral Exploration and Evaluation and Development Expenditure

The Group, when acquiring exploration and evaluation assets will carry those projects at acquisition value in the Consolidated Statement of Financial Position, less any subsequent impairment.

All exploration and evaluation expenditure within an area of interest will be expensed until the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable, further expenditure is capitalised.

No amortisation is charged during the exploration and evaluation phase. Amortisation is charged on commencement of commercial production. Exploration and evaluation assets are tested for impairment annually or when there is an indication of impairment, until commercially viable material resources are established. Upon establishment of commercially viable mineral resources exploration and evaluation assets are tested for impairment when there is an indicator of impairment. Subsequently the assets are stated at cost less impairment provision.

(d) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation

The depreciation amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Furniture & Equipment	20% - 33%
Motor vehicle	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Consolidated Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(e) Impairment of Assets

At each reporting date, the Group reviews the carrying values of tangible assets and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Financial Instruments

The Group does not undertake any hedging or deal in derivative instruments.

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Measurement of Financial Assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories: financial assets at amortised cost; financial assets at fair value through profit or loss (FVTPL); debt instruments at fair value through other comprehensive income (FVTOCI); and equity instruments at FVTOCI. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. The Group has no financial assets at amortised cost, debt instruments at FVTOCI, or equity instruments at FVTOCI.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to estimate expected credit losses based on experience with similar debtors.

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Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(h) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest methods, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance amount (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance amount. Subsequent recoveries of amounts previously written off are credited against other expenses in profit and loss.

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(i) Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when the Group has satisfied the performance obligation in relevant contracts by transferring the promised asset to a customer with the customer obtaining control of the asset. Interest revenue is recognised using the effective interest method.

(j) Principles of Consolidation

Consolidated financial statements incorporate all of the assets, liabilities and results of the parent and of any subsidiaries. Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(k) Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Carbine Resources Limited's functional and presentation currency. The functional currency of every entity in the Group is Australian dollars, making policies regarding foreign exchange on intragroup balances immaterial.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(l) Earnings Per Share

Basic earnings per share

Basic earnings per share ("EPS") is calculated as net profit or loss attributable to ordinary shareholders of the Company divided by the weighted average number of shares outstanding during the period.

Diluted earnings per share

Diluted EPS earnings is calculated by adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather than the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing operations, and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

(m) Leases

Assets and liabilities are recognised for all leases with a term of more than 12 months unless the underlying asset is of low value or the lease is not for any specific identifiable asset.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Lease liabilities are valued at the net present value of the expected stream of committed lease payments. Lease payments are recognised as an interest expense to the extent that they represent interest on the outstanding lease liability. The Company currently has no leased assets or lease liability as the serviced office agreement does not specify or require fixed office locations, with staff offices moved at the discretion of the lessor, and the Company has no other agreements for the lease of identifiable assets.

(n) Share-Based Payment Transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The plans in place during the year or prior year to provide these benefits were the Employee Securities Incentive Plan and the Performance Rights Plan, both of which are detailed in note 17.

The cost of these equity-settled transactions with Directors and employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate option pricing model, with any market based vesting conditions reflected in this fair value.

In valuing equity-settled transactions, no account is taken of any performance based vesting conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No expense is recognised for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled before vesting, other than for failure to meet performance conditions, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Contributed Equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Business combinations

A business combination is a transaction or other event whereby an acquirer obtains control of a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. Such processes are systems, standards, conventions or rules that create outputs from inputs or have the ability to contribute to the creation of outputs. These processes include operational processes or the intellectual capacity of an organised workforce, but not mere administrative systems or historical information.

The Group may determine that a set of acquired assets, and any associated assumed liabilities, is not a business if substantially all the fair value of the gross assets acquired (net of cash and cash equivalents, deferred tax assets and goodwill from deferred tax liabilities) in a transaction is concentrated in a single identifiable asset or group of single identifiable assets.

(s) New and amended standards adopted by the company

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

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends various accounting standards from 1 January 2023 to remove requirements for disclosure of immaterial accounting policies and clarify treatment of accounting estimates. This has no effect on reported balances but has required the removal of immaterial accounting policy disclosures and has changed disclosures for material estimates.

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 from 1 January 2023 but will have no effect on reported balances unless the Group recognises deferred tax assets or liabilities.

New accounting standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Group has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(t) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Share based payments

The cost of any share-based payments to employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options granted is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of any performance rights granted is equal to the share price at the grant date, less any discount required to reflect any market based vesting conditions. Performance rights with performance based vesting conditions are expensed over expected vesting periods based on the board's best estimate of the number of Performance Rights expected to vest. The Group made no share based payments during the year. Refer to note 17 for further details.

Deferred taxation

No deferred tax assets or deferred tax liabilities are currently brought to account by the Company because there is insufficient certainty that the Company will derive sufficient future assessable income to enable any income tax benefits to be realised and comply with the conditions for assessable income or allowable deductions imposed by the law.

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Accounting treatment of acquisition of mineral exploration interests.

During 2023, the directors chose to capitalise the purchase consideration for the Bunbury Silica Sands Project via the acquisition of all the issued capital in Down South Silica Pty Ltd (DSS) as described in note 8. This is because the Group's accounting policy as disclosed in note 1(c) is to carry acquired exploration and evaluation assets at acquisition value in the Consolidated Statement of Financial Position, less any subsequent impairment. This acquisition value is reasonably the total purchase consideration for DSS as the acquisition is on an arm's length basis and the acquisition included no other assets acquired or liabilities assumed. This acquisition value does not include other costs of acquiring the assets, as such costs are fully expensed in accordance with the Group's accounting policy for exploration and evaluation assets.

The acquisition of the Bunbury Silica Sands Project via the acquisition of all the issued capital in DSS is treated as an asset acquisition, not as a business combination in accordance with the Group's accounting policy as disclosed in note 1(r).

Exploration and evaluation

All other acquisition costs and subsequent exploration and evaluation expenditure for areas of interest of the Company have been fully expensed.

(u) 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 of Carbine Resources Limited.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

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2. REVENUE, OTHER INCOME AND EXPENSES

	CONSOLIDATED	
	2023	2022
	\$	\$
(a) Revenue from continuing operations		
Interest revenue	59,459	26,340
Total revenue from continuing operations	59,459	26,340
(b) Employee, director and consultant expenses		
Superannuation expenses	(17,000)	(22,600)
Other expenses	(314,591)	(403,874)
Total employee, director and consultant expenses	(331,591)	(426,474)
(c) General and administration expenses		
Serviced office charge	(24,000)	(45,000)
Administration fees	(120,000)	(120,000)
Other expenses	(190,735)	(200,797)
Total general and administrative expenses	(434,735)	(365,797)

3. INCOME TAX

The components of income tax benefit/(expense) comprise:

	CONSOLIDATED	
	2023	2022
	\$	\$
Current tax	-	-
Deferred tax	-	-
Income tax benefit/(expense) reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-

The prima facie tax on (loss) before income tax is reconciled to the income tax as follows:

Accounting loss before income tax	(1,292,389)	(1,488,095)
Amount calculated on the domestic rates applicable to profits or losses in the countries concerned at the Company's weighted average effective rate of 25%. (2022: 25%)	(323,097)	(372,024)
Temporary differences	(32,410)	(18,590)
Tax effect of expenses that are never deductible for tax purposes	70,268	1,513
Unrecognised DTA losses	285,239	389,101
Income tax attributable to the Company	-	-
Tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1(b) occur	7,400,355	7,185,289

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3. INCOME TAX (continued)

	CONSOLIDATED	
	2023	2022
	\$	\$
Deferred tax assets/(losses)		
- temporary differences	120,101	141,267
- tax losses (operating losses)	4,629,002	4,392,770
- tax losses (capital losses)	2,651,252	2,651,252
	<u>7,400,355</u>	<u>7,185,289</u>

Deferred tax assets have not been recognised as it is not considered probable at this stage that they will be recovered. The statutory income tax rate within Australia is 25% (2022: 25%). The expected tax rate for 2023 of 25% is used based on presuming that the Group will not exceed the aggregate turnover threshold required to use this tax rate, otherwise the general company tax rate of 30% will apply.

This reconciliation is based on Carbine and its subsidiary remaining unconsolidated for tax purposes, with subsidiaries Ausco and DSS (see note 8) continuing to satisfy the same or similar business test from acquisition, and the Company continuing to satisfy the continuity of ownership test.

4. CASH AND CASH EQUIVALENTS

Reconciliation of Cash

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

	CONSOLIDATED	
	2023	2022
	\$	\$
Cash at bank	1,267,957	2,343,305
	<u>1,267,957</u>	<u>2,343,305</u>

The effective interest rate on short term bank deposits was 3.60% (2022: 2.51%)

The Group's exposure to interest rate risk is discussed at note 19. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents mentioned above.

5. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2023	2022
	\$	\$
Net GST refundable	3,386	6,817
Other receivable	6,713	2,151
	<u>10,099</u>	<u>8,968</u>

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the total mentioned above. Further details on the Company's risk management policy can be found at note 19.

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6. OTHER CURRENT ASSETS

	CONSOLIDATED	
	2023	2022
	\$	\$
Prepayments	16,916	13,578
	<u>16,916</u>	<u>13,578</u>

7. PLANT AND EQUIPMENT

	Motor vehicle	CONSOLIDATED Furniture & equipment	Total
	\$	\$	\$
Year ended 31 December 2023			
Opening net book value	3,134	1,423	4,557
Additions	-	-	-
Depreciation charge for the year	(2,091)	(1,014)	(3,105)
Closing net book value	<u>1,043</u>	<u>409</u>	<u>1,452</u>
At 31 December 2023			
Cost	6,203	3,044	9,247
Accumulated depreciation and impairment	(5,160)	(2,635)	(7,795)
Net book value	<u>1,043</u>	<u>409</u>	<u>1,452</u>
Year ended 31 December 2022			
Opening net book value	12,653	2,437	15,090
Additions	-	-	-
Depreciation charge for the year	(2,093)	(1,014)	(3,107)
Disposals	(7,426)	-	(7,426)
Closing net book value	<u>3,134</u>	<u>1,423</u>	<u>4,557</u>
At 31 December 2022			
Cost	6,203	3,044	9,247
Accumulated depreciation and impairment	(3,069)	(1,621)	(4,690)
Net book value	<u>3,134</u>	<u>1,423</u>	<u>4,557</u>

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8. EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure – costs carried forward in respect of areas of interest:

	CONSOLIDATED	
	2023	2022
	\$	\$
Carrying amount at beginning of year	7,413,829	7,413,829
Acquisition of Bunbury Silica Sand Project	1,007,521	-
Carrying amount at the end of year	8,421,350	7,413,829
Exploration and evaluation incurred	305,425	715,313
Exploration costs expensed	(305,425)	(715,313)
	-	-

On 26 May 2023, the Group completed the acquisition of Down South Silica Pty Ltd (DSS), which owns the Bunbury Silica Sands Project, with the following transactions and judgements:

- Issue of 71,965,794 fully paid ordinary shares to former DSS shareholders whom are all unrelated parties of the Group. The shares are valued at a total of \$1,007,521 based on an agreed value of \$0.014 per share in the acquisition agreement. No other acquisition costs have been capitalised because the Group's accounting policy is to capitalise acquisition values less any subsequent impairment. This acquisition was accounted for as an asset acquisition.
- A 1% net smelter royalty over all minerals extracted from the Down South Silica Sands Project.
- Following completion, the Company 100% owns and controls DSS which 100% owns and controls the Bunbury Silica Sands Project.

This acquisition was classified as an asset acquisition based on the judgements disclosed in note 1(t).

No impairment has been recognised for either project held, the Bunbury Silica Sands Project or the Muchea West Silica Sands Project, because the Group has ongoing rights to explore both projects, with ongoing planned substantive expenditure on exploration and evaluation, with no intention to discontinue either project, and no evidence exists that indicates development is likely to proceed but with less value than the book value of either project.

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9. FINANCIAL ASSETS

Non-current financial assets

	CONSOLIDATED	
	2023	2022
	\$	\$
Term deposit held as a security bond	50,000	50,000
Total non-current financial assets at fair value	50,000	50,000

All term deposits have been valued based on the balance of the term deposit, with any accrued interest receivable recognised in trade and other receivables.

There have been no transfers between measurement levels for financial instruments during the year and there are no financial assets held other than cash and cash equivalents, trade and other receivables, and this term deposit.

The Group's exposure to credit and interest rate risks related to financial assets is disclosed in note 19.

10. TRADE AND OTHER PAYABLES - CURRENT

	CONSOLIDATED	
	2023	2022
	\$	\$
Trade payables – unsecured	13,934	29,112
Other payables and accruals – unsecured	33,493	51,142
Total trade and other payables	47,427	80,254

Information about the Group's exposure to foreign exchange risk is provided in note 19.

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11. ISSUED CAPITAL

	2023		2022	
(a) Ordinary shares fully paid	No. of Shares	\$	No. of Shares	\$
Balance at beginning of year	479,771,962	39,922,037	479,771,962	39,922,037
Issue of shares in capital raising	-	-	-	-
Issue of shares in consideration for the DSS acquisition (see note 8)	71,965,794	1,007,521	-	-
Costs of capital raising	-	-	-	-
Balance at end of year	<u>551,737,756</u>	<u>40,929,558</u>	<u>479,771,962</u>	<u>39,922,037</u>

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share.

(b) Options

Options granted during 2021 and on issue at balance date are as follows. No options were issued, exercised or forfeited during 2023 or 2022.

Date and details of grant/exercise/forfeit	No. of Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (years)
Consideration Options granted and issued 14 July 2021	50,000,003	\$0.06	5.0
Facilitation Options granted and issued 14 July 2021	<u>25,000,000</u>	\$0.06	5.0
Balance at 31 December 2022	<u>75,000,003</u>	\$0.06	3.5
Balance at 31 December 2023	<u>75,000,003</u>	\$0.06	2.5

This table does not include the 30,000,000 share options that were granted but not issued as disclosed in note 17(b). Further details are disclosed in note 17(b). No other share options were granted during 2023 or 2022.

(c) Performance rights

Performance rights granted during the year or prior year and on issue at balance date are as follows.

No performance rights were issued, exercised or forfeited during the year or prior year, other than the 5,000,000 performance rights that ceased on 9 December 2022.

Date and details of grant/exercise/forfeit	No. of Performance rights	Weighted Average Exercise Price	Weighted Average Remaining contractual life (years)
Performance rights granted and issued 14 July 2021	10,000,000	-	5.0
Performance rights cancelled/ lapsed 9 December 2022	<u>(5,000,000)</u>	-	3.6
Balance at 31 December 2022	<u>5,000,000</u>	-	3.5
Balance at 31 December 2023	<u>5,000,000</u>	-	2.5

This table does not include the 20,000,000 performance rights that were granted but not issued as disclosed in note 17(b). Further details are disclosed in note 17(b). No other performance rights were granted during 2023 or 2022.

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12. EARNINGS PER SHARE

(a) Basic earnings per share

	CONSOLIDATED	
	2023	2022
	\$	\$
Basic (loss) per share (cents per share)	(0.25)	(0.31)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic (loss) per share	522,951,438	479,771,962
Net loss used in the calculation of basic (loss) per share	(1,292,389)	(1,488,095)

(b) Diluted earnings per share

	CONSOLIDATED	
	2023	2022
	\$	\$
Diluted (loss) per share (cents per share)	(0.25)	(0.31)
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted (loss) per share	522,951,438	479,771,962
Net (loss) used in the calculation of diluted (loss) per share	(1,292,389)	(1,488,095)

Due to the Group being in a loss position, options and performance rights are considered anti-dilutive and therefore earnings per share are not diluted by unexercised options or performance rights.

13. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2023	2022
	\$	\$
Remuneration as Auditor of the Company	36,887	36,418
	<u>36,887</u>	<u>36,418</u>

14. SEGMENT REPORTING

The Board of Directors, which is the chief operating decision maker, has determined the operating segment based on geographical location. The Group has one reportable segment: mineral exploration and evaluation in Australia.

The Australian segment incorporates the Group's mineral exploration and evaluation in Australia along with head office and treasury functions. Consequently financial information for the sole operating segment is identical to the information presented in these financial reports.

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15. RELATED PARTY TRANSACTIONS AND BALANCES

Kingslane Pty Ltd and associated entities (Kingslane) is a shareholder in the Company and held under 5% of ordinary shares in the Company throughout the current and preceding years. Entities controlled by Kingslane received \$18,000 during 2022 for office rent but had no transactions or balances payable in 2023.

Konkera Corporate received \$120,000 (2022: \$120,000) during the year for accounting and administrative services. Director fees of \$30,000 (2022: \$63,375) for Evan Cranston were also paid to Konkera Corporate.

Kingslane and Konkera Corporate are related parties of former Non-Executive Director, Evan Cranston.

All related party transactions are on normal arms' length terms.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following people have been designated as Key Management Personnel for the year:

- Mr Brett Grosvenor – Non-Executive Director (appointed 7 September 2023)
- Mr James Pearse – Non-Executive Director (appointed 27 June 2023)
- Mr Glenn Whiddon – Non-Executive Director (appointed 27 June 2023)
- Mr Peter Batten – Managing Director (resigned as Managing Director 30 August 2023) then Non-Executive Director (resigned 10 November 2023)
- Mr Evan Cranston – Non-Executive Director (ceased 31 May 2023)
- Ms Oonagh Malone – Non-Executive Director (ceased 31 May 2023) and Company Secretary

Remuneration by Category

Key Management Personnel

	CONSOLIDATED	
	2023	2022
	\$	\$
Short-term	344,408	424,481
Post-employment	17,000	22,600
Share-based payment	276,992	-
	<u>638,400</u>	<u>447,081</u>

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the year and no balance outstanding at year end.

Other transactions and balances with Key Management Personnel

There were no other transactions with Key Management Personnel, other than as disclosed in notes 15 and 17.

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17. SHARED BASED PAYMENTS

(a) Employee Securities Incentive Plan

On 31 May 2019, the Company received shareholder approval to establish the Employee Securities Incentive Plan (ESIP) under which the Company could issue equity securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company. Participation in the ESIP was at the discretion of the Board and no individual has or had a contractual right to participate in the plan or to receive any guaranteed benefits. The ESIP expired on 31 May 2022 and a new plan has not been approved by shareholders.

(b) Share-based payments agreed but unissued.

The following performance rights and options were agreed to be issued to each of the new directors James Pearse and Glenn Whiddon, pending shareholder approval that is to be sought at the next annual general meeting:

Class and Number	Issue Price	Vesting condition and exercise price
5,000,000 performance rights	Nil	Vesting on appointment as a Non-Executive Director
5,000,000 performance rights	Nil	Vesting on 12 months service as a Non-Executive Director
7,500,000 options expiring 14 July 2026	\$0.001	No vesting conditions and an exercise price of \$0.02 each
7,500,000 options expiring 14 July 2026	\$0.001	No vesting conditions and an exercise price of \$0.04 each

If the above equity securities are not approved, the Company will make cash payments equal to the greater of the value of the equity securities (using standard valuation techniques) at the time of the preparation of the notice of meeting for the annual general meeting; or the average cash salary of the managing director / chief executive officer for the last two years, or in the event that there is no managing director / chief executive officer appointed at the time of shareholder approval, then the industry average for a full time managing director / chief executive officer of a similar peer group of ASX-listed companies as determined by an executive recruitment firm. These share-based payments were granted on 27 June 2023 when they commenced their directorships.

These are classified as equity-settled share-based payments under Australian Accounting Standards because the Company's shareholders will have the choice whether to settle in cash or equity instruments, the Company has no past practice of settling in cash, and the potential choice to settle in equity instruments has commercial substance. Consequently, there are no adjustments to the valuations after the grant dates unless a cash alternative is paid.

Both tranches of performance rights are valued at the share price of \$0.011 per share on the grant date of 27 June 2023. This gives total values of:

- \$110,000 for the total of 10,000,000 performance rights vesting on appointment as non-executive director.
- \$110,000 for the total of 10,000,000 performance rights vesting on 12 months service as non-executive director.

Expenses of \$110,000 and \$56,202 have been recognised respectively during 2023 for the performance rights vesting on appointment and the performance rights vesting on 12 months service.

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17. SHARED BASED PAYMENTS (continued)

The options to be issued have been valued using the Black-Scholes model, a \$0.001 per option future issue price, no expected dividends, and the following parameters. These options to be issued have been fully expensed during the half-year as they vested on appointment. The future issue prices of \$0.001 per option has been deducted from the Black-Scholes value per option to reduce the value for each option by \$0.001, and reduce the combined total value by \$30,000 for 30,000,000 options at \$0.001 per option.

Number of Options	Exercise Price (\$)	Share Price at Grant Date (\$)	Expiry Date	Expected Term (years)	Annual Interest Rate	Volatility	Value per Option (\$)	Total Value (\$)
15,000,000	0.02	0.011	14 July 2026	3.047	3.91%	96%	0.004486	\$67,290
15,000,000	0.04	0.011	14 July 2026	3.047	3.91%	96%	0.002900	\$43,500

At 31 December 2023, the options to be issued had a weighted average exercise price of \$0.03 and a weighted average remaining term of 2.54 years

No other options were on issue, issued, granted, lapsed or converted during 2023 or 2022. No amount (2022: nil) has been expensed over the vesting period for options granted in previous years.

(c) Performance Rights on issue

On 14 July 2021, 5,000,000 Director Performance Rights were issued to each of former directors Peter Main and Peter Batten, for a total of 10,000,000 Performance Rights issued with the following tranches and market based vesting conditions. They each received 1,000,000 of each of the below tranches.

The Performance Rights were to vest in five equal tranches, subject to meeting the applicable vesting condition relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

Tranche No.	Performance Rights	Vesting condition
1	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.06
2	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.09
3	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.15
4	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.25
5	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.35

The total value of these Director Performance Rights of \$228,000 was expensed at the grant date in 2021 because the only vesting conditions were market based vesting conditions.

No other performance rights were on issue, issued, or converted during 2023 or 2022. No performance rights lapsed or ceased during 2022 or 2021 other than the 5,000,000 Performance Rights granted to Peter Main that ceased on 9 December 2022. There was no accounting adjustment following this cessation, or the board's decision to not cease Mr Batten's Performance Rights, because these performance rights only had market based vesting conditions when granted. No amount (2022: nil) has been expensed over the vesting period for performance rights granted in previous years.

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18. RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	CONSOLIDATED	
	2023	2022
	\$	\$
Loss after income tax	(1,292,389)	(1,488,095)
Add:		
- Depreciation	3,105	3,107
- Loss on disposal of plant and equipment	-	3,744
- Share based payments expensed	276,992	-
Deduct:		
Changes in assets and liabilities during the year:		
(Increase)/ decrease in other current assets	(3,338)	391,628
(Increase)/ decrease in trade and other receivables	(1,131)	60,044
(Decrease)/ increase in trade and other payables	(32,827)	3,417
(Decrease)/ increase in provisions	(25,760)	17,928
Net cash used in operations	<u>(1,075,348)</u>	<u>(1,008,227)</u>

During 2023, the Company issued \$1,007,521 worth of shares as the purchase consideration for DSS as disclosed in note 8. There were no other non-cash financing or investing activities during 2023 or 2022.

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19. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's principal financial instruments comprise cash, short-term deposits and trade creditors.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks as summarised below.

Financial Risk

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, foreign exchange risk, equity market risk and credit risk.

	CONSOLIDATED	
	2023	2022
	\$	\$
Financial Asset		
Cash and cash equivalents	1,267,957	2,343,305
	<u>1,267,957</u>	<u>2,343,305</u>
Other Current Financial Assets		
Trade and other receivables	10,099	8,968
	<u>10,099</u>	<u>8,968</u>
Non-Current Financial Assets		
Financial assets at fair value	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Financial Liabilities		
Trade and other payables	47,427	80,254
	<u>47,427</u>	<u>80,254</u>

Liquidity Risk and Liquidity Risk Management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

The Group does not have major funding in place. However, the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Group has access to a credit card facility totalling \$50,000. The credit card facility may be drawn at any time and may be terminated by the bank without notice. At 31 December 2023, \$49,192 (2022: \$49,764) of this facility was available for use.

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19. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk refers to the risk that counterparties will default on contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Banks and Financial Institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

2023	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Non-Interest Bearing \$	Total \$
Financial Assets					
Cash and cash equivalents	3.60	251,840	1,000,000	16,117	1,267,957
Receivables	-	-	-	10,099	10,099
Non current financial assets at fair value	5.00	-	50,000	-	50,000
Financial Liabilities					
Payables	-	-	-	(47,427)	(47,427)
Net Financial Assets	3.76	251,840	1,050,000	(21,211)	1,280,629

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19. FINANCIAL INSTRUMENTS (continued)

2022	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Non-Interest Bearing \$	Total \$
Financial Assets					
Cash and cash equivalents	2.51	834,079	1,500,000	9,226	2,343,305
Receivables	-	-	-	8,968	8,968
Non current financial assets at fair value	3.96	-	50,000	-	50,000
Financial Liabilities					
Payables	-	-	-	(80,254)	(80,254)
Net Financial Assets	2.61	834,079	1,550,000	(62,060)	2,322,019

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

2023	Carrying Amount \$	Profit \$	-1% Equity \$	Profit \$	1% Equity \$
Cash and cash equivalents	1,267,957	(12,518)	(12,518)	12,518	12,518
Trade receivables	10,099	-	-	-	-
Non-current financial assets at fair value	50,000	(500)	(500)	500	500
Trade and other payables	(47,427)	-	-	-	-
Total increase/(decrease)	1,280,629	(13,018)	(13,018)	13,018	13,018
2022	Carrying Amount \$	Profit \$	-1% Equity \$	Profit \$	1% Equity \$
Cash and cash equivalents	2,343,305	(23,341)	(23,341)	23,341	23,341
Trade receivables	8,968	-	-	-	-
Non-current financial assets at fair value	50,000	(500)	(500)	500	500
Trade and other payables	(80,254)	-	-	-	-
Total increase/(decrease)	2,322,019	(23,841)	(23,841)	23,841	23,841

19. FINANCIAL INSTRUMENTS (continued)

Price Risk

The Group is not directly exposed to any security price risk or commodity price risk. The Group has no financial instruments categorised by the following tiers, and no transfers between these tiers in 2023 or 2022.

Tier 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Tier 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Tier 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value Estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Unrecognised Financial Instruments

The Group does not have any unrecognised financial instruments.

Foreign exchange risk

The Group's only direct exposure to foreign exchange risk in 2023 and 2022 is limited to exposure to the currency fluctuations of United States Dollar (USD) denominated trade creditors. There were no foreign currency balances held at year end or at prior year end. Consequently, the Group had no exposure to foreign currency risk at the end of the year or at the end of the prior year.

Capital Management Risk

Capital is defined as the wealth owned or employed in the Group. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares and sell its financial assets held at fair value.

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20. RESERVES

Share-Based Payment Reserve

This reserve records the value of options and performance rights provided as payment for services received and assets acquired.

	CONSOLIDATED	
	2023	2022
	\$	\$
Movements		
Opening balance	4,601,558	4,601,558
10,000,000 performance rights vesting on directors' appointments*	110,000	-
10,000,000 performance rights vesting on 12 months of service*	56,202	
15,000,000 options vesting immediately with \$0.02 exercise price*	67,290	
15,000,000 options vesting immediately with \$0.04 exercise price*	43,500	-
Closing balance	<u>4,878,550</u>	<u>4,601,558</u>

* During 2023, performance rights and options were agreed to be issued to each of new directors James Pearce and Glenn Whiddon, pending shareholder approval that is to be sought at the next annual general meeting. Refer to Note 17(b) for their valuations.

The total amount expensed in 2023 of \$276,992 (2022: nil) was recognised as a share based payment.

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21. COMMITMENTS AND CONTINGENCIES

Commitments

The serviced office agreements did not create any lease because these did not specify or effectively enable fixed office locations. There were no related commitments at the end of the year or the prior year.

The administrative services agreement creates the following commitment:

	CONSOLIDATED	
	2023	2022
	\$	\$
Administrative services commitment		
Due within 1 year	60,000	120,000
Due greater than 1 year and less than 5	-	7,233
Total	60,000	127,233

The executive service agreement created the following commitment:

Executive services commitment		
Due within 1 year	-	66,300
Due greater than 1 year and less than 5	-	-
Total	-	66,300

The Group had the following outstanding minimum exploration expenditure commitments:

Exploration expenditure commitment		
Due within 1 year	17,440	-
Due greater than 1 year and less than 5	-	-
Total	17,440	-

Contingent liability

The Group has royalties payable of \$0.75 per tonne of silica, other sand or minerals extracted from the Muchea West Silica Sands Project, and a 1% net smelter royalty payable over all minerals extracted from the Down South Silica Sands Project.

Access by the Group to parts of the Muchea West Silica Sands Project that encroach upon the Muchea Air Weapons Range is permitted pursuant to an Access Deed with the Commonwealth of Australia, Department of Defence. This Access Deed may be terminated by the Commonwealth for a variety of reasons. The Company is not aware of any specific reason for the Department of Defence to terminate the Access Deed.

The Group has no other contingent liabilities.

22. SUBSEQUENT EVENTS

There were no other events subsequent to the end of the financial year ended 31 December 2023 which significantly affected or could significantly affect the operations of the Company in future financial years.

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23. CONTROLLED ENTITIES

Set out below is the Group's subsidiary at 31 December 2023. Subsidiaries listed below had share capital consisting solely of ordinary shares, that were fully held directly by the Company. All subsidiaries were incorporated in Australia and only traded in Australia.

	Country of Incorporation	Percentage Owned (%)	
		2023	2022
Subsidiaries of Carbine Resources Limited:			
Australian United Silica Corporation Pty Ltd ("Ausco")	Australia	100	100
Down South Silica Pty Ltd ("DSS")	Australia	100	-

On 26 May 2023, the Company completed the acquisition of Down South Silica Pty Ltd ("DSS"), which owns the Bunbury Silica Sands Project as disclosed in note 8.

24. PARENT ENTITY INFORMATION

The following detailed information is for the parent entity, Carbine Resources Limited at 31 December 2023. The information presented here has been prepared using consistent accounting policies as discussed in note 1.

	PARENT	
	2023	2022
	\$	\$
Current assets	1,293,672	2,362,465
Non-current assets	8,507,930	7,501,423
Total assets	9,801,602	9,863,888
Current liabilities	47,427	69,095
Non-current liabilities	-	-
Total liabilities	47,427	69,095
Contributed equity	40,929,558	39,922,037
Accumulated losses	(36,053,933)	(34,728,802)
Share based payment reserve	4,878,550	4,601,558
Total equity	9,754,175	9,794,793
Loss for the year	(1,325,131)	(1,005,809)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(1,325,131)	(1,005,809)

Non-current assets included \$8,457,521 of investments in subsidiaries (2022: \$7,450,000) and fully impaired loans to subsidiaries totalling \$1,419,910 (2022: \$946,754).

Guarantees

There are no guarantees entered into by the parent entity in the financial year ended 31 December 2023 in relation to the debt of a subsidiary.

Contingent liabilities

There are no contingent liabilities of the Company or the Group other than as detailed in note 21.

DIRECTORS' DECLARATION

The Directors of Carbine Resources Limited declare that:

1. The consolidated financial statements comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and the accompanying notes, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the Group.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations as required by section 295A.

Signed in accordance with a resolution of the Directors.



Mr James Pearce
Non-Executive Director

Dated at Perth this 28th day of March, 2024



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28 March 2024

Board of Directors
Carbine Resources Limited
Suite 23, 513 Hay Street
SUBIACO WA 6008

Dear Directors

RE: CARBINE RESOURCES 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 Carbine Resources Limited.

As the Audit Director for the audit of the financial statements of Carbine Resources Limited for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Eliya Mwale
Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CARBINE RESOURCES LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Carbine Resources Limited ("the Company") and its controlled entities ("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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. On 31 December 2023 the Group had cash and cash equivalents totalling \$1,267,957, incurred a net loss after tax for the year of \$1,292,389 and incurred net cash outflows from operating activities of \$1,075,348. These matters, and other matters disclosed in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to continue operations is dependent on the directors raising additional funding either through the issue of further shares or sale of assets, relinquish or defer expenditure on projects or a combination of these activities.

Our opinion is not modified.

Key Audit Matters

We have defined the matters described below to be the key audit matters to be communicated in our report. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p>Carrying Value of Exploration and Evaluation Expenditure (refer to Note 1(c) and Note 8)</p> <p>As at 31 December 2023, Capitalised Exploration and Evaluation expenditure totals \$8,421,,350 comprising acquisition costs (<i>Refer to Note 1(c) and note 8 to the financial report</i>).</p> <p>The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ The significance of the total balance (86% of total assets); and ▪ The necessity to assess management's application of the requirements of the accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"), in light of any indicators of impairment that may be presented. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> Assessed the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; Testing additions to capitalised exploration and evaluation expenditure, ensuring that acquisition costs are capitalised in accordance with the Group's accounting policy (note 1(c)); Reviewed the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators and the stage of the Group's projects against AASB 6; Evaluated the Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: <ul style="list-style-type: none"> ▪ Minutes of the board and management; and ▪ Announcements made by the Group to the Australian Securities Exchange; and Evaluated the adequacy of disclosures in the consolidated financial statements in accordance with the relevant accounting standards.

Key Audit Matters
How the matter was addressed in the audit
Share based payments – unlisted options and performance rights (refer to Note 1(n) and Notes 17 and 20)

As referred to in Notes 17 and 20, to the consolidated financial statements, the Company awarded 10,000,000 performance rights and 15,000,000 unlisted options to each of the two new Directors. The total fair value recognised as share based payments amounted to \$276,992. The Company accounted for these options and performance rights in accordance with the accounting standard AASB 2: *Share-based Payment* (AASB 2).

Measurement of share-based payments was a key audit matter due to the complex and judgmental estimates used in determining the fair value of the share-based payments.

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the underlying transactions, reviewing agreements, minutes of the Board meeting and ASX announcements;
- ii. Verifying the inputs and examining the assumptions used in the Group's valuation of unlisted options, being the share price at grant date, volatility, risk-free rate, time to maturity (expected life) and grant date;
- iii. Assessing the fair value of the calculation through re-performance using appropriate inputs, including valuation of the performance rights;
- iv. Assessing the accounting treatment and its application in accordance with AASB 2; and
- v. Assessing the accuracy of the share-based payments expense and the adequacy of disclosures made by the Group in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Carbine Resources Limited for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Eliya Mwale

Eliya Mwale
Director

West Perth, Western Australia
28 March 2024

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2023 (reporting period).

Board Composition

The skills, experience and expertise relevant to the position of each Director in office for the year and their term of office are detailed in the Directors' report.

When determining the independent status of a Director, the Board used the Guidelines detailed in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and has identified a director's independence in the Directors' Report.

Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

Compliance with ASX Recommendations

Recommendation	Current Practice
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <p>(a) The respective roles and responsibilities of its board and management; and</p> <p>(b) Those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review at www.carbineresources.com.au</p>
<p>1.2 A listed entity should:</p> <p>(a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Company has implemented a policy of undertaking the appropriate checks on all senior employees and directors before appointment or putting to shareholders for election.</p> <p>The Company provides all relevant information on all directors in its annual report and in the relevant notice of meeting when seeking election or re-election of a director.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.</p>	<p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company's organisation chart reflects the position of the Company Secretary within the Company structure in compliance with the recommendation. During part of the reporting period, the Company Secretary was also a Non-Executive Director following the resignation of Peter Main in October 2022, however, still remained accountable to the Board. From 31 May 2023, the Company Secretary was no longer a Non-Executive Director and remains accountable to the Board as a whole as there is no nominated chair.</p>
<p>1.5 A listed entity should:</p> <p>(a) Have and disclose a diversity policy;</p> <p>(b) Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) Disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> 1) the measurable objectives set for that period to achieve gender diversity; 2) the entity's progress towards achieving those objectives; and 3) either: 	<p>The Company has adopted a formal Gender Diversity Policy, a summary of which is provided above.</p> <p>Given the current status of the Company, the Company has not set measurable objectives for diversity.</p> <p>As at 31 December 2023 and as at the date of this report:</p> <ul style="list-style-type: none"> • The Board comprises three members, all of whom are male. • The senior executives comprises four people (defined by the Board as the directors and other key management personnel), three of whom are male and one female.

	<p>A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>B. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<ul style="list-style-type: none"> The whole organisation comprises five people, four of whom are male and one female.
1.6	<p>A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board Performance Evaluation Policy is available at www.carbineresources.com.au</p> <p>Due to the change in personnel during the reporting period, no evaluations were undertaken.</p>
1.7	<p>A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Due to the change in personnel during the reporting period, no evaluations were undertaken.</p>
2.1	<p>The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director; and disclose: the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or <p>(b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience,</p>	<p>The Board considers that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee.</p>

	independence and diversity to enable it to discharge its duties and responsibilities effectively.	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The current Board is comprised of directors with a strong background in geological and mining experience, corporate and commercial expertise and company administration which is appropriate for the current status of the Company. As the Company develops it will continue to evaluate the skills and diversity required for the Board and develop a matrix reflecting this to enable recruitment accordingly.
2.3	A listed entity should disclose: <ul style="list-style-type: none"> (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director. 	<p>All of the current Directors are considered to be independent.</p> <p>The length of service of each director is noted in the Director's Report.</p>
2.4	A majority of the board of a listed entity should be independent directors.	The Company complies with this recommendation with all Directors considered to be independent.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	There is no appointed chair of the Board.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.	<p>The Company has an induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company.</p> <p>The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.</p>
3.1	A listed entity should articulate and disclose its values.	<p>The Company is committed to doing business based on its values of integrity, honesty and accountability.</p> <p>The Board has adopted a Code of Conduct, Securities Trading Policy, Social Media Policy, Whistleblower Policy, Continuous Disclosure Policy and Shareholder Communication Policy which detail frameworks for acceptable corporate behaviour.</p>

<p>3.2 A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>The Company's Code of Conduct is available at www.carbineresources.com.au</p> <p>It is a requirement of the Board that it is informed of any material breaches, none of which occurred during the reporting period.</p>
<p>3.3 A listed entity should:</p> <p>(a) Have and disclose a whistleblower policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>The Company's Whistleblower Policy is available at www.carbineresources.com.au.</p> <p>It is a requirement of the Board that it is informed of any material incidents, none of which occurred during the reporting period.</p>
<p>3.4 A listed entity should:</p> <p>(a) Have and disclose a an anti-bribery and corruption policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>The Company has an Anti-Bribery and Corruption Policy which is available on the Company's website.</p>
<p>4.1 The board of a listed entity should:</p> <p>(a) Have an audit committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the chair of the board; <p>and disclose:</p> <ol style="list-style-type: none"> 3) the charter of the committee; 4) the relevant qualifications and experience of the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or <p>(b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Company does not have an audit committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfils the duties of the audit committee and abides by the adopted Audit Committee Charter (available at www.carbineresources.com.au).</p> <p>The Directors require that they receive reports regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> <p>The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.</p>

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.	The Board receives a section 295A declaration from the equivalent of the CEO and CFO for the half yearly and full year report as part of the approval process for these reports.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	The Board receives fortnightly updates regarding the financial position of the Company which allows the Directors to assess the integrity of unaudited periodic reports such as the quarterly cash flow reports.
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at www.carbineresources.com.au .
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Board approves all material market announcements made by the Company prior to release to the ASX and is notified once release has occurred.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company complies with this recommendation.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation and all relevant information can be found at www.carbineresources.com.au .
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes by lodgement of a proxy form. The Company has implemented an online voting system to further encourage participation by shareholders.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.	The Company puts all resolutions at shareholder meetings to a poll.

6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods.
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company does not have a risk committee due to the current size of the Board and Company. The Company has adopted a policy whereby the full Board, including Executive Directors, fulfil the duties of the risk committee and abides by the adopted Risk Management Policy (available on the Company's website).</p> <p>The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	The Board reviews its risk management strategy annually and considers it to be sound.
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company does not currently have any material exposure to any economic, environmental and social sustainability risks.

<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee.</p> <p>The Board considers industry peers when evaluating the remuneration for all directors and executives. The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.</p>
<p>8.2 A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company discloses its policies on remuneration in the Remuneration Report set out in its annual report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company recognises that Directors, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at the Company's website, www.carbineresources.com.au) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p>

ASX ADDITIONAL INFORMATION

The following information is based on share registry information processed up to and including 19 March 2024.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares in the Company is:

Holding Range	Number of Holders	Total Units	% Issued Share Capital
1 – 1,000	48	7,948	0.00%
1,001 – 5,000	93	277,398	0.05%
5,001 – 10,000	110	864,921	0.16%
10,001 – 100,000	518	23,761,261	4.31%
100,001 and over	299	526,826,228	95.48%
Total	1,068	551,737,756	100.00%

There are 718 holders of unmarketable parcels comprising a total of 19,811,528 ordinary shares.

Carbine Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. The Company is listed on the Australian Securities Exchange under the code CRB. The home exchange is Perth.

There are 551,737,756 ordinary fully paid shares currently listed on the ASX of which 71,965,794 are currently subject to voluntary escrow until 26 May 2024.

There is no current on-market buy-back.

Voting Rights – Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Substantial Shareholders

The following substantial shareholder notices have been provided to the Company:

Shareholder	Relevant Interest
Wendy Carolyn Coombe Hogan	50,000,000
Mr Robert Jewson	35,982,897
Mr Peter Gianni	35,982,897
Sivagami Selvakumar	26,666,667

Twenty Largest Holders of Quoted Shares

	Shareholder	Number Held	% of Issued Shares
1	Mr Peter Romeo Gianni	35,982,897	6.52%
2	Mr Robert Andrew Jewson	35,982,897	6.52%
3	Mrs Sivagami Selvakumar	26,666,667	4.83%
4	Wendy Carolyn Coombe Hogan	25,500,000	4.62%
5	Investment Securities Nominees Pty Ltd <Accumulation A/C>	24,500,000	4.44%
6	Triplestar Capital Pte Ltd	18,666,660	3.38%
7	Pinghua Liu	16,666,667	3.02%
8	GR Engineering Services Limited	14,298,053	2.59%
9	Mr Graeme John Clatworthy <Clatworthy Family No 1 A/C>	13,398,434	2.43%
10	Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	13,035,131	2.36%
11	Mr Paul Joseph Browne	13,000,000	2.36%
12	Icerig Nominees Pty Ltd	10,000,000	1.81%
13	Bond Street Custodians Limited <Trylan – D83486 A/C>	9,722,459	1.76%
14	Mr Bradley Keith Moir	7,894,619	1.43%
15	BT Portfolio Services Ltd <Cranston S/F A/C>	6,750,000	1.22%
16	BT Portfolio Services Ltd <Cranston Super Fund A/C>	6,730,874	1.22%
17	Bonneville Investments Pty Ltd ATF Bonneville Investments Trust	6,000,000	1.09%
18	Tirumi Pty Ltd <Tirumi Super Fund A/C>	5,787,231	1.05%
19	Kobia Holdings Pty Ltd	5,451,667	0.99%
20	Osiris Investments Pty Ltd <G J Clatworthy SF A/C >	5,100,000	0.92%
Total		301,134,256	54.58%

Unquoted Equity Securities

Quantity	Class	Number of Holders
75,000,003	Options exercisable at \$0.06 each on or before 14 July 2026	7
1,000,000	Performance rights vesting on 5 day VWAP of \$0.06	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.09	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.15	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.25	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.35	1

Holders of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Number
Options exercisable at \$0.06 each on or before 14 July 2026	Golden Triangle Capital P/L <Gt3 A/C>	25,000,000
Performance rights vesting on 5 day VWAP of \$0.06	Mr Peter John Robert Batten	1,000,000
Performance rights vesting on 5 day VWAP of \$0.09	Mr Peter John Robert Batten	1,000,000
Performance rights vesting on 5 day VWAP of \$0.15	Mr Peter John Robert Batten	1,000,000
Performance rights vesting on 5 day VWAP of \$0.25	Mr Peter John Robert Batten	1,000,000
Performance rights vesting on 5 day VWAP of \$0.35	Mr Peter John Robert Batten	1,000,000

Schedule of Mining Tenements

Project	Licence Number	Location	Interest
Muchea West Silica Sands Project	E70/4905	Western Australia	100%
Muchea West Silica Sands Project	MLA70/1422	Western Australia	100%
Muchea West Silica Sands Project	E70/6450*	Western Australia	100%
Muchea West Silica Sands Project	E70/6451*	Western Australia	100%
Muchea West Silica Sands Project	E70/6452*	Western Australia	100%
Muchea West Silica Sands Project	E70/6453*	Western Australia	100%
Down South Silica Project	E70/5823	Western Australia	100%
Down South Silica Project	E70/6414	Western Australia	100%
Down South Silica Project	E70/6415	Western Australia	100%

The Company has the right to a 100% beneficial interest in the tenement applications marked with * above following an agreement with NXT1 Pty Ltd.

Company Secretary

Ms Oonagh Malone

Registered Office

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Telephone: (08) 6142 0986

Share Registry

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