

Piche Resources Limited

ABN 57 659 161 412

Interim Financial Report - 31 December 2023

Piche Resources Limited

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31 December 2023

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Piche Resources Limited
Directors' report
31 December 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Piche Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of Piche Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

John Simpson
Stephen Mann
Stan Macdonald
Clark Beyer
Pablo Marcet - appointed 7 March 2024

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to \$608,543 (31 December 2022: \$542,833).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 12 January 2024, 14,125,002 fully paid ordinary shares were issued at \$0.15 each raising \$2,118,750 before costs, together with a 1:2 free attaching option at an exercise price of \$0.25 each expiring on or before 2 May 2027. As at 31 December 2023 \$2,104,235 funds had already been received see note 6.

On 7 March 2024 Mr Pablo Marcet was appointed as a Director. On 11 March 2024, 833,333 fully paid ordinary shares, 583,333 Class A, 583,333 Class B, and 583,333 Class C options were issued to Director Mr Pablo Marcet and a consultant.

On 2 April 2024, the Company issued 1,500,000 options at an exercise price of \$0.25, \$0.35 and \$0.45 respectively expiring on 2 May 2027 to a number of consultants.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



John Simpson
Chairman

18 April 2024

Piche Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$	Unaudited 31 Dec 2022 \$
Revenue			
Other income	3	16,445	6,104
Expenses			
Corporate and administration expenses	4	(107,165)	(62,302)
Exploration and evaluation expenditure		(196,731)	(223,336)
Employee benefits expense		(319,955)	(263,299)
Depreciation and amortisation expense		(737)	-
Finance costs		(400)	-
Loss before income tax expense		(608,543)	(542,833)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Piche Resources Limited		(608,543)	(542,833)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		12,974	-
Other comprehensive income for the half-year, net of tax		12,974	-
Total comprehensive loss for the half-year attributable to the owners of Piche Resources Limited		(595,569)	(542,833)

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

Piche Resources Limited
Consolidated statement of financial position
As at 31 December 2023

	Note	31 Dec 2023	30 June 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,497,817	1,028,173
Trade and other receivables		41,194	19,173
Total current assets		2,539,011	1,047,346
Non-current assets			
Property, plant and equipment	5	63,823	-
Total non-current assets		63,823	-
Total assets		2,602,834	1,047,346
Liabilities			
Current liabilities			
Trade and other payables		270,894	224,072
Other liabilities	6	2,104,235	-
Total current liabilities		2,375,129	224,072
Total liabilities		2,375,129	224,072
Net assets		227,705	823,274
Equity			
Issued capital	7	2,031,620	2,031,620
Reserves		15,827	2,853
Accumulated losses		(1,819,742)	(1,211,199)
Total equity		227,705	823,274

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

Piche Resources Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 3 May 2022	-	-	-	-
Loss after income tax expense for the half-year	-	-	(542,833)	(542,833)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(542,833)	(542,833)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,300	-	-	3,300
Unaudited balance at 31 December 2022	3,300	-	(542,833)	(539,533)

	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	2,031,620	2,853	(1,211,199)	823,274
Loss after income tax expense for the half-year	-	-	(608,543)	(608,543)
Other comprehensive income for the half-year, net of tax	-	12,974	-	12,974
Total comprehensive income/(loss) for the half-year	-	12,974	(608,543)	(595,569)
Balance at 31 December 2023	2,031,620	15,827	(1,819,742)	227,705

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

Piche Resources Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$	Unaudited 31 Dec 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees for administration activities		(391,033)	(69,553)
Payments for exploration activities		(196,732)	(223,337)
Interest received		4,760	6,810
Net cash used in operating activities		(583,005)	(286,080)
Cash flows from investing activities			
Payments for property, plant and equipment	5	(64,560)	-
Net cash used in investing activities		(64,560)	-
Cash flows from financing activities			
Proceeds from issue of shares	7	-	2,097,420
Proceeds from share issued in advance	6	2,104,235	-
Share issue transaction costs		-	(69,100)
Net cash from financing activities		2,104,235	2,028,320
Net increase in cash and cash equivalents		1,456,670	1,742,240
Cash and cash equivalents at the beginning of the financial half-year		1,028,173	-
Effects of exchange rate changes on cash and cash equivalents		12,974	-
Cash and cash equivalents at the end of the financial half-year		2,497,817	1,742,240

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

Piche Resources Limited
Notes to the consolidated financial statements
31 December 2023

Note 1. General information

The financial statements cover Piche Resources Limited as a Group consisting of Piche Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Piche Resources Limited's functional and presentation currency.

Piche Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
 225 St Georges Terrace
 PERTH WA 6000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 18 April 2024.

Note 2. Material accounting policy information

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements have been prepared under the historical cost convention.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Material accounting policy information (continued)

Going concern

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

As disclosed in the financial statements, the Group reported a net loss of \$608,543 (December 2022: net loss \$542,833) and net operating cash outflows of \$583,005 (December 2022: outflow \$286,080). As at 31 December 2023, the Group had a cash and cash equivalents balance, of \$2,497,817 (30 June 2023: \$1,028,173).

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Management have prepared a cash flow forecast for the period ending 12 months from the date of this report. Based on the forecast, the directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- there is sufficient cash available at balance date for the Group to continue operating;
- the Directors do not consider there are any valid reasons as to why future capital funding will not be available and remain confident that sufficient funding will be obtained when required; and
- the Directors can reduce expenditure to manage cash reserves if required.

Should the Group be unable to raise capital to reduce its expenditure, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

The Company is finalising an Initial Public Offering (IPO) to raise a minimum of \$10m, with a proposed prospectus lodged in April 2024.

Note 3. Other income

	31 Dec 2023	Unaudited 31 Dec 2022
	\$	\$
Interest received	4,760	6,810
Foreign exchange gain	443	(706)
Inflation adjustment	11,242	-
Other income	16,445	6,104

Note 4. Corporate and administration expenses

	31 Dec 2023 \$	Unaudited 31 Dec 2022 \$
Share registry and compliance	3,030	1,267
Consultants	40,887	40,950
Legal fees	9,519	4,225
Audit fees	15,060	-
Insurance	14,528	12,806
Travel, accommodation and conferences	7,699	136
Other	16,442	2,918
	107,165	62,302

Note 5. Non-current assets - property, plant and equipment

	31 Dec 2023 \$	30 June 2023 \$
Plant and equipment - at cost	56,989	-
Less: Accumulated depreciation	(311)	-
	56,678	-
Office equipment - at cost	7,571	-
Less: Accumulated depreciation	(426)	-
	7,145	-
	63,823	-

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Plant and equipment \$	Office equipment \$	Total \$
Balance at 1 July 2023	-	-	-
Additions	56,989	7,571	64,560
Depreciation expense	(311)	(426)	(737)
Balance at 31 December 2023	56,678	7,145	63,823

Note 6. Current liabilities - other liabilities

	31 Dec 2023 \$	30 June 2023 \$
Shares paid in advance	2,104,235	-

On 12 January 2024, 14,125,002 fully paid ordinary shares were issued at \$0.15 each raising \$2,118,750 before costs, together with a 1:2 free attaching option at an exercise price of \$0.25 each expiring on or before 2 May 2027. As at 31 December 2023 \$2,104,235 funds had already been received.

Note 7. Equity - issued capital

	31 Dec 2023 Shares	30 June 2023 Shares	31 Dec 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	58,170,000	58,170,000	2,031,620	2,031,620

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	33,000,000		3,300
Capital Issued	31 October 2022	4,200,000	\$0.0001	420
Seed Capital	10 November 2022	20,970,000	\$0.1000	2,097,000
Less: Costs of capital raising				(69,100)
Balance	30 June 2023	58,170,000		2,031,620
Balance	31 December 2023	58,170,000		2,031,620

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 8. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 9. Contingent liabilities

During July 2022, Piche Mining and Creekwood Nominees Pty Ltd (an entity associated with director Stan Macdonald) entered into a share sale and purchase agreement pursuant to which Piche Mining acquired 100% of the issued share capital of South Coast Minerals Pty Ltd (*South Coast Minerals*), with completion occurring in February 2023. South Coast Minerals is the holder of five exploration licences located in Western Australia.

The Company's wholly owned subsidiary Piche Mining entered into a Facilitators' Royalty Deed Creekwood Nominees Pty Ltd (an entity associated with Director Stanley Macdonald), Tracy Mann (the spouse of Director Stephen Mann) and Director John Simpson (together, the Facilitators).

Under the Royalty Deed, Piche Mining grants the Facilitators a 1.5% net smelter return royalty (0.5% for each Facilitator) in relation to any metals derived from the tenements owned by South Coast Minerals and a number of the tenements that Piche Argentina holds.

Note 10. Events after the reporting period

On 12 January 2024, 14,125,002 fully paid ordinary shares were issued at \$0.15 each raising \$2,118,750 before costs, together with a 1:2 free attaching option at an exercise price of \$0.25 each expiring on or before 2 May 2027. As at 31 December 2023 \$2,104,235 funds had already been received see note 6.

On 7 March 2024 Mr Pablo Marcet was appointed as a Director. On 11 March 2024, 833,333 fully paid ordinary shares, 583,333 Class A, 583,333 Class B, and 583,333 Class C options were issued to Director Mr Pablo Marcet and a consultant.

On 2 April 2024, the Company issued 1,500,000 options at an exercise price of \$0.25, \$0.35 and \$0.45 respectively expiring on 2 May 2027 to a number of consultants.

Note 10. Events after the reporting period (continued)

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Piche Resources Limited
Directors' declaration
31 December 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



John Simpson
Chairman

18 April 2024

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Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF PICHE RESOURCES LIMITED

As lead auditor for the review of Piche Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Piche Resources Limited and the entities it controlled during the period.

Jackson Wheeler

Director

BDO Audit Pty Ltd

Perth

18 April 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Piche Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Piche Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply 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 half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Other matter

The corresponding figures for the period ended 31 December 2022 have not been reviewed.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

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

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

BDO Audit Pty Ltd



Jackson Wheeler

Director

Perth, 18 April 2024