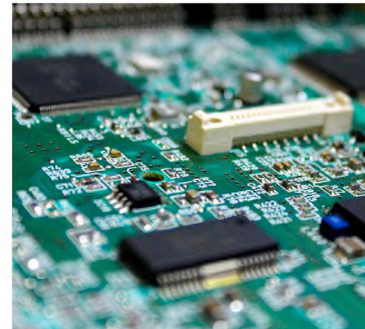
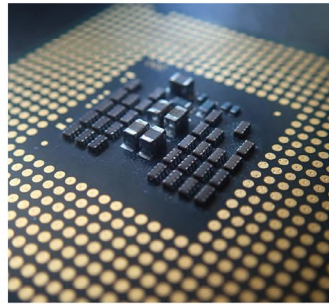


ALLUP SILICA



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ANNUAL REPORT

For the Year Ending 30 June 2024

Allup Silica Limited

ABN 47 163 173 224

Unit A8
435 Roberts Road
Subiaco WA 6008
T: 1300 SILICA
E: team@allupsilica.com



CHAIRMAN'S LETTER

Dear Shareholder,

Welcome to the 2024 Annual Report for Allup Silica Limited (ASX: APS). While the last year has been challenging for our sector, our recent announcement regarding the acquisition of the McLaren Valuable Heavy Mineral Sands Project in WA gives us a renewed focus and enthusiasm for what lies ahead for our Company.

This exciting acquisition in the western side of the Eucla Basin, WA, is a brilliant opportunity for the company due to its proximity to established infrastructure and accessibility to Esperance Port. In addition, the previous operator had invested \$13 million over a number of years to define an indicated and inferred 280 million tonne, 4.8% heavy mineral resource*. In making this acquisition and taking on the McLaren Project, we will have an approximately 10-year head start due to the prior work that has been performed at this target. We will be submitting samples for metallurgical testwork and have more drilling planned. It is expected that the Pre-Feasibility Study will commence soon, which we are confident will progress to a Bankable Feasibility Study very quickly.

Although our previous focus has been on silica sands, an HMS project is a good complement to our current portfolio as it still involves at surface mining and complementary transport logistics. Further, the commodity price of ilmenite sand is currently more than US\$300per tonne, making the project highly attractive from an economics point of view.

Prior to this acquisition, we continued exploration at our three key WA silica projects, Sparkler, Pink Bark and Cabbage Spot through 2024. While we have made progress against our strategic goals, it was slower and less rewarding than we would have ideally liked.

Results from the Pink Bark Drilling Program, performed in late 2023, revealed a surprising and significant kaolin exploration target. Although we originally set out to explore and develop this project for silica sand, we have now decided to extend our drilling program to test for kaolin clay to capitalise on this new opportunity.

Thank you to all of our management team and employees for their efforts at Allup Silica in the past year.

Thank you also to our shareholders for your continued support. We will keep you updated on our progress and very much look forward to building a strong team and achieving an operational black sand mine in the next year or two while we pursue our existing projects.

Yours Sincerely

Campbell Smyth

Chairman

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Review of Operations

HIGHLIGHTS:

Acquisition of McLaren Valuable Heavy Mineral Sands (VHMS) Project, WA (post year-end)

- Allup acquired 100% of McLaren VHMS Project in the western side of the Eucla Basin, WA.
- McLaren has an indicated and inferred JORC Resource (2012) of 280Mt @ 4.8% Heavy Mineral near surface. (refer to ASX announcement 5/8/2024)
- Project comprises 333km² of tenements, 150km east of Norseman in the mining-friendly jurisdiction of Western Australia.
- Placement of \$360,000 to raise working capital.

Sparkler Silica Sand Project, WA

- Bulk sample testwork complete by CDE Global meets and exceeds industry standards for high-purity applications including photovoltaics and high-tech manufacturing.
- SiO₂ content beneficiated to 99.84% without the need for magnetic separation, underscoring the sands' value and applicability in specialised industries.
- Effective reduction of key contaminants Fe₂O₃, Al₂O₃ and TiO₂ with conventional silica sand processing techniques.

Pink Bark Silica Sand Project, WA

- A kaolin exploration target estimated from drilling at the Pink Bark silica sand deposit, Esperance, WA.
- Kaolin thickness ranged from 5m to 20m+ over an area of ~69km².
- Eight kaolin composite samples were initially collected and analysed for kaolin quality using XRF methods.
- Composite samples have been submitted to IMO for Kaolin and silica characterisation.

Cabbage Spot Silica Sand Project, WA

- Latest round of sampling has identified multiple large areas of High Purity Silica Sand (HPSS).
- Results from 43 surface samples have returned **SiO₂ grades greater than 98%, with an average grade of 98.6%**.
- Best result returned an in-situ grade of 99.4% SiO₂.
- Beneficiation testwork is underway to determine the processing route and processed grades and identify the potential of Cabbage Spot silica sand for high-tech and photovoltaic applications.
- Assays indicated the presence of iron on a number of samples.

Composite samples of silica and kaolin have been submitted to Vytas (a Producer of Ultra High Purity Quartz, Green Hydrogen, Silane and Carbon Free Silicon) for further metallurgical testwork and its potential application in Hydrogen on Demand (**Vytas • Powering the Future** - <https://vytas.com.au/>).



PROJECT ACTIVITIES

MCLAREN VHMS PROJECT, WA

Post year-end in August 2024, Allup announced it had acquired 100% of the McLaren VHMS Project (E69/2388 and E69/2386), which comprises 333km² located on the western side of the Eucla Basin, adjacent to the Fraser Range in Western Australia.

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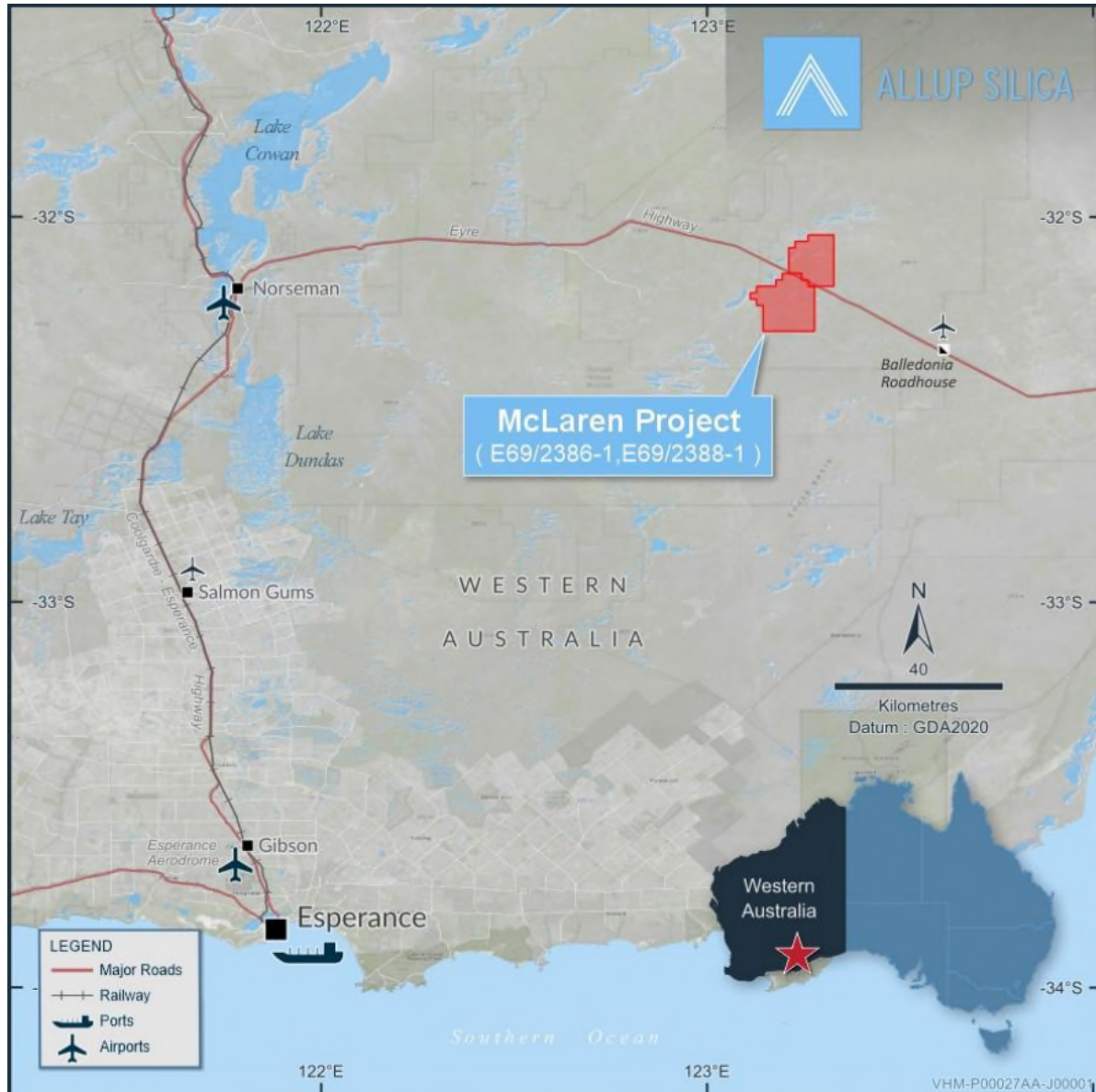


Figure 1: Location of McLaren Valuable Heavy Mineral Sands Project

McLaren is an advanced-stage exploration project with an indicated and inferred Mineral Resource estimate of 280Mt @ 4.8% Heavy Mineral for 13.5Mt in-situ HM completed in 2022. (refer to ASX announcement dated 5/8/2024)



Acquisition Consideration for 100% of the McLaren VHM Project

The acquisition consideration for the McLaren Project was as follows:

- A\$150,000 in cash for 100% of Els;
- Allup grants a 1.5% Royalty to the vendors (Westover Holdings Pty Ltd and Wild Side (WA) Pty Ltd);
- Allup will issue 2m options exercisable at 20c on or before 5 years from issue, with consideration of \$0.001 per APS share, with a vesting condition being completion of a Bankable Feasibility Study and the Ilmenite concentrate sales exceeding US\$500/t from the Project;
- 4,241,571 shares upon completion of the Pre-Feasibility Study (PFS Milestone); and
- A further 4,300,583 shares will be issued upon completion of a Feasibility Study (FS Milestone).

The PFS Milestone will be satisfied upon completion of a Pre-Feasibility Study on commercially viable terms and other criteria that the Parties agree in writing.

In the event that the PFS Milestone is not achieved within 24 months, the parties agree to enter into good faith negotiations for a period of 5 business days with a view to agree an alternative basis on which the PFS Milestone Shares (or any part thereof) may be issued to the Vendors.

Subsequent to the PFS Period, the Purchaser agrees to use all reasonable endeavours to conduct a Bankable Feasibility Study in respect of the Tenements.

Placement

The acquisition will be funded from internal cash sources, however, the Company has decided to undertake an additional placement and received binding commitments for approximately A\$360,000 (before costs) via the issue of 9,000,000 shares to sophisticated, professional and institutional investors at an offer price of A\$0.04 per share. Directors, Mr Haythorpe, Mr Ball and Mr Smyth have agreed to subscribe \$50,000 of the placement subject to shareholder approval at an upcoming meeting.

The placement was conducted using the Company's LR 7.1 and 7.1A approval.

The Company appointed CPS Capital Group Pty Ltd (CPS) as Lead Manager to the Placement, and CPS or its nominee, received:

- A management fee of 2% (plus GST) for managing the placement (Management Fee); and
- A placing fee of 4% (plus GST) for funds raised via the Placement (Placement Fee).

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SPARKLER SILICA SAND PROJECT, WA

During the period, Allup reported that bulk sample testwork conducted by CDE Global has successfully met and exceeded industry standards for high-purity applications in sectors such as photovoltaics and advanced manufacturing (see ASX Announcement dated 28 March 2024). The testwork yielded a beneficiated grade of 99.84% SiO₂, with iron oxide (Fe₂O₃) levels reduced to less than 100 ppm.

This significant achievement originated from a bulk sample sourced from our Sparkler Silica Exploration Project in Western Australia, underscoring the sands value and applicability in specialised industries.

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Figure 2: – Locational Map of Sparkler Silica Exploration Project Area



Silica sand is a raw material used in the production of optical fibre, ceramics, refractory materials and glassmaking, including the specialty glass required for photovoltaic (solar panels) and other high-tech product applications like tablet and mobile telephone glass.

Achieving this grade is important because the presence of impurities, particularly Fe_2O_3 , has adverse effects on the silica sand product as it impairs transmission in optical fibres, reduces transparency of glass, discolours ceramic products and lowers the melting point of refractory materials¹. Silica sand with these impurities is also typically less valuable.

Allup submitted composite samples for the four lead projects, Sparkler, Dune Buggy, Pink Bark and Cabbage Spot, to Vytas for further metallurgical test work in the June quarter. This is specifically aimed at investigating ultra high purity silica production as well as the potential application of silica sand from each of Allup's Projects in the Vytas Hydrogen on Demand opportunity. The results of this test work will guide the next round of investment in drilling and metallurgical testwork for the company.

ESPERANCE SANDS PROJECT, WA

E63/2139 Pink Bark

The Pink Bark Phase 2 drilling program, (see ASX Announcement dated 16 November 2023), comprised 26 holes totalling 455 metres, targeting both the surface silica sand mineralisation and the newly identified clay-hosted REE. As part of this program, all samples were submitted for assay, utilizing a 4-acid soluble digestion method to evaluate the soluble component of the REE minerals.

Assay results from the drilling program revealed significant kaolin exploration target of 700 million to 1.2 billion tonnes with grades ranging 17% to 20% Al_2O_3 , located beneath the silica sand at Allup's 100% owned Pink Bark Project, WA. The Exploration Target's potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a JORC compliant Mineral Resource, and it is uncertain if further exploration will result in the estimation of a such. The Company is planning additional exploration work in the coming year.

The tenement was acquired to explore and develop silica sand, but recent discoveries of REE clay-hosted deposits in the area prompted Allup to extend the exploration on its tenements. As such Allup's drilling program was expanded to test the underlying clays for REE potential and kaolin. The holes were drilled to fresh bedrock (blade refusal) where possible and the bedrock sampled and assayed for multi-element geochemistry.

¹ Chammas, E. & Panias, Dimitrios & Taxiarchou, Maria & Anastasakis, G.N. & Paspaliaris, Ioannis. (2001). Removal of iron and other major impurities from silica sand for the production of high added value materials.



ARGYLE SILICA PROJECT, WA

E80/5524 Cabbage Spot

The latest round of sampling at the Cabbage Spot Project has identified multiple large areas of High Purity Silica Sand (HPSS) (see ASX Announcement dated 28 March 2024). Analysis of 43 surface samples revealed SiO₂ grades exceeding 98%, with an average grade of 98.6%. The highest quality sample achieved an in-situ grade of 99.4% SiO₂.

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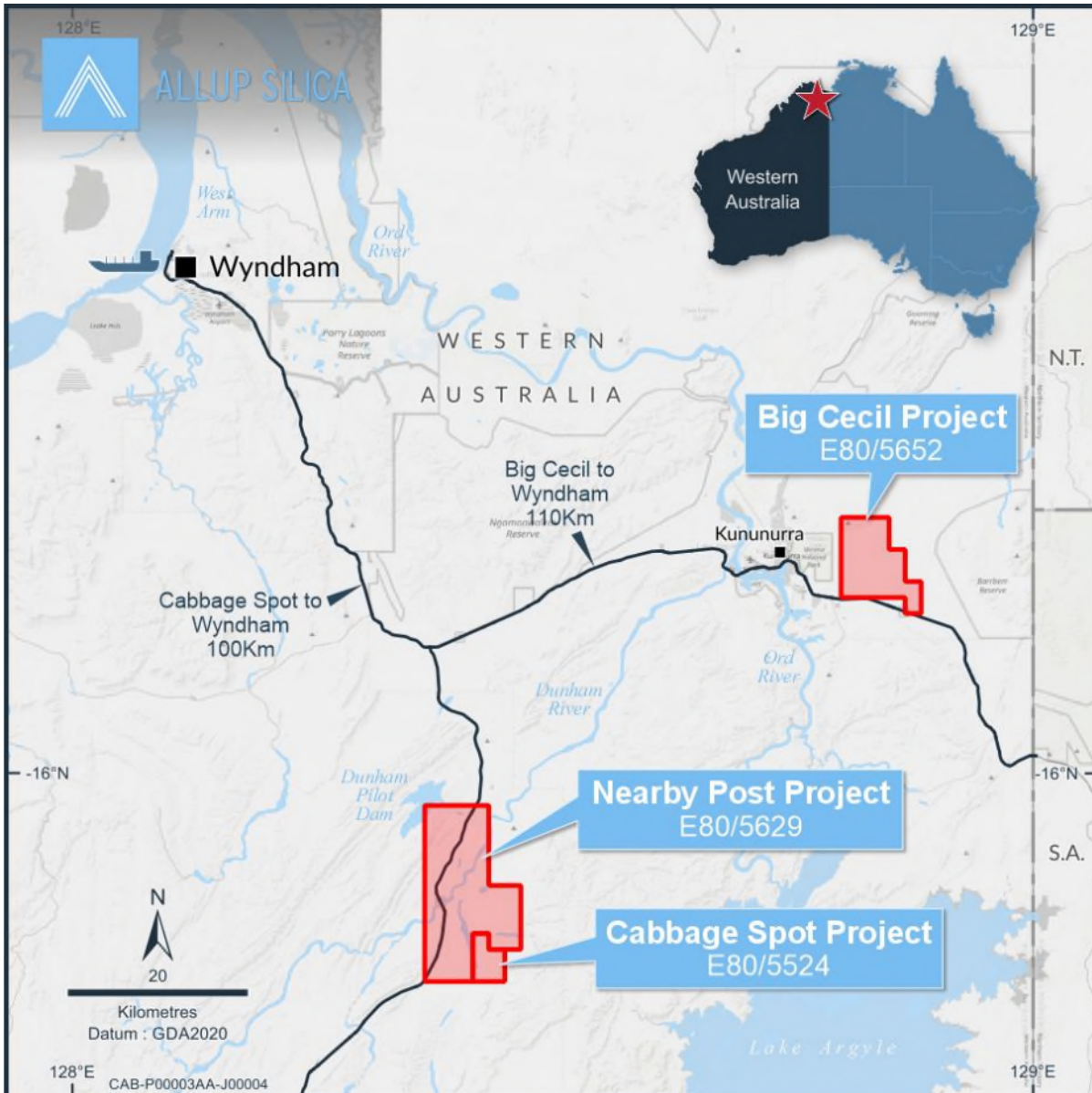


Figure 3: Locational Map of Sparkler Silica Exploration Project

Beneficiation testwork is currently underway to explore the suitability of Cabbage Spot silica sand for high-tech and photovoltaic applications. This ongoing work underscores our dedication to expanding our portfolio of high-quality silica resources.

E80/5652 Big Cecil

No activity

**RAIL HEAD PROJECT, WA**

No activity

OTHER EXPLORATION PROJECTS**Other Tenements Not Granted (Pending)****ELA80/5629 Nearby Post**

No activity

ELA63/2138 Pink Bark B

No activity

ELA63/2264 Dune Buggy B

No activity.

CORPORATE**Change of Registered Office Address**

Effective 31 January 2024, the Company moved its registered office to level 4, 225 St Georges Terrace, Perth WA 6000.

Annual General Meeting

The Company's Annual General Meeting of Shareholders was held on 26th October 2023. Resolutions were as follows:

1. Remuneration Report
2. Re-Election of Director – Gavin Ball
3. Approval of 10% Placement Facility
4. Approval of New Plan
5. Approval of Potential Benefits Under New Plan
6. Modification of Existing Constitution.

Resolution 1, 2, 3 and 6 passed, with Resolutions 3 and 6 passed as a special resolution. Resolution 4 was not passed, and as a result, Resolution 5 also didn't pass as it was conditional on Resolution 4 passing.

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FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

ABN 47 163 173 224

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CORPORATE DIRECTORY

Directors

(John) Campbell Smyth
Chairman

Simon Finnis (appointed 16 August 2024)
Managing Director

Andrew Haythorpe
Executive Director

Gavin Ball
Non-Executive Director

Peter Secker (appointed 16 August 2024)
Non-Executive Director

Company Secretary

Benjamin Donovan

ASX Code

APS

ABN

47 163 173 224

Website and Email

Website: www.allupsilica.com

Email: team@allupsilica.com

Principal Place of Business

Unit A8, 435 Roberts Road
Subiaco WA 6008
Phone +61 (8) 6185 1744

Registered Office

Level 4
225 St Georges Terrace
Perth WA 6000
Level 5
Phone +61 (8) 6185 1744

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000
Phone: 1300 288 664

Auditors

SW Audit
Level 10
530 Collins Street,
Melbourne VIC 3000
Phone: +61 (3) 8635 1800

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ALLUP SILICA LIMITED DIRECTORS' REPORT

Your directors present their report on Allup Silica Limited (“the Company”) for the financial year ended 30 June 2024. The information in the preceding operating review forms part of this directors’ report for the financial year ended 30 June 2024 and is to be read in conjunction with the following information:

Directors

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

(John) Campbell Smyth
Andrew John Haythorpe
Gavin Neil Ball
Simon Finnis (appointed 16 August 2024)
Peter Secker (appointed 16 August 2024)

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

Particulars of each director’s experience and qualifications are set out later in this report.

Principal Activities

The Company conducts mineral exploration and evaluation activities.

Operating Results

The after-tax loss of the Company for the financial year amounted to \$1,423,813 (2023: Loss \$1,645,916). This included a non-cash expense of \$139,675 for share-based payments (2023: \$57,723).

Review of Operations

Allup’s commercial strategy is based upon exploration of several project areas, each with logistics and port options. It has multiple projects in proximity to four Western Australian ports, being Wyndham in the north of the State, and Bunbury, Albany and Esperance in the south, as well as Darwin in the Northern Territory.

Allup’s main activities during the period related permitting and approvals for the exploration of its various silica sand projects. The Company engaged with project stakeholders, including government and landowners, whether private or with Native Title parties.

The Company has focused on progressing development of its Sparkler Silica Sands Exploration Project, which included the ongoing exploration and updating its JORC Mineral Resource Estimate. Allup also sought approvals required for the further exploration of areas of interest identified at Sparkler B and Sparkler C.

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT****Review of Operations (continued)**

Other activities included chemical analysis and metallurgical studies to help improve Allup's understanding of the silica sand potential on its tenements.

Allup continued its research and development program, seeking out processes using either novel, existing and/or non-chemical (no acids) processing techniques for the type of silica sand relevant to the Company, with the objective of finding the best way to process the raw silica sand deposits to a higher purity specification.

Subsequent to year end, the Company, through its 100% controlled company, McLaren VHM Pty Ltd signed a Binding Agreement to acquire 100% of the McLaren VHM Project in Western Australia. Refer to Events Subsequent to the End of the Reporting Period section of this Directors' Report for the details of the acquisition.

Highlights during the Period include:**Sparkler Silica Sand Project, WA**

- Metallurgical testwork completed with CDE Global producing premium high-grade low-iron silica sand.
- Drilling program to improve definition of high purity silica sand resource across Sparkler A, B and C complete, results pending.
- Drilling program to update confidence level on Sparkler A resource complete, results pending.
- Bulk sample testwork completed by CDE exceeded industry standards for high-purity applications including photovoltaics and high-tech manufacturing.
- SiO₂ content beneficiated to 99.84% without the need for magnetic separation, underscoring the sands' value and applicability in specialised industries.
- Effective reduction of key contaminants Fe₂O₃, Al₂O₃ and TiO₂ with conventional silica sand processing techniques.

Pink Bark Silica Sand Project, WA

- Phase 2 drilling completed at Pink Bark with an average of 455 metres drilled.
- Clay intercepts submitted for REEs with results pending.
- Electromagnetic (EM) survey completed on discrete EM anomaly; samples submitted for assay.
- Estimated exploration target of 0.7 - 1.2 billion tonnes of kaolin with grades ranging from 17% to 20% Al₂O₃, identified at Pink Bark. The Exploration Target's potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a JORC compliant Mineral Resource, and it is uncertain if further exploration will result in the estimation of such.
- Kaolin thickness ranged from 5m to 20m+ over an area of ~69 km².
- 8 kaolin composite samples collected and analysed for kaolin quality using XRF methods.
- Composite samples submitted for kaolin characterisation.

Dune Buggy Silica Sand Project, WA

- Metallurgical work investigating aluminosilicate mineralogy and separation methods of Dune Buggy sand.



**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

Cabbage Spot Silica Sand Project, WA

- Sampling identified multiple large areas of High Purity Silica Sand (HPSS).
- Results from 43 surface samples returned SiO₂ grades greater than 98%, with an average grade of 98.6%.
- Best result returned an in-situ grade of 99.4% SiO₂.
- Beneficiation testwork commenced to determine a processing route and processed grades and identify the potential of Cabbage Spot silica sand for high-tech and photovoltaic applications.
- Initial surface sampling and hand auger program completed.
- Micro-seismic and follow-up sampling program completed, with assays pending.
- Visits to Wyndham Port and meetings with local stakeholders conducted.

As at the date of this report, the Company holds the following tenements:

Tenement	Project	Ownership
GRANTED	EXPLORATION LICENCE	
E 70/5447	Sparkler A	100%
E 70/5527	Sparkler B	100%
E 70/5920	Sparkler C	100%
E 80/5524	Cabbage Spot	100%
E 63/2137	Dune Buggy	100%
E 63/2139	Pink Bark A	100%
E 70/6476	Moby	100%
E 70/6541	Ernie	100%
E 63/2371	Pink Bark C	100%
E 63/2372	Pink Bark D	100%
E 63/2381	Lighthouse	100%
E 63/2382	Dune Buggy C	100%
E 63/2059	Dundas	100%
NOT GRANTED	APPLICATION	
ELA 80/5629	Nearby Post	100%
ELA 63/2138	Pink Bark B	100%
ELA 63/2264	Dune Buggy Extension	100%

E = Exploration Licence (granted)

ELA = Exploration Licence Application (ungranted)

Subsequent to year-end, the Company, through its 100% controlled company McLaren VHM Pty Ltd, entered into a Binding Agreement to acquire 100% of granted tenements E 69/2388 and E 69/2386.

**ALLUP SILICA LIMITED
DIRECTORS' REPORT****Financial Position**

The net assets of the Company have decreased by \$1,284,138 from \$4,144,643 at 30 June 2023 to \$2,860,505 at 30 June 2024. This decrease reflects the operating costs of the Company's activities as it continued to expand its understanding of the silica sand potential on its tenements and the related administrative overheads.

The Company's working capital, being current assets less current liabilities, has decreased from \$3,130,603 in 2023 to \$1,144,909 in 2024.

During the past four financial years, the Company has invested in strategic tenements, that the Company believes could be prospective for high quality silica sand. In particular, the Company strategy is to achieve more risk mitigation by having multiple projects in different locations, each close by road or rail to ports and infrastructure.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except as follows:

1. On 1 July 2024, the Company issued 500,000 ordinary shares in the Company to each of two employees and a key contractor. The total issue of 1,500,000 ordinary shares was authorised by Directors at a Board Meeting on 23 May 2024.
2. On 11 July 2024, the Company incorporated a 100% controlled entity being McLaren VHM Pty Ltd.
3. On 31 July 2024, The Company through its 100% controlled entity McLaren VHM Pty Ltd, signed a Binding Term Sheet to acquire 100% of the McLaren VHM Project. The Company has agreed to pay the following consideration:
 - \$150,000 in cash for 100% of tenements E 69/2388 and E 69/2386
 - Grant of a 1.5% Royalty to the vendors
 - Issue of 2,000,000 options exercisable at 20 cents for consideration of \$0.0001 per share, vesting when Ilmenite concentrate sales exceeding USD300/tonne from the Project
 - 4,241,571 ordinary shares in the Company upon completion of a Pre-Feasibility Study; and
 - A further 4,300,583 ordinary shares in the Company upon completion of a Feasibility Study.

The acquisition will be funded from internal cash sources, however, the Company has decided to undertake an additional placement and has received binding commitments for approximately \$360,000 (before costs) via the issue of 9,000,000 shares to sophisticated, professional and institutional investors at an offer price of \$0.04 per share. Directors, Mr. Haythorpe, Mr. Ball, Mr. Smyth, have agreed to subscribe \$50,000 of the placement subject to shareholder approval at an upcoming meeting.

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT****Likely Developments and Expected Results of Operations**

The Company intends to continue mineral exploration activities including commencing a pre-feasibility study on the McLaren valuable heavy minerals Project. The Company is expecting to raise additional capital to advance the McLaren Project, the subject of a Binding Term Sheet signed after the end of the financial year. An additional, more significant capital raising is also planned during the first half of the financial year ending 30 June 2025.

Dividends

No dividends were declared or recommended but not paid, during the financial year.

Environmental Regulations

The Company is required to carry out its activities in accordance with the Mining Laws and Regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Share Options and Performance Rights

No options over issued shares or interests in the Company were granted during the financial year except as follows:

At a Board Meeting held on 23 May 2024, the Directors resolved to issue 500,000 ordinary shares in the Company on 1 July 2024 to each of the two employees of the Company and a key contractor. The issue price was \$0.041 per share, the closing price of shares on the ASX at the close of trading on 23 May 2024. The 1,500,000 shares were issued on 1 July 2024.

At the date of this Report, there were 5,000,000 options to acquire fully paid ordinary shares outstanding, exercisable at \$0.25 per share and expiring on 2 November 2025 and 3,000,000 performance rights issued on 29 November 2023 and expiring on 29 November 2027.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT****Indemnifying Officers and Auditors**

The Company has indemnified the Directors and executives of the Company for costs incurred in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company against a liability incurred as the auditor.

Proceedings on Behalf of 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 ended 30 June 2024.

Information on Directors

(John) Campbell Smyth - B.Comm (WA); SFA Aff (UK)

Campbell's professional career has been in the provision of advice to fund management, capital markets and the corporate finance sector. This experience has been with most major markets, primarily the ASX, and listed and unlisted companies in North America and Europe. Campbell was appointed as Non-Executive Chairman on 15 March 2024.

Andrew Haythorpe - BSc (Hons); FAUSIMM; MAICD

Andrew has been an exploration geologist, global energy and resources analyst, a fund manager and more recently has gained over 20 years' experience in managing listed companies in Australia and abroad. He has held a number of Chair and Board positions, as well as serving as CEO of several successful listed resources companies and is currently a Non-Executive Director of ASX listed Tempest Minerals Limited. Andrew ceased as Executive Chairman on 15 March 2024 and continues as Managing Director.

Gavin Ball

Gavin has over 25 years commercial experience and intellectual expertise in the start-up, development, growth and ongoing management of business. Working in numerous executive roles, Gavin has a proven management, financial and accounting skill set with strong commercial and marketing focus. Gavin changed from Executive Director to Non-Executive Director on 7 March 2024.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Simon Finnis - Masters of Business and Technology (appointed 16 August 2024)

Simon is a mining professional with over 35 years' mining experience, including over 10 years operating in the minerals sands industry. Between 2001 and 2007 he worked on the Pooncarie Mineral Sands Project in NSW, taking it from feasibility, through construction and into production, becoming the General Manager Operations in 2004 and eventually Operations Manager, Eastern Australia until his departure in late 2007.

From 2012 - 2014 he was CEO of the US\$650m Grand Cote Mineral Sands Project in Senegal, West Africa. In 2015, Simon joined Metro Mining as CEO to design, develop and operate the Bauxite Hills Project in Queensland.

Peter Secker – BSc (Hons) Mining Engineering (appointed 16 August 2024)

Peter has significant experience in the Mineral Sands industry having designed, built and commissioned and operated the TiWest Project at Cooljarloo, WA. Peter is a Mining Engineer with over 40 years' experience delivering five greenfield projects into development in Australia, China, Africa, Canada and Mexico. Peter has been a CEO of public companies since 1990 and has raised over \$2 billion of debt and equity.

Directorship of Other Listed Companies

Directorships of other listed companies held by Directors in the three years immediately before the end of the year are as follows:

Director Name	Company	Period of Directorship
Andrew Haythorpe	Tempest Minerals Limited	11 October 2019 to present
Gavin Ball	RLF AgTech Ltd	4 October 2017 to present
(John) Campbell Smyth	Fitzroy Minerals (formerly Norseman Silver) (TSXV) Nubian Resources (TSXV) Orange Minerals Limited Amani Gold Limited Macro Metals Limited	11 October 2017 to present 18 November 2019 to present 6 December 2021 to present 7 June 2021 to 8 July 2024 15 August 2023 to 6 March 2024

Simon Finnis
(appointed 16 August 2024)

KGL Resources Limited
White Rock Minerals Limited

4 August 2021 to 20 May 2022
22 October 2023 to present

Peter Secker
(appointed 16 August 2024)

Zinnwald Lithium Limited (AIM)
Parabellum Resources Limited
Bacanora Lithium Limited (AIM)

November 2019 to present
8 November 2022 to present
January 2016 to February 2022

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ALLUP SILICA LIMITED DIRECTORS' REPORT

Directors' Share and Option Holdings

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Options (unlisted)	Performance Rights (unlisted)
Andrew Haythorpe (i)	11,599,820	Nil	Nil
Gavin Ball (ii)	12,243,749	Nil	Nil
(John) Campbell Smyth (iii)	3,614,219	Nil	1,000,000
Simon Finnis (v)	500,000	Nil	Nil
Peter Secker (iv)	1,541,666	Nil	Nil

(i) Andrew Haythorpe holds 11,500,000 shares in the name of Tesha Pty Ltd <Nimrod Trust A/C> in which he is a director and beneficiary and 99,820 shares in Ouro Pty Ltd in which he is a director and shareholder.

(ii) Gavin Ball holds all his shares in the name of Vorian Investment (Holdings) Pty Ltd <Vorian Investment Trust A/C> in which he is a director and beneficiary.

(iii) Campbell Smyth holds 3,614,219 shares jointly with Ann Novello Hogarth <Smyth Super Fund A/C> in which he is a member and 1,000,000 performance rights in the name of Cornerstone Advisors Pty Ltd, a company in which he is a Director and beneficial shareholder.

(iv) Peter Secker holds 1,541,666 ordinary shares in his own name.

(v) Simon Finnis holds 500,000 shares jointly with Hayley Finnis <Finnis Super Fund A/C> in which he is a member.

Company Secretary

Benjamin Donovan – B.Comm (Hons); ACG (CS)

Ben is the principal of Argus Corporate Partners Pty Ltd, which provides corporate advisory, IPO and consultancy services to a number of companies. Ben is also an associate member of the Governance Institute of Australia. He is currently Company Secretary for several ASX listed and public unlisted companies, with his experiences ranging across the resources, agritech, biotech, media and technology industries. Ben has extensive experience in listing rules compliance and corporate governance, and in addition in capital markets by raising capital and assisting companies achieve an initial listing on the ASX.

Directors' Meetings

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

Directors	Eligible to Attend	Attended
Andrew John Haythorpe	8	8
Gavin Ball	8	8
(John) Campbell Smyth	8	8

In addition, there were 3 circular resolutions passed by the Board of Directors during the year.

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board of Directors.



**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

Business Risks

Risk	Description	Mitigation
Exploration and Development Risks	<p>Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.</p> <p>There is no assurance that exploration of the Company's mineral interests, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.</p>	<p>As the Company undertakes exploration and evaluation of its tenements, given the information and data available, it makes continuous assessment to allocate available funds and other resources to activities that potentially may deliver the best prospect of a commercially viable resource, given mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards.</p>
Land access and compensation	<p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Native Title parties and landowners/occupiers are generally required before the Company can access land for exploration or mining activities. Investors should be aware that any delay in obtaining agreement in respect of compensation due to landholders whose land comprises the Tenements may adversely impact or delay the Company's ability to carry out exploration or mining activities on its Tenements.</p> <p>A number of the Tenements for its Projects overlay private land and Crown nature reserves both of which require consent prior to access and the conduct of exploration activities on the areas affected. Should such consents not be forthcoming or be withdrawn this may have a materially adverse impact or delay to the Company's exploration Activities.</p>	<p>The Company actively manages compliance with the regulations and laws regarding land access and compensation. In support of the negotiations with stakeholders, the Company engages suitably specialist contractors to liaise and negotiate with relevant stakeholders of its tenements, including Native Title bodies, private landowners and Government Departments and other suitably specialist contractors to ensure it meets all its access and compensation obligations.</p>
Operational risk	<p>The operations of the Company may be affected by various factors including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.</p>	<p>The Company engages appropriately qualified and skilled employees and third party contractors to assist in all aspects of the Company's operations.</p>

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

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Risk	Description	Mitigation
Tenement title	<p>Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.</p> <p>If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.</p>	<p>The Company monitors the status of its tenements to ensure it meets its statutory and contractual obligations and uses a third party tenement mining services management organisation to assist in this process.</p>
Environmental risks	<p>Exploration and mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The operations and proposed activities of the Company are subject to regulations concerning the environment. The Government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.</p> <p>There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.</p>	<p>The Company engages third party environmental consultants and specialists to undertake, monitor and report on all environmental matters as required on Company tenements.</p>
Resource and reserve estimates	<p>Resource and reserve estimates are expressions of judgement which are based on the knowledge and experience of the person in making them. Resource and reserve estimates are valid and current when they are completed but are subject to change, sometimes materially, when updated data and other information becomes known or available through subsequent activities, such as drilling, sampling and analysis. Resource and reserve estimates can be imprecise because they can rely on interpretations that may change or prove to be flawed or inaccurate and based on current information. The Company could be required to modify resource or reserve estimates and as a consequence, the Company may be required to adjust its plans and that these adjustments may adversely affect the Company.</p>	<p>The Company uses appropriately qualified Consulting Geologists (with a Competent Person designation) supported by other technical consultants such as assay, metallurgical and geophysical contractors to assist in estimations of resource and reserves.</p>



**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

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Risk	Description	Mitigation
Weather conditions	Weather conditions may result in having an effect on the Company's operations, including failures in not having sufficient stockpiles for the production process which could result in the Company not being unable to satisfy customer requirements during these periods and other costs the Company may occur in this event that this could have a material adverse effect on the Company's business and financial conditions.	The Company holds tenements in climatically different locations of Western Australia, in such that weather related access or other restrictions to activities are typically limited to a specific location rather than all locations. The Company plans its exploration and onsite activities to factor in weather related access or other restrictions such as the wet season in the North West and winter rains in the South and South West locations to ensure less impacts and more optimal utilisation of resources.
Uncertainty of future revenue and profitability	The Company's long term viability is contingent on, amongst other things, the Company's ability to discover and develop a commercially viable resource to deliver revenues to cover the Company's ongoing indirect costs.	The Company makes assessments of its operating activities with the intention to deliver the best currently available prospect of achieving a future commercially viable resource and ultimately to deliver revenues and profitability to the Company, given mineral exploration, development and mining are high-risk enterprises, only occasionally does this result in providing high rewards.
Sufficiency of funding and additional requirements for capital	The Company is currently at an exploration and evaluation stage of its development and is reliant on funding raised in the equity markets to fund that expenditure. There is a risk that future equity funding may not be available to the Company at the level necessary to enable the Company to continue to meet its expenditure obligations on its tenements.	As the Company undertakes exploration and evaluation of its tenements it makes continuous assessment to allocate available funds and resources to its activities. The Company is confident that where required for new projects or for further funding of existing projects it will be able to raise additional capital as and when required.
Other Risks	The Company is exposed to other risks from time to time in the normal course of its operations. These risks may include but are not limited to: Silica and Commodity Prices, Native Title, Aboriginal Heritage, Dependence on Key Personnel and Ability to Recruit Additional Personnel, Agents and Contractors, Royalties, Climate Change and Regulation, Future Capital Needs, New Projects and Acquisitions, Granting of Licences and Permits, Metallurgy, Changes to Demand or Production or Technology or Alternative Products, , Interruptions or Failures in Technology, , Changes in Laws and Regulations and other General Risks, including items such as, Economic Risks, Securities Investments, Share Market Conditions, Liquidity, Changes in Government Policy and Legislation, Litigation, Taxation and others.	As the Company undertakes the normal course of its business operations, it is, where best possible, aware of the potential for exposure to other risks from time to time and where possible the actions that might be available to help mitigate these risks.



ALLUP SILICA LIMITED DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

The Company's Remuneration Policy is as follows.

1.1 Non-Executive Director Remuneration

Non-Executive Directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholder approval must be obtained in relation to the overall limit set for non-executive Directors' fees.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Non-Executive Directors are not provided with retirement benefits.

1.2 Executive Remuneration

The Company's remuneration policy is designed to promote superior performance and long term commitment to the Company. Executives and employees receive a base remuneration which is market related and may be entitled to performance-based remuneration which is determined on an annual basis.

The Company's financial performance for the period from commencement of operations has been as follows:

	June 2024	June 2023	June 2022	June 2021 (unlisted)
	\$	\$	\$	\$
Revenue	82,953	93,734	1,308	-
Net loss after tax	(1,423,813)	(1,645,916)	(891,140)	(180,488)
Basic and diluted loss per share (cents per share)	(1.6848)	(1.9476)	(1.5104)	(1.3462)
Net assets	2,860,505	4,144,643	5,732,827	1,003,694
Share price (at balance date)	\$0.040	\$0.063	\$0.084	-

As the Company is currently in exploration and evaluation phases, historical earnings are not yet an accurate reflection of Company performance and cannot be used as a long-term incentive measure. Consideration of the Company's earnings will be more relevant as the Company matures.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice.



ALLUP SILICA LIMITED DIRECTORS' REPORT

1.2 Executive Remuneration (cont.)

The Board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company.

The main principles of the policy are:

- (a) remuneration reflects the competitive market in which the Company operates;
- (b) individual remuneration should be linked to performance criteria if appropriate; and
- (c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- (a) salary – executives receive a fixed sum payable monthly in cash;
- (b) cash at risk component – the executives are eligible to participate in a cash bonus plan if deemed appropriate;
- (c) share and option at risk component – executives may participate in share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue shares, performance rights and options to executives outside of approved schemes in exceptional circumstances; and
- (d) other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration.

The following were Key Management Personnel of the Company during the year:

- (John) Campbell Smyth (Non-Executive Chairman)
- Andrew Haythorpe (Managing Director)
- Gavin Ball (Non-Executive Director)
- Mark Lester (Chief Financial Officer)

Key Terms of Agreements with Directors, Key Management or Related Parties

Andrew Haythorpe – Managing Director (to 16 August 2024); Executive Director (from 16 August 2024) - Services Agreement

The Company and a related entity to Andrew Haythorpe have entered into an executive services agreement for his role as Executive Chairperson. This agreement commenced upon successful listing on the Official List of the ASX. The principal terms of the agreement are as follows:

- (a) A base salary of \$156,000 per annum (exclusive of GST) was entered into from 7 March 2023.
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant.

If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;



ALLUP SILICA LIMITED DIRECTORS' REPORT

- (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
- (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him. The agreement otherwise contains industry-standard provisions for a senior executive of a public company that is seeking a listing on the Official List of the ASX.

Gavin Ball – Executive Director/Non-Executive Director - Services Agreement

The Company and a related entity to Gavin Ball have entered into an executive services agreement for his role as Executive Director. The principal terms of the agreement are as follows:

- (a) A base salary of \$60,000 per annum (exclusive of GST) from 7 March 2023, with the change from Executive to Non-Executive Director.
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant. If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;
 - (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

Campbell Smyth – Non-Executive Director – Services Agreement

The Company has entered into an agreement with Campbell Smyth in respect of his appointment as a Non-Executive Director of the Company. Campbell Smyth will be paid a fee of \$60,000 per annum for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Campbell Smyth as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT****Simon Finnis – Managing Director (Appointed 16 August 2024) – Services Agreement**

The Company and a related entity to Simon Finnis have entered into an executive services agreement for his role as Managing Director. The principal terms of the agreement are as follows:

- (a) Term 5 years
- (b) Fixed remuneration of \$240,000 per annum (excluding superannuation) after an initial period of 3 months of \$17,500 per month (excluding superannuation).
- (c) Termination will be at 6 months' notice from either party
- (d) Non-compete for 12 months in mineral sands industry in Australia
- (e) Discretionary incentives will be payable subject to Shareholder Approval.

Peter Secker – Non-Executive Director (Appointed 16 August 2024)

The Company will enter into an agreement with Peter Secker in respect of his appointment as a Non-Executive Director of the Company. Peter Secker will be paid a fee of \$60,000 per annum for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Peter Secker as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature

Mark Lester – Chief Financial Officer – Employment Agreement

The Company has entered into an employment agreement with Mark Lester in respect of his appointment as Chief Financial Officer, with remuneration of \$84,000 plus statutory superannuation, per annum. The employment agreement is ongoing and is on terms that are customary for an appointment of this nature. The agreement may be terminated by either party with four weeks' written notice. Any termination payments will be as required by the relevant applicable employment law.

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

Details of remuneration provided to Key Management personnel during the year are as follows:

		Short-term employee benefits	Post-employment benefits	Share-based payments		
		Salary & service fees	Superannuation	Shares/ Options/ Rights	Total	% of total consisting of share-based payments
		\$	\$	\$	\$	
Andrew Haythorpe	2024	156,000	-	-	156,000	0%
	2023	131,323	-	-	131,323	0%
Gavin Ball	2024	60,000	-	-	60,000	0%
	2023	101,129	-	-	101,129	0%
Nicholas (Nick) Revell (i) (resigned 7 March 2023)	2024	-	-	-	-	0%
	2023	82,258	-	-	82,258	0%
(John) Campbell Smyth	2024	60,000	-	24,484	84,484	29%
	2023	60,000	-	18,263	78,263	23%
Mark Lester	2024	84,000	9,240	20,500	113,740	18%
	2023	84,000	8,820	-	92,820	0%
Total	2024	360,000	9,240	44,984	414,224	11%
	2023	458,710	8,820	18,263	485,793	4%

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report.

Value of Options issued to Key Management Personnel:

During the financial year, the following share-based payment arrangements were in existence for Key Management Personnel:

Options	Grant Date	Expiry Date	Grant Date Fair Value	Vesting Date
Performance rights issued to Non-Executive Director (John) Campbell Smyth	29/11/2023	29/11/2027	\$77,333	29/11/2025

There were no performance rights issued to Key Management Personnel during the year (2023: 1,000,000). The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of non-executive Directors is to be determined by Shareholders at a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Value of Shares issued to Key Management Personnel:

During the financial year, the following share-based payment arrangements were in existence for Key Management Personnel:

Shares	Number	Grant Date	Issue Date	Grant Date Fair Value
Ordinary shares issued to Mark Lester (CFO)	500,000	23/05/2024	01/07/2024	\$20,500

At present the maximum aggregate remuneration of non-executive Directors is \$500,000 per annum.

The apportionment of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Director. Remuneration is not linked to a specific service or performance criteria.

Remuneration levels, shares and options granted are not dependent upon any performance criteria as the nature of the Company's operations are exploration, and they are not generating profits.

The Company did not use a remuneration consultant during the year or prior year.

Key Management Personnel Equity Holdings

Fully Paid Ordinary Shares issued by the Company

The movement during the year in numbers of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person is as follows:

Key Management Personnel	Opening balance 1 July 2023	Granted as compensation	Received on exercise of options	Other movements during the year	Closing balance 30 June 2024
Andrew Haythorpe (i)	11,599,820	-	-	-	11,599,820
Gavin Ball (ii)	12,243,749	-	-	-	12,243,749
(John) Campbell Smyth (iii)	3,614,219	-	-	-	3,614,219
Mark Lester (iv)	3,665,465	-	-	-	3,665,465

- (i) Andrew Haythorpe holds 11,500,000 shares in the name of Tesha Pty Ltd <Nimrod Trust A/C> in which he is a director and beneficiary and 99,820 shares in the name of Ouro Pty Ltd, a Company in which he is a Director and beneficial shareholder.
- (ii) Gavin Ball holds all his shares in the name of Vorian Investment (Holdings) Pty Ltd <Vorian Investment Trust A/C> in which he is a director and beneficiary
- (iii) Campbell Smyth holds all his shares jointly with Ann Novello Hogarth <Smyth Super Fund A/C> in which he is a member.
- (iv) Mark Lester holds all his shares in the name of MAL Super Fund Pty Ltd <MAL Superannuation Fund A/C> in which he is a director of the trustee company and a member of the Fund.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Executive Unlisted Share Options and Performance Rights issued by the Company

The movement during the year in numbers of unlisted options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person is as follows:

Director	Opening balance 1 July 2023	Granted as compensation	Exercised or expired	Balance vested at 30 June 2024	Vested but not exercisable	Vested and exercisable at 30 June 2024
Andrew Haythorpe	-	-	-	-	-	-
Gavin Ball	-	-	-	-	-	-
Nick Revell	-	-	-	-	-	-
(John) Campbell Smyth	1,000,000	-	-	-	-	-
Mark Lester	-	-	-	-	-	-

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholding.

Other Transactions with KMP and/or their Related Parties

Service Arrangement with Magicorp Pty Ltd

Gavin Ball had a controlling interest in Magicorp Pty Ltd which provides consumables, equipment, and other digital services to the Company, including website and domain services and other services on an as required basis. The Company was charged Magicorp's standard fees which amounted to \$Nil (excl. GST) for the year ended 30 June 2024 (2023: \$2,449). Fees charged by Magicorp were the recovery of the cost of the services provided plus a commercial margin. These services are not contracted under an agreement because they are only required on an as needed basis.

There were no other transactions conducted between the Company and key management personnel or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

END OF REMUNERATION REPORT

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**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

Non-Audit Services

During the year there were no non-audit services provided by SW Audit nor its related entities.

Auditor's Independence Declaration

The auditor's independence declaration as required under s307C of the *Corporations Act 2001* has been received and can be found on page 32.

Signed on 23 August 2024 in accordance with a resolution of the Board, made pursuant to Section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors:



Simon Finnis
Managing Director

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**ALLUP SILICA LIMITED
DIRECTORS' DECLARATION**

1. In the opinion of the directors of Allup Silica Limited ("the Company")
 - a. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2024 and its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.
3. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

Simon Finnis
Managing Director

Dated on this day, 23 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ALLUP SILICA LIMITED

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



SW Audit
Chartered Accountants



Nick Michael
Partner

Melbourne, 23 August 2024

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ALLUP SILICA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Notes	2024 \$	2023 \$
Interest income		80,795	93,734
Other income		2,158	-
Total income		82,953	93,734
Professional services		(60,943)	(58,320)
Corporate advisory		(238,451)	(185,887)
Directors' fees		(276,000)	(315,419)
Company secretarial		(62,100)	(55,725)
Marketing and shareholder communications		(113,863)	(281,754)
Employee benefits		(146,991)	(171,857)
Exploration and evaluation costs written off		(194,058)	(324,942)
Share based payments		(139,675)	(57,732)
Occupancy		(7,198)	(35,491)
Depreciation and amortisation		(47,217)	(4,819)
Finance costs		(7,580)	(184)
Administration		(212,690)	(247,520)
Total expenses		(1,506,766)	(1,739,650)
Loss before income tax	2	(1,423,813)	(1,645,916)
Income tax expense	3	-	-
Loss for the year		(1,423,813)	(1,645,916)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(1,423,813)	(1,645,916)
Loss for the year attributable to owners of the Company		(1,423,813)	(1,645,916)
Total comprehensive loss attributable to owners of the Company		(1,423,813)	(1,645,916)
Earnings per share			
Basic and diluted earnings per share (cents)	24	(1.6848)	(1.9476)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



ALLUP SILICA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,179,810	3,179,588
Receivables	6	41,125	63,150
Other current assets	7	74,351	83,739
TOTAL CURRENT ASSETS		1,295,286	3,326,477
NON-CURRENT ASSETS			
Other non-current assets	7	45,705	68,195
Mineral exploration and evaluation	8	1,618,755	890,366
Plant and equipment	9	21,531	19,213
Right of use assets	10	120,012	160,127
TOTAL NON-CURRENT ASSETS		1,806,003	1,137,901
TOTAL ASSETS		3,101,289	4,464,378
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	96,706	150,368
Employee benefit provision	12	14,018	9,200
Lease liabilities	10	39,653	36,306
TOTAL CURRENT LIABILITIES		150,377	195,874
NON-CURRENT LIABILITIES			
Lease liabilities	10	84,208	123,861
Employee benefit provision	12	6,199	-
TOTAL NON-CURRENT LIABILITIES		90,407	123,861
TOTAL LIABILITIES		240,784	319,735
NET ASSETS		2,860,505	4,144,643
EQUITY			
Issued capital	13	6,218,184	6,218,184
Reserves	14	641,010	501,335
Accumulated losses		(3,998,689)	(2,574,876)
TOTAL EQUITY		2,860,505	4,144,643

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



ALLUP SILICA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Notes	Issued Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2023		6,218,184	501,335	(2,574,876)	4,144,643
Loss for the year		-	-	(1,423,813)	(1,423,813)
Total comprehensive loss for the year		-	-	(1,423,813)	(1,423,813)
		6,218,184	501,335	(3,998,689)	2,720,830
Share based payments	14	-	139,675	-	139,675
Balance 30 June 2024		6,218,184	641,010	(3,998,689)	2,860,505
Balance 1 July 2022		6,218,184	443,603	(928,960)	5,732,827
Loss for the year		-	-	(1,645,916)	(1,645,916)
Total comprehensive loss for the year		-	-	(1,645,916)	(1,645,916)
		6,218,184	443,603	(2,574,876)	4,086,911
Share based payments	14	-	57,732	-	57,732
Balance 30 June 2023		6,218,184	501,335	(2,574,876)	4,144,643

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



**ALLUP SILICA LIMITED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		92,506	75,526
Other receipts		2,158	-
Payments to suppliers and employees		(1,223,148)	(1,217,598)
Net cash flows used in operating activities	19	<u>(1,128,484)</u>	<u>(1,142,072)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenement and exploration costs		(817,988)	(581,280)
Payments for plant and equipment		(9,420)	(9,768)
Net cash flows used in investing activities		<u>(827,408)</u>	<u>(591,048)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(43,886)	(366)
Net cash flows used in financing activities		<u>(43,886)</u>	<u>(366)</u>
Net (decrease) in cash and cash equivalents		(1,999,778)	(1,733,486)
Cash and cash equivalents at beginning of the financial year		<u>3,179,588</u>	<u>4,913,074</u>
Cash and cash equivalents at the end of the financial year	5	<u>1,179,810</u>	<u>3,179,588</u>

The above Statement of Cashflows should be read in conjunction with the accompanying



ALLUP SILICA LIMITED NOTE TO THE FINANCIAL STATEMENTS

The financial statements and notes represent those of Allup Silica Limited (the “Company”), a public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange Limited.

The address of the registered office and principal place of business are disclosed in the contents page.

The nature of the operations and principal activities of the Company are described in Note 20 and the Review of Operations at the front of the Annual Report.

Statement of Compliance

The financial report for the Company for the year ended 30 June 2024 was authorised for issue on the same date as the signed Directors’ declaration, in accordance with a Resolution of the Directors.

The financial report complies with *Australian Accounting Standards* (“AASB”). Compliance with AASB ensures that the Financial Report, comprising the financial statements and notes thereto, complies with *International Financial Reporting Standards* (“IFRS”).

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, *Australian Accounting Standards* and other authoritative pronouncements of the *Australian Accounting Standards Board*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Going Concern

At 30 June 2024, the Company has made an operating loss of \$(1,423,813) before tax and has operating cash outflows of \$(1,128,484). Whilst the above factors exist, the Directors believe the going concern assumption is appropriate at the date of signing the directors report based on the following circumstances:

- On 31 July 2024, the Company and its 100% controlled entity McLaren VHM Pty Ltd, signed a Binding Term Sheet to acquire 100% of the McLaren VHM Project. The acquisition will be funded from internal cash sources, however, the Company has decided to undertake an additional placement and has received binding commitments for approximately \$360,000 (before costs) via the issue of 9,000,000 shares to sophisticated, professional and institutional investors at an offer price of \$0.04 per share, and
- In addition to the binding commitment of \$360,000, the directors are confident that they will be able to raise further sufficient funds in the first half of 2025 to continue to fund its planned exploration activities (including McLaren Project) as well as meet its statutory and administrative costs.



ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Going Concern (continued)

- The directors have assessed their underlying cash flow forecast and have expenditure they can reduce to ensure the Company's cash flows can be extended, but would be at the detriment of operating the Company's primary business model of the exploration of its current tenements.

In the event that the Directors are unable to raise sufficient funding in 2025 to meet their planned exploration, statutory and administrative costs there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Changes in Accounting Policies and Estimates**Explanation of the adoption of new pronouncements**

The Group has adopted all the new and revised Standards and Interpretations issued by the *Australian Accounting Standards Board (AASB)* that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

Pronouncement	Impact
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group's consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements.
<i>AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction⁶</i>	Clarifies that deferred taxes must be recognised where, on initial recognition of an asset or liability, the transaction gives rise to equal taxable and deductible temporary differences. The application of this amendment has not had any impact on the Group's financial statements.
<i>AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules</i>	Prohibits the recognition and disclosure of deferred taxes arising from OECD Pillar Two income taxes and requires certain disclosures related to those taxes. The application of this amendment has not had any impact on the Group's financial statements.

The application of the amendments did not have a material impact on the Group's consolidated financial statements.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

New standards and interpretations announced, but not yet applicable

The following standards and interpretations have been announced by the AASB, but have not been early adopted by the Directors, these include:

Standard / amendment	Effective for annual reporting periods beginning on or after	Nature of the change
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)	1 January 2025	Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.

Standard / amendment	Effective for annual reporting periods beginning on or after	Nature of the change
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024	Clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification.
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024	Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.
AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	1 January 2024	Requires the disclosure of information about an entity's supplier finance arrangements.
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability	1 January 2025	Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

The Directors do not believe the adoption of these amendments to standards will create a material impact on the financial reports for the applicable adoption years.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies**Accounting Policies****(a) Financial Instruments****Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent MeasurementFinancial liabilities:

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets:

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies (continued)

(a) Financial Instruments (cont.)

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities:

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies (continued)

(a) Financial Instruments (cont.)

Derecognition of financial assets:

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(b) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies (continued)

(c) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognized as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions are also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, economically recoverable reserves are continuing.

Expenditure on tenement licence applications is classified as an exploration and evaluation asset when incurred. If an application is rejected the application fee will be refunded and credited against the related exploration and evaluation asset. Other non-licence application costs incurred are classified as other current assets and transferred to Mineral Exploration and Evaluation in the statement of financial position when the related tenement is granted. In the event that the related tenement is not granted, those costs are expensed in the statement of profit or loss and other comprehensive income at that time.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies. Exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortization of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies (continued)

(d) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation are reviewed at the end of each annual reporting year.

The following estimated useful lives are used in calculation of depreciation:

- Computer equipment - 4 years
- Office equipment – 5 to 10 years

(e) Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured in accordance with the model set out in Note 14. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting term, based on the Company's estimate of shares that will eventually vest.

In relation to the acquisition of assets the fair value of the equity issued is used to approximate the fair value of the asset acquired where the fair value of the project has not otherwise been determined reliably.

(f) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies (continued)

(g) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Exploration Expenditure

Exploration expenditure is capitalised where the Company holds a current tenement. The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of a view that such expenditure should not be written off since feasibility studies in such areas have yet to be concluded. At year-end the Directors undertake an impairment review against each tenement in accordance with AASB 6, to ensure the capitalised costs are not impaired. Such capitalised expenditure is carried at the end of the reporting period at \$1,618,755.

Key sources of Estimation Uncertainty

(i) Share-based Payments

The values of amounts recognised in respect of share-based payments have been estimated based on grant date fair value of the options. To estimate the fair value an option model has been used. There are many variable assumptions used as inputs into the model (which have been detailed in Note 12). If any assumptions or estimates were to change this could have a significant effect on the amounts recognised.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 1: Summary of Material Accounting Policies (continued)

(h) Earnings per Share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per shares is calculated as net profit/(loss) attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 2: Loss before Income Tax

Loss before income tax from continuing operations includes the following items:

	2024	2023
	\$	\$
Revenue		
Interest received from financial institutions	80,795	93,734
Expenses		
Depreciation and amortisation of non-current assets	47,217	4,819
Short term lease expense (AASB 16 excluded)	7,198	35,491
Share-based payment expenses	139,675	57,732
Exploration and evaluation expenditure previously capitalised, written-off	61,765	249,942
Exploration and evaluation costs not capitalised, written off	132,293	75,000
Auditor's remuneration:		
SW Audit and network firms		
- Audit and review of financial report	47,500	41,570

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 3: Income Tax

	2024	2023
	\$	\$
(a) Income Tax Expense		
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
Loss from continuing operations before tax	(1,423,813)	(1,645,916)
Income tax benefit calculated at 30% (2023: 30%)	(427,144)	(493,775)
Non-deductible expenses	44,621	89,022
Temporary differences not brought to account as a deferred tax asset	(196,379)	(105,211)
Unrecognised tax losses	578,902	509,964
Income tax benefit at effective rate of 0% (2023: 0%)	-	-
(b) Deferred Tax Liabilities		
Exploration and evaluation	451,113	233,685
Prepayments	9,568	6,235
Other	42,463	53,907
Deferred tax liabilities	503,145	293,827
(c) Deferred Tax Assets		
Provisions	167,226	141,258
Recognised revenue tax losses	335,918	152,569
Recognised deferred tax assets	503,145	293,827
Deferred tax assets not recognised		
Unrecognised revenue tax losses	3,619,674	2,372,946
Tax effect of deferred tax assets not recognized 30% (2023: 30%)	1,085,902	711,884

The net deferred tax asset arising from the tax losses has not been recognized as an asset in the Statement of Financial Position because recovery is not probable.

The revenue tax losses do not expire, however, the taxation benefit of the tax losses will only be obtained if:

- (i) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
- (ii) conditions for deductibility imposed by law are complied with; and
- (iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

**ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS**

Note 4: Key Management Personnel Compensation

The compensation paid to Key Management Personnel of the Company is set out below. Please refer to the Remuneration Report in the Directors' Report for further information:

	2024	2023
	\$	\$
Short-term benefits	360,000	458,710
Post-employment benefits	9,240	8,820
Share-based payments	44,984	18,263
	<u>414,224</u>	<u>485,793</u>

The compensation paid to employees of the Company is set out below. It is less that the amount paid to Key Management Personnel due to Director and Company Secretarial fees being classified as consulting expenses as set out in the respective Service Agreements:

Employee Compensation

Wages and salaries	224,769	207,230
Superannuation	24,724	21,720
Share based payments	20,500	-
Total employee compensation	<u>269,993</u>	<u>228,950</u>

Note 5: Cash and Cash Equivalents

Cash at bank	<u>1,179,810</u>	<u>3,179,588</u>
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Cash at bank is equivalent to cash in the cashflow statement.

Note 6: Receivables

Current

At amortised cost

Sundry debtors	6,497	18,208
GST refundable	34,628	44,942
	<u>41,125</u>	<u>63,150</u>

The carrying amounts of trade and other receivables are assumed to be the same as their fair values, due to their short-term nature. There is no expected credit loss.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 7: Other Assets

	2024	2023
	\$	\$
<i>Current</i>		
Prepayments	31,893	43,273
Other assets	42,458	40,466
	<u>74,351</u>	<u>83,739</u>

Other assets represent non-license application costs incurred on mineral exploration tenements, still in the process of being granted at balance date.

<i>Non-current</i>		
Prepayments	18,670	41,160
Security deposit – Office lease rental	27,035	27,035
	<u>45,705</u>	<u>68,195</u>

Note 8: Mineral Exploration and Evaluation

Non-current		
Mineral exploration and evaluation costs	<u>1,618,755</u>	<u>890,366</u>
<i>Exploration and evaluation phase:</i>		
<i>Movement:</i>		
Opening balance exploration and evaluation	890,366	598,193
Exploration and evaluation capitalised	790,154	542,115
Exploration and evaluation capitalised, written off	(61,765)	(249,942)
Closing balance exploration and evaluation	<u>1,618,755</u>	<u>890,366</u>

The Company's title to certain tenements is subject to statutory approval and may be subject to outcomes of Native Title Issues. The recoupment of costs carried forward in relation to areas of interest in exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective area.

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 9: Plant and Equipment

	2024	2023
	\$	\$
Non-Current		
Office equipment	3,596	3,596
Accumulated depreciation	(1,297)	(768)
	<u>2,299</u>	<u>2,828</u>
Computers	20,837	20,837
Accumulated depreciation	(9,661)	(4,452)
	<u>11,176</u>	<u>16,385</u>
Furniture	3,379	-
Accumulated depreciation	(590)	-
	<u>2,789</u>	<u>-</u>
Plant and equipment - exploration	6,041	-
Accumulated depreciation	(774)	-
	<u>5,267</u>	<u>-</u>
Total Plant and Equipment	<u>21,531</u>	<u>19,213</u>

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

	Office equipment	Furniture	Plant & Equipment	Computers	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2023	2,828	-	-	16,385	19,213
Additions	-	3,379	6,041	-	9,420
Depreciation expense	(529)	(590)	(774)	(5,209)	(7,102)
Balance at 30 June 2024	<u>2,299</u>	<u>2,789</u>	<u>5,267</u>	<u>11,176</u>	<u>21,531</u>

During the year there have been no impairment charges against plant and equipment (2023: \$NIL)
The Company has no capital commitments in relation to plant and equipment at 30 June 2024 (2023: \$NIL)



ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 10: Leases

	2024 \$	2023 \$
Right-of-use assets		
<i>Buildings at Cost</i>		
At 1 July	160,461	-
Additions	-	160,461
At 30 June	160,461	160,461
Accumulated depreciation		
At 1 July	(334)	-
Charge for the year	(40,115)	(334)
At 30 June	(40,449)	(334)
Carrying amount at 30 June	120,012	160,127

The Company leases an office building. The lease term is 2 years plus an additional 2-year option. The agreement is based on fixed payment amounts with no additional variable payments.

The total cash outflow relating to the lease for the year ended 30 June 2024 is \$43,886 (2023: \$35,228). The cash outflow in 2023 includes the initial deposit paid as security which has been classified as a prepayment in Note 7.

Expenses relating to short term and low-values leases for 30 June 2024 is \$7,198 (2023: \$35,491). There has been no impairment recognized against the right-of-use asset as at 30 June 2024.

Amounts recognised in profit and loss:

Depreciation expense on right-of-use assets	40,115	334
Interest expense on lease liabilities	7,580	72

Lease liabilities

Current	39,653	36,306
Non-current	84,208	123,861

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 10: Leases (cont.)

	2024	2023
	\$	\$
The maturity analysis of lease liabilities is as follows:		
Less than 1 year	39,653	36,306
More than 1 year, less than 5 years	84,208	123,885
Total discounted payments	123,861	160,167
Unexpired interest	9,997	17,576
Total lease payments	133,858	177,767

Note 11: Trade and Other Payables

Current		
<i>at amortised cost</i>		
Trade and other payables	96,706	150,368
	96,706	150,368

Note 12: Employee benefit provision

Current		
Provision for annual leave	14,018	9,200
	14,018	9,200
Non-Current		
Provision for long service leave	6,199	-
	6,199	-

Note 13: Issued Capital

	2024		2023	
Issued Shares	Number	\$	Number	\$
Ordinary shares fully paid	84,511,665	6,218,184	84,511,665	6,218,184
	84,511,665	6,218,184	84,511,665	6,218,184

Reconciliation of the movements in ordinary share capital:

	Number of shares	\$
Opening balance 1 July 2022	84,511,665	6,218,184
Closing balance 30 June 2023	84,511,665	6,218,184
Opening balance 1 July 2023	84,511,665	6,218,184
Closing balance 30 June 2024	84,511,665	6,218,184



ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 14: Reserves	2024	2023
	\$	\$
Share Option Reserve		
Opening balance	501,335	443,603
Share based payments	139,675	57,732
Closing balance	<u>641,010</u>	<u>501,335</u>

Numbers of Options on Issue	No.
Opening balance 1 July 2022	<u>5,000,000</u>
Closing balance 30 June 2023	<u>5,000,000</u>
Opening balance 1 July 2023	<u>5,000,000</u>
Closing balance 30 June 2024	<u>5,000,000</u>

Number of Performance Rights on Issue

Opening balance 1 July 2022	<u>3,000,000</u>
Closing balance 30 June 2023	<u>3,000,000</u>
Opening balance 1 July 2023	<u>3,000,000</u>
Closing balance 30 June 2024	<u>3,000,000</u>

Share Options

The share option reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when options are exercised. The fair value of options was calculated using the Black Scholes model for both the Director sign-on options and Advisor options. The following inputs were used:

Input	Advisor Options
Exercise price	\$0.25
Share price	\$0.20000
Grant date	2nd May 2022
Vesting date	2nd May 2022
Expected volatility	101.80%
Volatility basis	Historical
Expiry date	2nd November 2025
Expected dividends	Nil
Risk free rate	1.50%
Value per option	\$0.08872
Number of options	5,000,000
Value of options	\$443 603
Expensed to 30 June 2023	\$443,603
Expensed to 30 June 2024	\$ -



ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 14: Reserves (cont.)**Performance Rights**

The Company has 3,000,000 performance rights on issue. These performance rights were issued to key members of the Company, including 1,000,000 to Campbell Smyth as the Non-Executive Director of the Company. The key terms of each class of performance rights issued are as follows:

	Performance Rights		
	Class A	Class B	Class C
Issue Date	29-Nov-22	29-Nov-22	29-Nov-22
Vesting Date	29-Nov-25	29-Nov-25	29-Nov-25
Expiry date	29-Nov-27	29-Nov-27	29-Nov-27
Performance Hurdle	The company achieving a share price of \$0.25.	The company achieving a JORC Minerals Resource Estimate of >100 million tonnes of a beneficiated grade containing no less than 99.5% SiO ₂ with =<100 ppm Fe ₂ O ₃ .	The company achieving a JORC Minerals Resource Estimate of >200 million tonnes of a beneficiated grade containing no less than 99.5% SiO ₂ with =<100 ppm Fe ₂ O ₃ .

Options and Performance Rights on Issue

	2/11/2025	27/11/2027	27/11/2027	27/11/2027	Weighted average exercise price	Weighted average contractual life remaining (months)
Expiry date						
	Advisor Options	Performance Rights Class A	Performance Rights Class B	Performance Rights Class C		
Exercise Price	\$0.2500					
Opening 1 July 2023	5,000,000	1,000,000	1,000,000	1,000,000	\$0.2500	37.4
Issued	-	-	-	-	-	
Closing 30 June 2024	5,000,000	1,000,000	1,000,000	1,000,000	\$0.2500	25.4

Note 15: Non-Cash Investing and Financing Activity

	2024	2023
	\$	\$
Share based payment expense	139,675	57,732
Exploration and evaluation previously capitalised, expensed	61,765	324,942



ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 16: Capital Commitments

Exploration Expenditure Commitments:

The Company has minimum statutory commitments as at 30 June 2024 as conditions of tenure of certain granted exploration tenements of:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Minimum expenditure commitments	251,000	150,000	555,847	362,123	-	-	806,847	512,123

Tenement Purchase Commitments:

The Company has entered an agreement with Pathfinder Exploration Pty Ltd and Norvale Pty Ltd ("Sellers") to purchase 100% of the Sellers right, title and interest in Tenement E80/5524.

As per the terms of the agreement the Company will issue \$100,000 worth of fully paid ordinary shares to the Sellers as Deferred Consideration Shares at the time the Company makes an announcement that the Company intends to commence production and thereafter, upon production and sales, the Company will pay a 2.5% net profit Royalty on all minerals recovered from this tenement.

At 30 June 2024, there are no further tenement purchase commitments by the Company.

Note 17: Contingent Liabilities and Contingent Assets

There are no further contingent liabilities and contingent assets noted by the management. (2023: \$nil)

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 18: Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except as follows:

1. On 1 July 2024, the Company issued 500,000 ordinary shares in the Company to each of two employees and a key contractor. The total issue of 1,500,000 ordinary shares was authorised by Directors at a Board Meeting on 23 May 2024.
2. On 11 July 2024, the Company incorporated a 100% controlled entity being McLaren VHM Pty Ltd.
3. On 31 July 2024, The Company through its 100% controlled entity McLaren VHM Pty Ltd, signed a Binding Term Sheet to acquire 100% of the McLaren VHM Project. The Company has agreed to pay the following consideration:
 - \$150,000 in cash for 100% of tenements E 69/2388 and E 69/2386
 - Grant of a 1.5% Royalty to the vendors
 - Issue of 2,000,000 options exercisable at 20 cents for consideration of \$0.0001 per share, vesting when Ilmenite concentrate sales exceeding USD300/tonne from the Project
 - 4,241,571 ordinary shares in the Company upon completion of a Pre-Feasibility Study; and
 - A further 4,300,583 ordinary shares in the Company upon completion of a Feasibility Study.

The acquisition will be funded from internal cash sources, however, the Company has decided to undertake an additional placement and has received binding commitments for approximately \$360,000 (before costs) via the issue of 9,000,000 shares to sophisticated, professional and institutional investors at an offer price of \$0.04 per share. Directors, Mr Haythorpe, Mr Ball and Mr Smyth have agreed to subscribe \$50,000 of the placement subject to shareholder approval at an upcoming meeting.

Note 19: Cash Flow Information

Reconciliation of cash flows from operating activities with loss for the year

	2024	2023
	\$	\$
Net loss	(1,423,813)	(1,645,916)
Non-cash expenses:		
Share based payment expense	139,675	57,732
Exploration and evaluation capitalised costs, written off	61,765	324,942
Depreciation and amortisation	47,217	4,819
Changes in assets and liabilities:		
Movement in trade and other receivables	22,025	(9,394)
Movement in other current assets	33,870	45,082
Movement in lease liabilities	43,886	366
Movement in provision for employee entitlements	11,017	9,200
Movement in trade and other payables	(64,126)	71,097
Net cash used in operating activities	(1,128,484)	(1,142,072)

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 20: Statement of Operations by Segment

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates solely in the natural resources exploration industry in Australia and has determined that this is the only operating segment. The Company is predominantly involved in mineral exploration and development. As the company has only one operating segment no additional financial information has been disclosed.

Note 21: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks; accounts receivable and payable; and loans made to related parties and investment loans.

The totals for each category of financial instruments measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies, are as follows:

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	1,179,810	3,179,588
Trade and other receivables	41,125	63,150
	<u>1,220,935</u>	<u>3,242,738</u>
FINANCIAL LIABILITIES		
Trade and other payables	96,706	150,368
Lease liabilities	123,861	160,167
	<u>220,567</u>	<u>310,535</u>

Financial assets and financial liabilities are at amortised cost.

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements. Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables

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ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 21: Financial Risk Management (cont.)

(b) Credit risk (cont.)

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored

and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

(c) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The Company manages its liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

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**ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS**

Note 21: Financial Risk Management (cont.)
Financial liability and financial asset maturity analysis

	Note	Within 1 Year		Within 1-5 years		Total	
		2024	2023	2024	2023	2024	2023
Financials liabilities due							
Trade and other payables	11	96,706	150,368	-	-	96,706	150,368
Lease liabilities	10	39,653	36,306	84,208	123,861	123,861	160,167
Total expected outflows		136,359	186,674	84,208	123,861	220,567	310,535
Financial assets realisable							
Cash and cash equivalents	5	1,179,810	3,179,588	-	-	1,179,810	3,179,588
Trade and other receivables	6	41,125	63,150	-	-	41,125	63,150
Total anticipated inflows		1,220,935	3,242,738	-	-	1,220,935	3,242,738
Net inflows/(outflows)		1,084,576	3,056,064	(84,208)	(123,861)	1,000,368	2,932,203

(d) Market Risk

(i) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates in classes of financial assets and liabilities is as follows:

2024	Average Effective Interest Rate	Fixed Interest Rate	Floating Interest rate	Non-Interest Bearing	Total
	%	\$	\$	\$	\$
Financial Assets:					
Operating accounts		-	-	18,008	18,008
11am interest account	1.32%	-	161,802	-	161,802
Term deposits	4.65%	1,000,000	-	-	1,000,000
Trade and other receivables		-	-	41,125	41,125
		1,000,000	161,802	59,133	1,220,935
Financial Liabilities:					
Accounts payable		-	-	96,706	96,706
Lease liabilities	5.41%	123,861	-	-	123,861
		123,861	-	96,706	220,567



ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS

Note 21: Financial Risk Management (cont.)

2023	Average Effective Interest Rate	Fixed Interest Rate	Floating Interest rate	Non-Interest Bearing	Total
	%	\$	\$	\$	\$
Financial Assets:					
Operating accounts		-	-	11,103	11,103
11am interest account	1.54%	-	168,485	-	168,485
Term deposits	4.21%	3,000,000			3,000,000
Trade and other receivables		-	-	63,150	63,150
		3,000,000	168,485	74,253	3,242,738
Financial Liabilities:					
Accounts payable		-	-	150,368	150,368
Lease liabilities	5.41%	160,167	-	-	160,167
		160,167	-	150,368	310,535

(ii) Commodity Price Risk

The Company is exposed to commodity price risk. Commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

Note 22: Fair Value Measurements

The net fair value of financial assets and financial liabilities of the Company approximates their carrying amount as presented on the statement of the financial position and in the notes to and forming part of the financial statements.

Note 23: Related Parties Transactions

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise.

Key Management Personnel Compensation

Details of Key Management Personnel compensation are disclosed in Note 4 to the financial statements.

Other transactions with director related entities

An entity associated with Gavin Ball provided consumables, equipment and other digital services to the Company during the year amounting to \$Nil (30 June 2023: \$2,449). There were no balances outstanding at year end.



**ALLUP SILICA LIMITED
NOTE TO THE FINANCIAL STATEMENTS**

Note 24: Earnings per Share

	2024	2023
	Cents	Cents
Basic loss per share (cents per share)	(1.6848)	(1.9476)
Diluted loss per share (cents per share)	(1.6848)	(1.9476)
Basic Earnings per Share	2024	2023
	\$	\$
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Loss after income tax	(1,423,813)	(1,645,916)
	2024	2023
	No.	No.
Weighted average number of ordinary shares	84,511,665	84,511,665
Weighted number of dilutive ordinary shares	N/A	N/A

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**ALLUP SILICA LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT**

The Company does not have any controlled entities and therefore section 295(3A)(a) of the *Corporations Act 2001* does not apply to the Company.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLUP SILICIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Allup Silica Limited (the Company) which comprises the statement of financial position as at 30 June 2024 the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, consolidated entity disclosure statement and the directors' declaration.

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

- giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended, and
- 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates the Company incurred a net loss of \$1,423,813 (2023: \$1,645,916) during the year ended 30 June 2024 and an operating cash outflow of \$1,172,370 (2023: \$1,142,072). As stated in Note 1, these events, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Company's inability to continue as a going concern. Our opinion is not modified in respects to this matter.

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Key Audit Matters

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.

Exploration and evaluation of mineral assets

Key audit matter

Refer to Note 8 *Mineral exploration and evaluation*

At 30 June 2024 the carrying value of exploration and evaluation assets was \$1,618,755.

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is more than the recoverable value.

The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves management judgement.

This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.

How our audit addressed the key audit matter

Our procedures included:

- Obtaining the reconciliation of capitalised exploration and evaluation and agreeing it to the general ledger.
- Reviewing the area of interest considerations against AASB 6.
- Conducting a detailed review of the assessment of trigger events prepared in accordance with AASB 6 including:
 - Determined whether the rights to tenures exist.
 - Ability to carry out exploration and evaluation activity in the relevant exploration area
 - Assessed whether the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale, and
 - Evaluated the potential impairment triggers.
- Assessing the appropriateness of the related financial statement disclosures.

Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the Chairman’s Letter, Review of Operations, Directors’ Report and ASX Announcement – Annual Results Announcement which we obtained prior to the date of our auditors report, and also includes the following information which will be included in the Group’s annual report (but does not include the financial report and our auditor’s report thereon): Corporate Directory, Corporate Governance Report and Shareholder Information, which is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor’s report, 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.

When we read the Chairman’s Letter, Review of Operations, Corporate Directory, Corporate Governance Report and Shareholder Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement for being true and correct in accordance with the requirements of the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and
- ii. the consolidated entity disclosure statement as true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have 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 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Company'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 Company to cease to continue as a going concern.
- 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 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.

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, actions taken to eliminate threats or safeguards applied.

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 the 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 pages 8 to 15 of the directors' report for the year ended 30 June 2024

In our opinion, the Remuneration Report of Allup Silica Limited for the year ended 30 June 2024 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.



SW Audit

Chartered Accountants



Nick Michael
Partner

Melbourne, 23 August 2024

**ALLUP SILICA LIMITED
ADDITIONAL INFORMATION**
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 6 August 2024:

1. Shareholding
a. Distribution of Shareholders

Category (size of holding):	Holders	Number	
		Shares	% of issued capital
1–1,000	14	4,096	0.01%
1,001–5,000	24	92,390	0.11%
5,001–10,000	133	1,250,661	1.45%
10,001–100,000	265	11,341,277	13.19%
100,001 and over	80	73,323,241	85.25%
	516	86,011,665	100.00%

The number of shareholdings held in less than marketable parcels is 181 holding 1,459,569 shares

b. Distribution of Unlisted Option holders

Category (size of holding):	Holders	Number	
		Options	% of issued capital
1–1,000	0	-	-
1,001–5,000	0	-	-
5,001–10,000	1	9,800	0.20%
10,001–100,000	9	402,410	8.05%
100,001 and over	7	4,587,790	91.76%
	17	5,000,000	100.00%

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder:	Number	
	Ordinary	% of issued capital
VORIAN INVESTMENT (HOLDINGS) PTY LIMITED <VORIAN INVESTMENT TRUST>	12,143,750	14.12%
TESHA PTY LTD <THE NIMROD TRUST>	11,500,000	13.37%
SPURS GEOLOGICAL SERVICES PTY LTD	11,364,000	13.21%
MR JASON PETERSON	4,300,000	5.00%

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting or by proxy has one vote on a show of hands.

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**ALLUP SILICA LIMITED
ADDITIONAL INFORMATION**
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES
e. 20 Largest Shareholders – Ordinary Shares

Position	Holder Name	Holding	% IC
1	VORIAN INVESTMENT (HOLDINGS) PTY LIMITED <VORIAN INVESTMENT TRUST>	12,143,750	14.12%
2	TESHA PTY LTD	11,500,000	13.37%
3	SPURS GEOLOGICAL SERVICES PTY LTD	11,364,000	13.21%
4	MAL SUPER FUND PTY LTD <MAL SUPERANNUATION FUND A/C>	4,165,465	4.84%
5	JOHN CAMPBELL SMYTH	3,614,219	4.20%
6	DRISCOLL FUTURE PTY LTD <DRISCOLL SUPER FUND A/C>	3,000,000	3.49%
7	LYNDHURST ENTERPRISES PTY LTD <LYNDHURST S/F A/C>	2,390,929	2.78%
8	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	2,300,000	2.67%
9	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	2,000,000	2.33%
10	MR VASA SERAFIN	1,153,797	1.34%
11	MR TYLER JAMES JANCZAK	1,112,842	1.29%
12	VYNBEN PENSION PTY LTD <MARK HOHNEN PENSION FUND>	1,041,666	1.21%
12	PETER SECKER	1,041,666	1.21%
13	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	1,000,000	1.16%
14	MR ANDREW BRIAN MILLIGAN	775,748	0.90%
15	MR PAUL JOSEPH COLLINS	760,000	0.88%
16	INGLEWOOD LODGE PTY LTD	625,000	0.73%
17	MR PHILIPPE CAILLOT DE CHADBANNES	591,684	0.69%
18	ZORAN BEBIC <BEBIC FAMILY ACCOUNT>	520,834	0.61%
18	MR FRANK HOEGEL	520,834	0.61%
19	MR OMER OSMANI	500,000	0.58%
19	MR PAUL KENNETH CLAUSEN	500,000	0.58%
20	MR SVEN OSCAR OLSSON	368,750	0.43%
	Total	62,991,184	73.24%
	Total issued capital - selected security class(es)	86,011,665	100.00%

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2. The name of the Company secretary is Ben Donovan

3. The address of the principal registered office in Australia is:

Unit A8, 435 Roberts Road, Subiaco WA 6008
Telephone 1300 SILICA.

4. Registers of securities are held at the following addresses:

Automic
Level 5, 191 St
Georges Terrace
Perth WA 6000

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6. **Unquoted Securities**

Performance rights

A total of 3,000,000 performance rights are on issue.

Options over unissued shares

A total of 5,000,000 options are on issue, held by 14 holders. All options are held by unrelated parties.

The following parties hold more than 20% of the unlisted options:

Position	Holder Name	Holding	% IC
1	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY>	1,898,680	37.97%

7. **Other Disclosures**

The Company has no share buy-back in place.

The Company has no escrowed securities.

Listing rule 4.10.19

The Company has used the cash and assets in a form readily convertible to cash that it had at the time of Admission in a way that is consistent with its business objectives.

Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Company's policies are consistent with the ASX Principles, and comparable to ASX listed entities of similar size and nature. The Company's detailed corporate governance policy statement can be found on the Company's web site at: [www.https://allupsilica.com/](https://allupsilica.com/).

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Resource Statement

The Company's current resources are stated below and the Company confirms that there is no new information or data that materially affects the mineral resource estimate announced on 5 August 2024, 30 June 2022, and the exploration target announced on 18 April 2024.

Sparkler Project

Size Fraction	Method	Yield %	Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Inferred resource			70,000,000	96.84	1.17	0.34	0.43	0.66
coarse sand +0.6mm	wet screen	36.5%	25,000,000	99.67	0.06	0.03	0.04	0.09
sand 0.106mm - 0.6mm	wet screen -attrition -HLS floats -Non-magnetics	52.9%	37,000,000	99.66	0.06	0.02	0.03	0.08
fine sand 0.045mm - 0.106mm	wet screen	5.2%	4,000,000	97.70	0.17	0.41	1.04	0.25

Sparkler C (E 70/5920) Exploration Target

Tonnage Range	Minimum	Maximum
Exploration Target	5,000,000	7,000,000
Grade		
Silica (SiO ₂) %	98%	99%
Inclusions	Lowest	Highest
Iron Oxide (Fe ₂ O ₃) % (ppm)	0.04% (400)	0.08% (800)
Titanium Dioxide (TiO ₂) % (ppm)	0.35% (3500)	0.55% (5500)
Alumina (Al ₂ O ₃) % (ppm)	0.03% (300)	0.07% (700)
LOI % (moisture and volatiles)	0.70%	1.0%

McLaren heavy mineral sands resource

JORC classification	Tonnes (Mt)	HM grade (%)	In-situ HM tonnes (Mt)	Slimes (%)	Ilmenite (% of HM)	Rutile (% of HM)	Leucoxene (% of HM)	Zircon (% of HM)
Indicated	79	6.0	4.7	25.0	30.4	0.7	1.9	0.6
Inferred	201	4.4	8.8	25.4	29.0	0.7	2.1	0.6
Total	280	4.8	13.5	25.3	29.4	0.7	2.0	0.6

**ALLUP SILICA LIMITED
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Competent Person Statement

Sparkler Project

Auranmore Consulting were engaged by the Company to undertake a Mineral Resource Estimate (MRE) for the Sparkler Silica Sand Exploration Project. The Mineral Resource Estimate complies with the recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). The Minerals Resource Estimate was compiled by Richard Maddocks, MSc in Mineral Economics, BAppSc in Applied Geology and Grad Dip in Applied Finance and Investment. Mr Maddocks is an employee of Auranmore Consulting and is a Fellow of the Australasian Institute of Mining and Metallurgy (111714) with over 30 years of experience. Mr Maddocks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

McLaren heavy mineral sands project

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of ERM and a Member of the Australian Institute of Geoscientists (RPGeo). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

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