



Limited

ABN 27 118 554 359

INTERIM FINANCIAL REPORT

For the six months ended

30 June 2024

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CORPORATE DIRECTORY

DIRECTORS
Mr Brad Marwood – Non-executive Chairman
Mr Anthony Italiano – Managing Director
Mrs Angela Pankhurst – Non-executive Director

COMPANY SECRETARY Mr Rudolf Tieleman

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DIRECTORS' REPORT

The directors present the financial report of Yari Minerals Limited (the "Company") and controlled entities (the "Group") for the six months ended 30 June 2024 (the "reporting period").

DIRECTORS

Mr Brad Marwood – Non-executive Chairman

Mr Anthony Italiano – Managing Director

Mrs Angela Pankhurst – Non-executive Director

All directors were in office for the entire period unless otherwise stated.

COMPANY SECRETARY

Mr Rudolf Tieleman.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the reporting period was exploration for lithium at its Pilbara Lithium projects in Western Australia.

REVIEW OF OPERATIONS

Pilbara Lithium Projects

South Wodgina Lithium Project

In the first half of the year, the Company made significant strides in its exploration activities at the South Wodgina block. A comprehensive Worldview-3 hyperspectral survey and an extensive airborne magnetic and radiometric survey were completed, resulting in the identification of 204 high-quality targets and 63 high-priority areas for further ground inspection. These efforts have greatly enhanced our geological mapping capabilities and refined our exploration methodologies, setting a strong foundation for the next phase of our exploration program. To that end, our extensive data collection efforts, including 3D magnetic, radiometric, Worldview-3 satellite spectrometry, and previous geological mapping, have enabled us to prioritise exploration zones within the South Wodgina tenements into Northern, Eastern, Western, and reconnaissance areas.

- **Northern Zone:** This area features multiple high-quality Worldview-3 magnetic and radiometric anomalies around a swarm of pegmatites historically mined for tin, tantalum, and niobium.
- **Western Zone:** High-quality anomalies are associated with pegmatites trending northwest from Mt Francisco.
- **Eastern Zone:** This zone contains visible pegmatitic outcrops trending towards neighbouring QX Resources' geochemical Li₂O anomalies.

DIRECTORS' REPORT

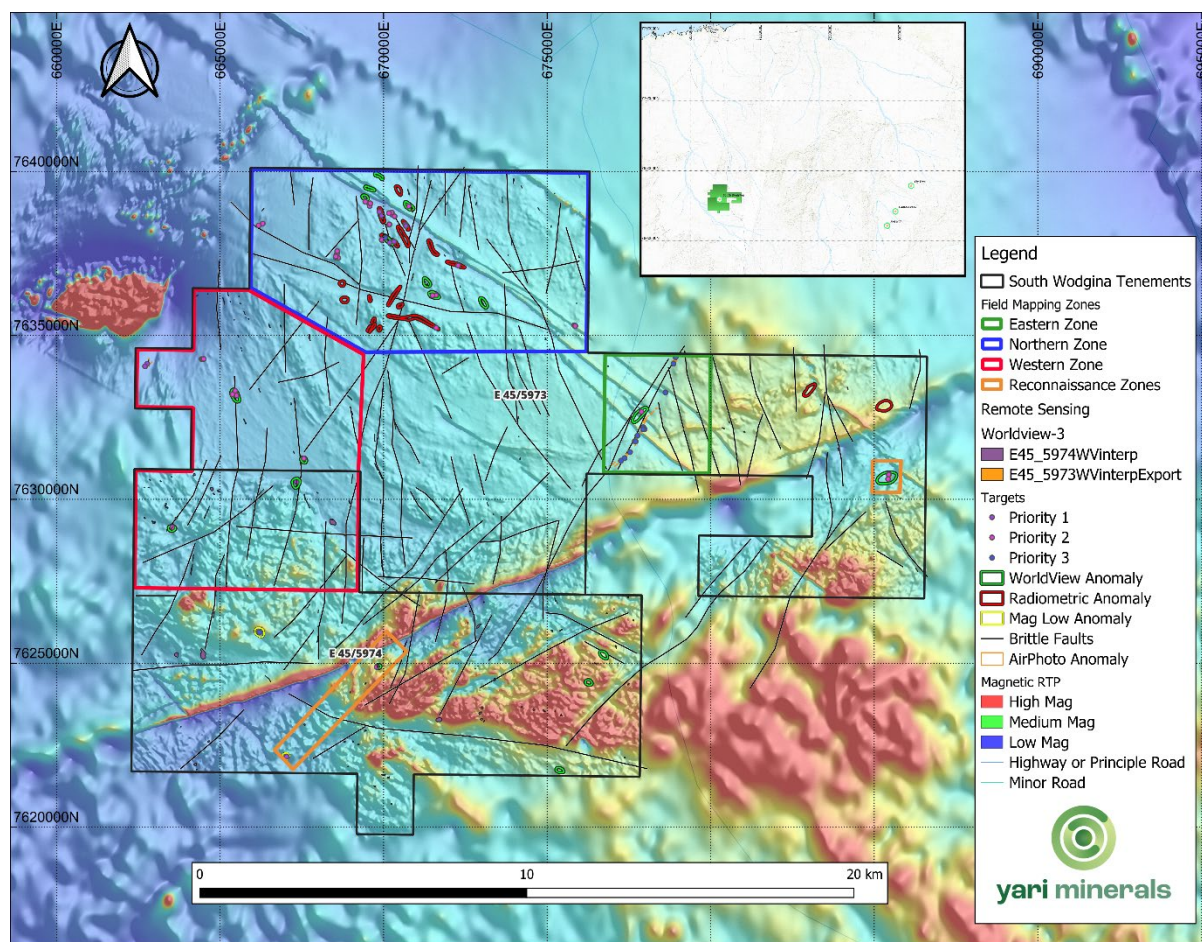


Figure 1 South Wodgina exploration Zones

Exploration planning is ongoing, with anticipated access to the area to complete initial fieldwork in the third and fourth quarters of 2024. The Company remains committed to advancing our exploration efforts and unlocking the full potential of the South Wodgina Project, leveraging the latest technological advancements and comprehensive geological data analysis.

East Pilbara Lithium Project

Fig Tree Project Data Compilation and Integration

A comprehensive data compilation exercise was successfully completed for the Fig Tree Project. This initiative represents a significant step in our ongoing efforts to enhance the quality and accessibility of geological data within the company. The results of this exercise have been integrated into the Company's Geographic Information System (GIS) database, which will play a crucial role in advancing our mineralisation identification and targeting strategies.

The data compilation process for the Fig Tree Project involved the systematic aggregation and processing of various geophysical and geochemical datasets.

The project team successfully merged multiple magnetic and radiometric data grids. Advanced filtering techniques were applied to refine the data quality, followed by imaging to visualise the

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DIRECTORS' REPORT

magnetic and radiometric characteristics of the project area. These processes have significantly improved our ability to interpret subsurface geological structures and anomalies.

A regional gravity grid with a cell size of 400 meters was subjected to filtering and imaging. The enhanced gravity data is crucial for understanding the distribution of mass variations beneath the Earth's surface, which in turn assists in identifying potential mineralisation zones.

The Shuttle Radar Topography Mission (SRTM) elevation data was processed through filtering and imaging techniques. This refined elevation data provides a more detailed understanding of the topography of the Fig Tree Project area, aiding in the geological interpretation and exploration planning.

Contours were generated for several key data grids, including Total Magnetic Intensity (TMI), gravity, and shuttle radar topography. These contours offer a simplified data representation, highlighting significant variations that may indicate mineralisation prospects.

Airborne EM time channel data were processed into distinct channels, namely “In-Phase”, “Quadrature,” and “Apparent Conductivity.” These channels provide valuable insights into the subsurface conductivity variations, which are essential for identifying conductive ore bodies and other geologically significant features.

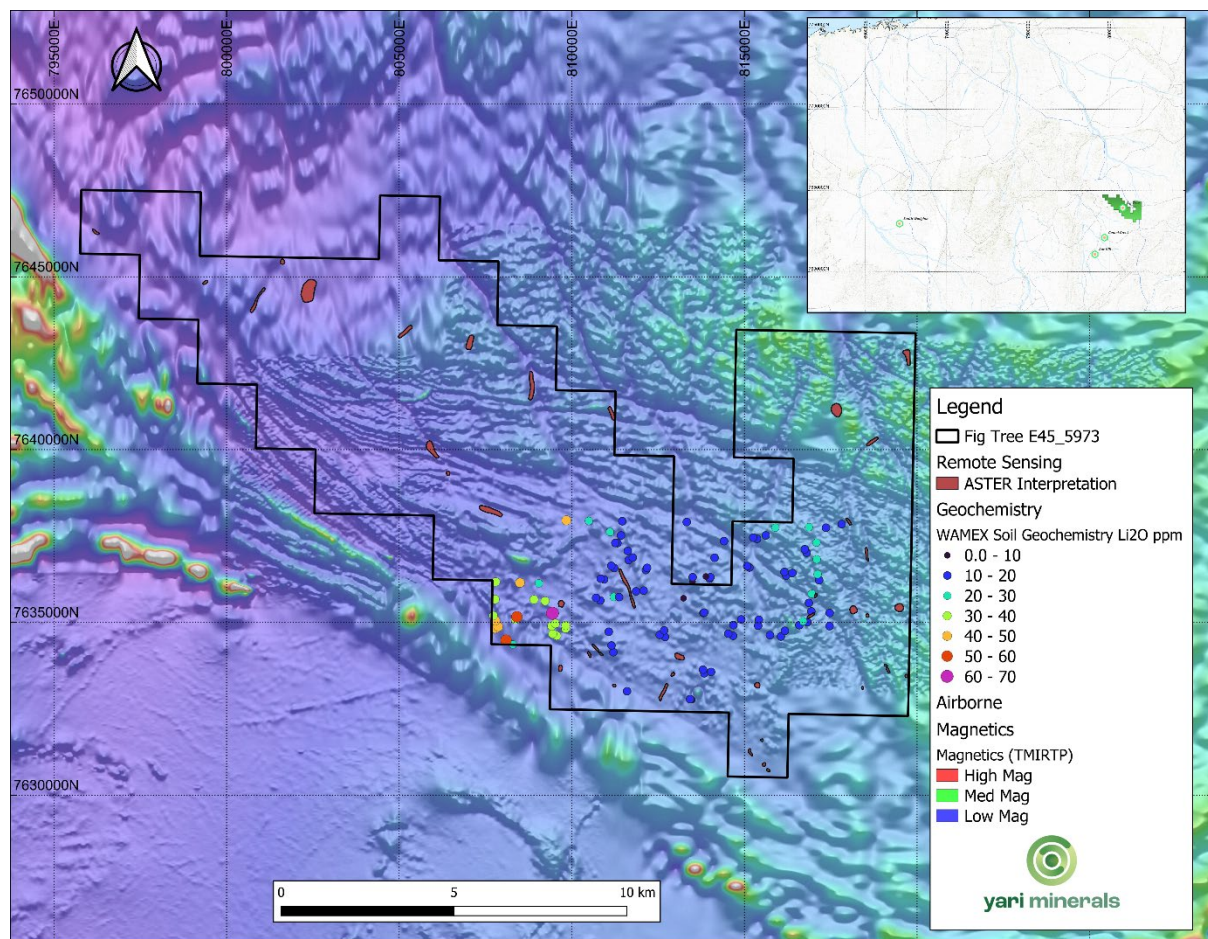


Figure 2 Fig Tree Total Magnetic Intensity with Soil Geochemistry

A thorough search was conducted in the Western Australian Mineral Exploration (WAMEX) database for relevant exploration reports and geochemical datasets. The acquired geochemical

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**DIRECTORS' REPORT**

data, including drilling and assay results, have been integrated into the Company's database. This historical data complements our ongoing exploration efforts, providing additional context and aiding in refining our exploration models.

Integrating these datasets into our GIS database represents a pivotal enhancement in our exploration capabilities. By leveraging this comprehensive processed data, the company is better positioned to accurately identify and target mineralisation. The Fig Tree Project, in particular, benefits from these advancements, as the enhanced data quality supports more informed decision-making in future exploration activities.

Moving forward, the Company will continue to build upon this data foundation. Ongoing efforts will focus on interpreting and analysing the compiled data to generate high-priority exploration targets. Additionally, the Company plans to conduct further field validation to confirm the geophysical anomalies identified through this data compilation exercise. In addition to the planned activities at Camel Creek and Ant Hill, the upcoming fieldwork will also include 'ground-checking' anomalies identified at Fig Tree during the previous quarter's data compilation exercise. Notably, there is significant interest in a zone located in the southwestern to central part of the tenement, where anomalous lithium geochemical results have been recorded near ASTER anomalies. This area represents a high-potential target for further exploration, and detailed planning and logistics for this fieldwork are already underway.

Camel Creek and Ant Hill

Yari acquired high-resolution Worldview-3 satellite imagery covering the entire 470km² of the Camel Creek and Ant Hill tenements. This strategic acquisition underscores our commitment to leveraging advanced technologies to enhance our geological exploration activities.

The Worldview-3 satellite imagery, known for its superior resolution, offers unprecedented lithological insights, significantly aiding in geological mapping and detecting alterations indicative of pegmatitic mineralisation. The spectral data obtained from Worldview-3 is comparable to the Aster data acquired in 2022; however, with a resolution that is 16 times greater, it allows for a more detailed and precise examination of the tenements. This heightened resolution improves our ability to selectively and effectively identify potential pegmatite targets, thereby optimising our exploration efforts.

Due to unavoidable cloud cover during the initial run, the acquisition process involved two separate satellite runs on 28 May and 16 June 2024. This unforeseen delay extended the process by approximately three weeks. However, the imagery has now been successfully processed by Geoimage, and we are moving forward with the interpretation phase, which involves a comprehensive analysis of the data to identify and geospatially locate all prospective elements. This interpretation is a pivotal step in our exploration strategy, as it will inform and prioritise targets for on-ground mapping and sampling. The fieldwork, slated for the third and fourth quarters of 2024, will focus on these high-priority areas, enabling us to optimise resource allocation and exploration efforts.

The acquisition and interpretation of Worldview-3 imagery represent a critical advancement in our exploration capabilities. By integrating this high-resolution data into our geological mapping and target identification processes, we are well-positioned to accelerate the exploration program. This initiative aligns with our strategic objective of utilising cutting-edge technology and comprehensive data analysis to drive successful exploration programs.

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DIRECTORS' REPORT

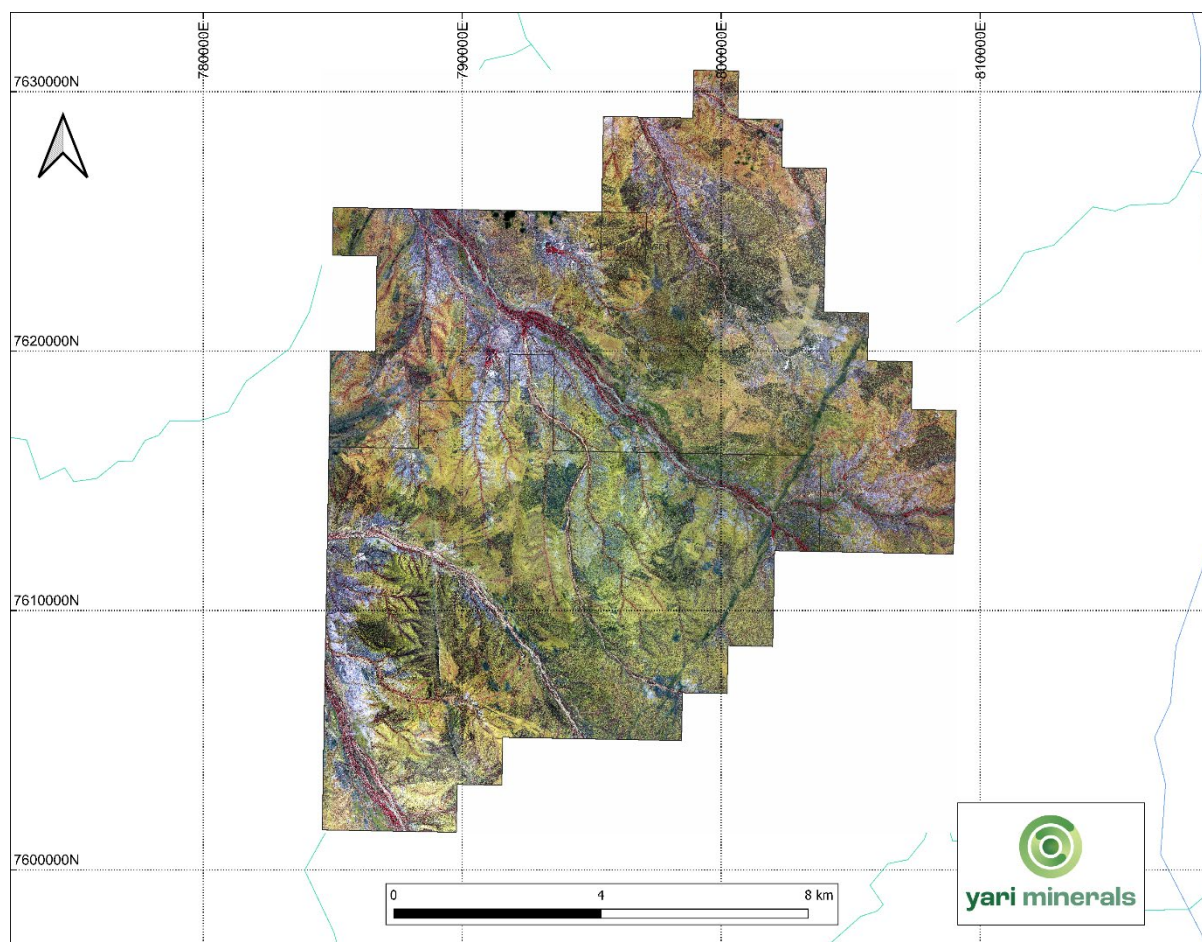


Figure 3 Camel Creek and Ant Hill Wordview-3 Natural Colour Mosaic

Wandagee

The Company has undertaken a strategic review of its current tenement portfolio to align all assets with the Company's core business goals and long-term strategy. As part of this review, the Company has carefully assessed each asset's prospectivity and strategic value within our portfolio.

Following an initial assessment of the prospectivity of the Wandagee tenement (E09/2499), the Company has made the decision to surrender this tenement. This decision aligns with our strategic focus on optimising resources and concentrating efforts on projects central to our growth and value-creation goals.

The surrender of the Wandagee tenement will have minimal impact on the Company's overall exploration program. The Company can redirect resources to higher-priority projects by divesting this non-core asset.

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**DIRECTORS' REPORT****Business Development**

The Company has actively pursued a robust strategy to identify and capitalise on new business development opportunities. This proactive approach is integral to our long-term growth and diversification strategy, which seeks to enhance our portfolio while mitigating the inherent risks associated with early-stage exploration projects.

To achieve this, the Company has conducted a series of site visits and due diligence reviews on several potential new project acquisitions. These activities are crucial in evaluating the viability of prospective assets and ensuring that any additions to our portfolio are aligned with our operational standards and strategic goals. The due diligence process includes an in-depth analysis of geological data, environmental and regulatory considerations, and financial feasibility to assess project viability.

Plomosas Zinc-Lead-Silver Project – Mexico

Yari owned 100% of Plomosas through Minera Latin American Zinc S.A.P.I. de C.V. (“MLAZ”), until the sale to Impact Silver Corp (“Impact Silver”) completed on 3 April 2023.

The Plomosas Project covers 11 mining concessions totalling 3,019ha in area with an extensive history of exploration and development in base metal operations. Plomosas is in the northern Mexican state of Chihuahua, which neighbours Texas, USA, and is accessed by a two-hour flight from Dallas. Records show the Plomosas Project to be in the global zinc industry’s upper quartile for grade, with approx. 2.5 million tonnes of ore having been mined since 1943 with average historical grades of 15-25% Zinc (Zn) + 2-7% Lead (Pb) and 40-60 g/t Silver (Ag), and clean mineralogy.

The Company received the following consideration for the Plomosas Project:

- US\$3,000,000 in cash at completion of the Sale Agreement less a provisional working capital adjustment of US\$728,400;
- 11.4 million in common shares in Impact Silver; and
- 12% of net profits from the Plomosas Project in cash royalty payments, on the terms of which are set out in a net profits interest deed.

On 21 February 2024, the Company announced it received a notice to initiate arbitration from Impact Silver Corp. Under the share sale agreement (“SSA”), Impact Silver Corp purchased 100% of the shares in MLAZ, a Mexican company that owns and operates the Plomosas project located in Chihuahua, Mexico. The Arbitration has only been initiated and is at a very early stage. The Company is working with its Canadian and Mexican legal counsel to conduct an assessment of the basis and merits of the matters subject to the Arbitration, and has commenced all necessary actions to defend its interests and pursue its counterclaims against Impact Silver Corp. Yari will comprehensively assess its position with a view to resolving the dispute as efficiently and effectively as possible.

**DIRECTORS' REPORT****Financial Performance and Financial Position**

The net loss of the Group after income tax for the six-months ended 30 June 2024 was \$344,004 (six months ended 30 June 2023: loss of \$83,586).

As at 30 June 2024, the Group had total assets of \$3,193,261 (31 December 2023: \$3,572,534) and total liabilities of \$247,433 (31 December 2023: \$282,702). Total cash was \$1,478,514 (31 December 2023: \$908,944) and the Group had no borrowings.

Subsequent Events

No matters or circumstances have arisen since 30 June 2024, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Auditors Independence

Section 307C of the Corporations Act 2001, requires our Auditors, HLB Mann Judd, to provide the Directors with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 28 and forms part of the Directors' report for the six months ended 30 June 2024.

This report is signed in accordance with a resolution of the Board of Directors pursuant to Section 306(3) of the Corporations Act 2001.

Brad Marwood
Non-executive Chairman
11 September 2024

COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Mr Kerry Griffin. Mr Griffin is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Griffin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Mr Griffin consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For the six months ended 30 June 2024

	<i>Note</i>	Six-months ended 30-Jun-24 AUD	Six-months ended 30-Jun-23 AUD
		\$	\$
Other expenses		-	(15,261)
Exploration and evaluation expenses	4(a)	(289,799)	(67,999)
Administrative expenses	4(b)	(231,143)	(405,230)
Personnel expenses	4(c)	(451,905)	(687,502)
Foreign exchange gain/(loss)		2,564	157,345
Movement in fair value of financial assets		623,315	(2,008,131)
Interest		2,964	(37,394)
Loss from continuing operations before income tax expense		(344,004)	(3,064,172)
Income tax expense		-	-
Loss from continuing operations after income tax expense		(344,004)	(3,064,172)
Profit from discontinued operations after income tax expense	7	-	2,980,586
Net loss for the year		(344,004)	(83,586)
Other comprehensive income, net of tax		-	-
Total comprehensive loss attributed to members of the parent entity		(344,004)	(83,586)
Earnings/(Loss) per share from continuing operations:			
Basic and diluted earnings/(loss) per share (cents per share)		(0.071)	(0.640)
Earnings/(Loss) per share for loss from discontinued operations:			
Basic and diluted earnings/(loss) per share (cents per share)		-	0.620
Earnings/(Loss) per share from loss from continuing and discontinued operations:			
Basic and diluted earnings/(loss) per share (cents per share)		(0.071)	(0.020)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	<i>Note</i>	As at 30-Jun-24 AUD \$	As at 31-Dec-23 AUD \$
Assets			
<i>Current assets</i>			
Cash & cash equivalents		1,478,514	908,944
Trade & other receivables	5	46,460	60,605
Financial assets	6	1,660,159	2,594,857
Total current assets		3,185,133	3,564,406
<i>Non-current assets</i>			
Property, plant & equipment	8	8,128	8,128
Total non-current assets		8,128	8,128
Total assets		3,193,261	3,572,534
Liabilities			
<i>Current liabilities</i>			
Trade & other payables	9	221,466	260,281
Total current liabilities		221,466	260,281
<i>Non-current liabilities</i>			
Provisions		25,967	22,421
Total non-current liabilities		25,967	22,421
Total liabilities		247,433	282,702
Net assets		2,945,828	3,289,832
Equity			
Issued capital	10	54,486,685	54,486,685
Reserves		1,200,968	1,200,968
Accumulated losses		(52,741,825)	(52,397,821)
Total equity		2,945,828	3,289,832

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2024

	Issued capital	Accumulated losses	Share-based Payments Reserve	Foreign Currency Translation Reserve	NCI Reserve	Total
	AUD	AUD	AUD	AUD	AUD	AUD
For the six months ended 30 June 2024	\$	\$	\$	\$	\$	\$
At 31 December 2023	54,486,685	(52,397,821)	716,665	484,303	-	3,289,832
Loss for the year after income tax from continuing operations	-	(344,004)	-	-	-	(344,004)
Total comprehensive loss for the period	-	(344,004)	-	-	-	(344,004)
At 30 June 2024	54,486,685	(52,741,825)	716,665	484,303	-	2,945,828



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For the six months ended 30 June 2023

	Issued capital	Accumulated losses	Share-based Payments Reserve	Foreign Currency Translation Reserve	NCI Reserve	Total
	AUD	AUD	AUD	AUD	AUD	AUD
For the six months ended 30 June 2023	\$	\$	\$	\$	\$	\$
At 31 December 2022	54,505,104	(42,257,048)	753,294	(1,277,759)	(8,966,759)	2,756,832
Loss for the year after income tax from continuing operations	-	(3,064,172)	-	-	-	(3,064,172)
Profit for the year after income tax from discontinued operations		2,980,586				2,980,586
Total comprehensive loss for the period	-	(83,586)	-	-	-	(83,586)
Transactions with owners in their capacity as owners:						
Issue of new shares net of issuance costs	(18,419)	-	-	-	-	(18,419)
Disposal of subsidiary	-	(8,966,759)	-	1,762,062	8,966,759	1,762,062
Share based payments	-	-	170,446	-	-	170,446
	(18,419)	(8,966,759)	170,446	1,762,062	8,966,759	1,914,089
At 30 June 2023	54,486,685	(51,307,393)	923,740	484,303	-	4,587,335

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2024

	Six-months ended 30-Jun-24 AUD	Six-months ended 30-Jun-23 AUD
Cash flows from operating activities		
Receipts from customers	-	540,822
Payments to suppliers and employees	(986,407)	(2,717,327)
Receipts from interest	2,964	4,112
Net cash (outflow) from operating activities	(983,443)	(2,172,393)
Cash flows from investing activities		
Proceeds from disposal of entities (net of transaction costs and cash disposed)	1,553,013	2,935,103
Net cash inflow from investing activities	1,553,013	2,935,103
Cash flows from financing activities		
Proceeds from borrowings	-	400,000
Repayment of borrowings	-	(400,000)
Payment of capital raising expenses	-	(14,899)
Net cash (outflow) from financing activities	-	(14,899)
Net increase in cash	569,570	747,811
Cash and cash equivalents at the beginning of the year	908,944	1,057,925
Foreign exchange translation	-	23,157
Cash and cash equivalents at the end of the period	1,478,514	1,828,873

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1. STATEMENT OF MATERIAL ACCOUNTING POLICIES****Statement of compliance**

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

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

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 31 December 2023 and any public announcements made by the Company and its subsidiaries during the six months in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim financial report was authorised for issue by resolution of the board of Directors on 11 September 2024.

Basis of preparation

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia, the functional and presentation currency of the Group is Australian Dollars, and all amounts are presented in Australian Dollars unless otherwise noted.

For the purpose of preparing the interim financial report, the six months has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of the new and revised standards, as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The accounting policies are consistent with the Annual Report for the year ended 31 December 2023.

Adoption of new and revised standards*Standards and Interpretations applicable to 30 June 2024*

In the reporting period ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 30 June 2024. As a result of this review the Directors

Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2023.

Going concern

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

As at 30 June 2024, the Group had available cash of \$1,478,514 and a working capital surplus of \$2,963,667. The Group recorded a loss of \$344,004 and a net cash inflow from operating and investing activities of \$569,570 for the period.

Based on the above, the Directors have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors consider that the going concern basis of preparation to be appropriate for the interim financial report.

Should the Impact Silver Corp shareholding not be realised at its value recorded in the financial report which is subject to market price movements, liquidity and partial escrow, or any adverse outcome be incurred from the Notice of Arbitration received from Impact Silver Corp, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2. OPERATING SEGMENTS

The Group considers that it has operated in the reportable segments of exploration, mining production and corporate.

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

The details of the operations within each Group segment are as follows:

- Exploration - Pilbara Lithium projects in Western Australia;
- Mining – Mexican mining and production operations of zinc and lead concentrates at its Plomosas Project up until its disposal on 3 April 2023; and
- Corporate – all other expenses not allocated to operating segments as they are not considered part of the core operation of any segment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. OPERATING SEGMENTS (continued)

		Exploration Six-months ended	Mining Six-months ended	Corporate Six-months ended	Total Six-months ended
	Note	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
		\$	\$	\$	\$
Exploration and evaluation expenses	4(a)	(289,799)	-	-	(289,799)
Administrative expenses	4(b)	-	-	(231,143)	(231,143)
Personnel expenses	4(c)	(155,239)	-	(296,666)	(451,905)
Foreign exchange gain/(loss)		-	-	2,564	2,564
Movement in fair value of financial assets		-	-	623,315	623,315
Interest expense		-	-	2,964	2,964
Profit/(Loss) from continuing operations before income tax expense		(445,038)	-	101,034	(344,004)
Income tax expense		-	-	-	-
Profit/(Loss) from continuing operations after income tax expense		(445,038)	-	101,034	(344,004)
Profit/(Loss) from discontinued operations after income tax expense	7	-	-	-	-
Net loss for the year		(445,038)	-	101,034	(344,004)
Segment Assets		-	-	3,193,261	3,193,261
Segment Liabilities		-	-	247,433	247,433

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. OPERATING SEGMENTS (continued)

		Exploration Six-months ended	Mining Six-months ended	Corporate Six-months ended	Total Six-months ended
	<i>Note</i>	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23
		\$	\$	\$	\$
Other expense		-	-	(15,261)	(15,261)
Exploration and evaluation expenses	4(a)	(67,999)	-	-	(67,999)
Administrative expenses	4(b)	-	-	(405,230)	(405,230)
Personnel expenses	4(c)	-	-	(687,502)	(687,502)
Foreign exchange gain/(loss)		-	-	157,345	157,345
Movement in fair value of financial assets		-	-	(2,008,131)	(2,008,131)
Interest expense		-	-	(37,394)	(37,394)
Profit/(Loss) from continuing operations before income tax expense		(67,999)	-	(2,996,173)	(3,064,172)
Income tax expense		-	-	-	-
Profit/(Loss) from continuing operations after income tax expense		(67,999)	-	(2,996,173)	(3,064,172)
Profit/(Loss) from discontinued operations after income tax expense	7	-	2,980,586	-	2,980,586
Net loss for the year		(67,999)	2,980,586	(2,996,173)	(83,586)
Segment Assets		-	-	4,885,058	4,885,058
Segment Liabilities		-	-	297,723	297,723

3. DIVIDENDS

The Company did not pay or propose any dividends in the six months ended 30 June 2024.

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Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. PROFIT AND LOSS INFORMATION

	Six-months ended 30-Jun-24	Six-months ended 30-Jun-23
a) Exploration and evaluation expenses	(289,799)	(67,999)
b) Administrative expenses		
Administration	(64,740)	(73,729)
Consultancy and legal expenses	(84,128)	(78,014)
Compliance and regulatory expenses	(9,297)	(148,265)
Communication	(28,836)	(39,999)
Depreciation and amortisation	-	(667)
Occupancy	(17,500)	(5,592)
Travel and accommodation	(371)	(24,522)
Audit fees	(26,271)	(34,442)
	(231,143)	(405,230)
c) Personnel expenses		
Directors' fees	(68,774)	(163,894)
Employee expenses	(320,817)	(259,608)
Bonuses	(31,160)	(67,565)
Superannuation expenses	(31,154)	(25,989)
Share-based payments	-	(170,446)
	(451,905)	(687,502)

5. TRADE AND OTHER RECEIVABLES

	30-Jun-24	31-Dec-23
Current		
Other receivable	24,449	14,835
Prepayments	22,011	45,770
	46,460	60,605

6. FINANCIAL ASSETS

	30-Jun-24	31-Dec-23
Current		
Listed shares – Impact Silver Corp (at fair value through profit or loss)	1,660,159	2,594,857
	1,660,159	2,594,857
Movements	Six-months ended 30-Jun-24	Year ended 31-Dec-23
Opening Balance	2,594,857	-
Value of shares received on sale of MLAZ	-	4,989,392
Less Proceeds on Sale	(1,558,013)	-
Add Fair value adjustment	623,315	(2,394,535)
Closing Balance	1,660,159	2,594,857

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Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. FINANCIAL ASSETS (CONTINUED)

The Company holds 6,308,647 fully paid ordinary shares in Impact Silver Corp (TSX-V: IPT). The Impact Silver Corp shares were issued with an escrow period, with 2,860,412 shares to be released from the final escrow period on 3 October 2024.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement.

The Company utilised the Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date with respect to the fair value of the Impact Silver Corp shareholding.

7. DISCONTINUED OPERATIONS

Sale of subsidiary company, Minera Latin American Zinc S.A.P.I de C.V. (MLAZ) completed on 3 April 2023.

Financial Performance Information

	Six-months ended 30-Jun-24	Six-month ended 30-Jun-23
Zinc revenue	-	593,093
Lead revenue	-	64,734
Silver revenue	-	7,424
Treatment Charge – Zinc Concentrate	-	(107,671)
Treatment Charge – Lead Concentrate	-	(13,690)
Other income	-	121,081
Total Revenue	-	664,971
Cost of goods sold	-	(728,865)
Other expenses	-	93,152
Total expenses	-	(635,713)
Profit/(Loss) before income tax expense	-	29,258
Income tax expense	-	-
Profit/(Loss) after income tax expense	-	29,258
Profit on disposal before income tax expense	-	3,351,012
Cost of disposal	-	(399,684)
Income tax expense	-	-
Profit on disposal after income tax expense	-	2,951,328
Profit after income tax expense from discontinued operations	-	2,980,586

Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. DISCONTINUED OPERATIONS (CONTINUED)

Cashflow information

	Six-months ended 30-Jun-24	Six-months ended 30-Jun-23
Net cash from operating activities	-	(1,096,544)
Net cash used in investing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	-	(1,096,544)

Carrying amounts of assets and liabilities at the date of disposal

Cash & cash equivalents	184,429
Trade & other receivables	733,265
Inventory	439,853
Property, plant & equipment	3,257,740
Mine property & development	3,348,861
Total Assets	7,964,148
Trade & other payables	1,809,773
Provisions	752,422
Total liabilities	2,562,195
Net Assets	5,401,953

Details of the disposal

	Six-months ended 30-Jun-23
	\$
Total sale consideration	8,392,965
Carrying amount of the net assets disposed	(5,401,953)
Cost of disposal	(399,684)
Profit on disposal before income tax	2,951,328

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Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. NON-CURRENT ASSETS

a) Property, plant and equipment

Plant and Equipment

	30-Jun-24	31-Dec-23
At cost	8,128	8,128
Accumulated depreciation	-	-
	8,128	8,128

Movement in carrying amount

	Six-months ended 30-Jun-24	Year ended 31-Dec-23
Balance at the beginning of the year	8,128	656
Additions	-	8,128
Depreciation	-	(656)
Balance at the end of the period/year	8,128	8,128

9. TRADE AND OTHER PAYABLES

Trade creditors
Other payables and accruals
Provision for annual leave

	30-Jun-24	31-Dec-23
Trade creditors	80,131	81,971
Other payables and accruals	85,053	31,362
Provision for annual leave	56,282	146,948
	221,466	260,281

10. ISSUED CAPITAL

a) Share capital

	30-Jun-24 Number of shares	30-Jun-24 AUD	31-Dec-23 Number of shares	31-Dec-23 AUD
Ordinary shares paid net of costs	482,357,813	54,486,685	482,357,813	54,486,685

<i>Reconciliation of movement in Issued capital</i>	Issue price (A\$ cents)	Number of shares	AUD
Balance at 1 January 2023		482,357,813	54,505,104
Issuance costs		-	(18,419)
Balance at 31 Dec 2023		482,357,813	54,486,685
Balance at 1 January 2024		482,357,813	54,486,685
Issuance costs		-	-
Balance at 30 June 2024		482,357,813	54,486,685

Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. ISSUED CAPITAL (continued)

b) Options over ordinary shares

Options over ordinary shares	Six-months ended 30-Jun-24 Number of options	Six-months ended 30-Jun-24 Exercise price per option (A\$)	Year ended 31-Dec-23 Number of options	Year ended 31-Dec-23 Exercise price per option (A\$)
Outstanding at the beginning of the period	144,000,000	0.04	125,368,997	
Granted - Unlisted options	-		118,000,000	0.04
Expired - Listed options	-		(99,118,998)	0.09
Expired - Unlisted options	-		(249,999)	0.90
Outstanding at the end of the period	144,000,000		144,000,000	
Exercisable at the end of the period	144,000,000		144,000,000	

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

c) Capital management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. The capital risk management policy remains unchanged from the 31 December 2023 Annual Report.

	30-Jun-24	31-Dec-23
Cash and cash equivalents	1,478,514	908,944
Financial assets	1,660,159	2,594,857
Trade and other receivables	46,460	60,605
Trade and other payables	(221,466)	(260,281)
Working capital position	2,963,667	3,304,125

The Group has a number of financial instruments not measured at fair value on a recurring basis. The carrying value of these of these instruments is approximately their fair value.

11. COMMITMENTS AND CONTINGENCIES

a) Commitments

	30-Jun-24	31-Dec-23
Not later than 12 months	292,000	421,000
Between 12 months and 5 years	640,000	1,319,000
	932,000	1,740,000

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11. COMMITMENTS AND CONTINGENCIES (continued)

The commitments are minimum exploration and rents for the Western Australian exploration licenses.

b) ContingenciesContingent Assets

The final working capital adjustment on completion of the sale of MLAZ is to be calculated in accordance with IFRS accounting principles. The working capital calculations prepared by Yari Minerals in accordance with IFRS accounting principles indicate there is an amount payable by Impact Silver Corp to Yari Minerals. The parties have not been able to reach an agreement on the final calculation based on IFRS accounting principles and should the parties not reach an agreement, in accordance with the terms of the Share Sale Agreement, the matter is to be referred to an Independent Expert for determination in accordance with IFRS accounting principles and the Share Sale Agreement. The Company has prepared the working capital adjustment based on its audited IFRS financial statements, and has formed the view it is likely a payment for the working capital adjustment will be made to Yari by Impact Silver Corp, upon completion of the determination by an Independent Expert.

Contingent Liabilities

- (i) MLAZ terminated the mining contract with the service provider (“Ganti”) in November 2019. The Group has disputed the cost claims submitted by Ganti, as in the Company’s opinion it is not in accordance with the mining contract. Rather than follow the contractual dispute resolution scheme, Ganti submitted proceedings in the Federal District Court of Mexico claiming Mexican Pesos \$23,632,639 (inclusive of 16% VAT). The Group’s Mexican subsidiary has de-recognised this claim in full with a strong legal opinion received by the Company advised there is a strong probability of success in defending against Ganti’s claims, and a very high likelihood of success in MLAZ’s loss of profits claim against Ganti, with the likely outcome an amount would be payable by Ganti to MLAZ.

Any reimbursements made by Yari Minerals to Impact Silver Corp in relation to the Ganti case are capped at US\$250,000 and will be deducted from the 12% net profit interest royalty payments.

- (ii) Former employees of Ganti are claiming unpaid wages and termination benefits in a legal action against MLAZ and Ganti. Under the Mexican labour laws, MLAZ would only be liable for the Ganti employee costs if the claimants can prove an exclusive labour relationship between the companies. It is the understanding of MLAZ that there was no such relationship between Ganti and MLAZ, as Ganti operated at multiple sites as a contractor within Mexico, however, this will be subject to judgements by the Mexican legal system. The Ganti employees have made an ambit claim against MLAZ and Ganti, which MLAZ is vigorously defending. MLAZ also has indemnity for these costs under the mining contract with Ganti, however, the solvency of Ganti is uncertain.

Interim Financial Report for the six months ended 30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. COMMITMENTS AND CONTINGENCIES (continued)

The Company has agreed to escrow the first Mexican Pesos \$14,639,957 (approx. A\$1,318,855) of the 12% Net Profit Interest royalty pending the outcome of the legal action brought by a former contractor's employees, which the Company has been advised is highly unlikely to succeed.

- (iii) On 21 February 2024, the Company announced it received a notice to initiate arbitration from Impact Silver Corp. Under the share sale agreement ("SSA"), Impact Silver Corp purchased 100% of the shares in MLAZ, that owns and operates the Plomosas project located in Chihuahua, Mexico. The Arbitration has only been initiated and is at a very early stage. The Company is working with its Canadian and Mexican legal counsel to conduct an assessment of the basis and merits of the matters subject to the Arbitration, and has commenced all necessary actions to defend its interests and pursue its counterclaims against Impact Silver Corp. Yari will comprehensively assess its position with a view to resolving the dispute as efficiently and effectively as possible.

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since end of the period ended 30 June 2024, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

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DIRECTORS' DECLARATION

In the directors' opinion:

- (a) The financial statements and notes set out on pages 11 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Australian Accounting Standards AASB134 '*Interim Financial Reporting*', the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- (b) There are reasonable grounds to believe that Yari Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Brad Marwood
Non-executive Chairman
Perth
11 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Yari Minerals Limited for the half-year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
11 September 2024



L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Yari Minerals Limited

Report on the Condensed Half-Year Financial Report

Qualified Conclusion

We have reviewed the half-year financial report of Yari Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, except for the possible effects of the matters described in the *Basis for qualified conclusion* section, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Yari Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualified Conclusion

During the prior year, the Group disposed of its subsidiary, Minera Latin American Zinc S.A.P.I. de C.V. ('MLAZ'). We were unable to obtain sufficient, appropriate evidence in relation to the amounts recorded as inventory in the above subsidiary as at disposal date. In addition, we were unable to obtain evidence to verify certain amounts recorded as trade payables in the subsidiary as at disposal date. Furthermore, the Group is currently in arbitration with the purchaser in relation to the working capital adjustment forming part of the consideration. As a consequence of the above factors, we were unable to obtain sufficient, appropriate evidence in relation to the net assets of MLAZ at disposal date, the working capital adjustment and therefore the gain on disposal in the prior period, related tax implications and the profit from discontinued operations of MLAZ in the prior period. The determination of the working capital adjustment may have an effect on the current period's result.

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

Material Uncertainty Related to Going Concern

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

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
11 September 2024



L Di Giallonardo
Partner