

The logo for Errawarra Resources, featuring the company name in white capital letters on a red rectangular background.

ERRAWARRA **RESOURCES**

Financial Report for the half-year ended
31 December 2024

www.errawarra.com | ASX:ERW

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CORPORATE DIRECTORY

Board of Directors

Executive Chairman	Mr Thomas Reddicliffe
Non-Executive Director	Mr Bruce Garlick
	Mr Eugene Sharrock

Company Secretary
Mrs Mindy Ku

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Auditors
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West Perth, Western Australia, 6005

Registered Office
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Perth, Western Australia 6000

Social Network Sites
Twitter | @AuNiCuWA
LinkedIn | Errawarra Resources Ltd

Share Registry
Automic
Level 5/191 St George's Terrace
Perth, Western Australia, 6000
1300 288 664 (Telephone)
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Lawyers
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street, Perth, Western Australia, 6000

DIRECTORS' REPORT

The Directors of Errawarra Resources Ltd (**Errawarra, Group or Company**) submit the financial report for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of the Directors of the Company who have held office during and since the end of the half-year are:

Executive Chairman	Mr Thomas Reddicliffe
Executive Director	Mr George Ventouras (appointed 6 November 2023, resigned on 10 January 2025)
Non Executive Directors	Mr Bruce Garlick Mr Eugene Sharrock (appointed on 10 January 2025)

The Directors held their position throughout the entire half-year period and up to the date of this report unless stated otherwise.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the half-year period was exploration and evaluation of mineral interests.

RESULTS

The consolidated net loss of the Group for the half-year period after income tax expense was \$1,398,011 (Dec 2023: loss \$1,015,088).

REVIEW OF OPERATIONS

The Company has maintained a focus on its West Pilbara Andover West project tenement for lithium pegmatites but has also expanded its commodity interest to include not only lithium but also the potential for gold. The company is also expanding its exploration activities on the Errabiddy project tenements and continuing with exploration for gold at Binti Binti.

ANDOVER WEST | NICKEL-COPPER (80% interest)

Exploration during the quarter included reviewing the results of past lithium exploration in the northwest portion of the Andover West project tenement as well as undertaking reconnaissance sampling at the White Quartz Hill gold prospect.

Exploration activities

- › Two strong anomalous lithium oxide (**Li₂O**) soil trends confirmed **Li₂O** trends in the Western Pegmatite swarm at Andover West.
- › The two priority areas represent a combined 3km strike extension to a known lithium (**Li**) pegmatite zone that is being drill tested by Raiden Resources on their adjoining tenement.
- › Gold potential at White Quartz Hill in eastern part of tenement is being assessed and with reconnaissance rock chip sampling being completed.
- › Heritage clearances over rock chip and soil anomalous areas targeting lithium pegmatites were completed.

Forward plans

- › Forward work at Andover west will focus on the evaluation of the White Quartz gold project and assessing the exploration implications of drill results reported by Raiden Resources from their Andover lithium prospect.

PINDERI HILLS JV | LITHIUM

Exploration activities

- › Errawarra has a Farm-in and Joint Venture (**JV**) with Alien Metals Ltd (AIM:UFO) with respect to the lithium rights of its tenements in the West Pilbara. Errawarra is manager of the joint venture and can earn up to 50% interest in the project tenements.
- › Work to date has resulted in a significant surface **Li₂O** soil and stream anomaly with a footprint of 6km² being highlighted following interpretation of assay results from 1017 reconnaissance samples.
- › A pegmatite sample located 6km due east of the soil and stream lithium anomaly has reported 288ppm **Li₂O** along with associated elevated cesium (**Cs**), tantalum (**Ta**) and niobium (**Nb**) which is characteristic of a lithium-cesium-tantalum (**LCT**) pegmatite.

Forward plans

- › Ground investigation of the 6km² lithium soil anomaly and discrete lithium anomalous pegmatite is planned.

DIRECTORS' REPORT

ERRABIDY | GOLD & NICKEL-COPPER (80-100% interest)

Exploration activities

- › A JV was entered into with Falcon Metals on tenement E09/2457 for all minerals excluding graphite. This JV encompasses the Olsen Well surface gold anomaly defined by Errawarra.
- › Errawarra has identified graphitic schists associated with a significant conductor with 10km strike in proximity to the Graphite Bull Project of Buxton Resources.
- › Moving Loop Electromagnetic (**MLEM**) surveys confirm a strong conductor within mafic rocks on tenement E09/2346.
- › New copper (**Cu**)-gold (**Au**) soil anomaly identified in soil samples taken at Parrot Bore within tenement E09/2602.

Forward plans

- › Falcon Metals will be conducting on ground maiden exploration activities on E09/2457 in 2025 with an initial focus on the Olsen Well surface gold anomaly.
- › Ground reconnaissance activities to investigate the copper/gold anomaly confirmed in the recent soil sampling program completed at Parrot Bore will be planned.

BINTI BINTI | GOLD (80% interest)

Exploration activities

- › A new potential gold anomalous zone was identified from reconnaissance soil sampling aimed at assessing the lithium prospectivity of the tenement.

Forward plans

- › The Company will be undertaking follow-up exploration work to investigate the significance of the newly identified surface gold anomaly.

FRASER RANGE

- › This foundation project remains under review with the Company assessing options for potential divestment or joint venture.

CORPORATE

Errawarra held its Annual General Meeting on 26 November 2024 with all resolutions carried by poll. The majority of proxy votes cast were in favour of resolutions. The Annual Report 2024 was lodged with the ASIC in accordance with required timeframes.

The Company was advised by the Australian Taxation Office (ATO) that its Junior Mining Exploration Incentive (JMEI) application for the 2024/2025 financial year has been accepted and the Company received an allocation of up to \$450,000 that can be distributed to eligible shareholders who participate in any capital raising activities between 1 July 2024 and 30 June 2025.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since 31 December 2024 that may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 5 and forms part of the Directors' report for the six months ended 31 December 2024.

Signed in accordance with a resolution of directors.

On behalf of the Directors

Thomas Reddicliffe
Executive Chairman
4th March 2025

DIRECTORS' DECLARATION

The Directors declare that in the Directors' opinion:

- (a) subject to the achievement of matters noted in note 2(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; and
- (b) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standard AASB 134 and the *Corporations Regulations 2001* as disclosed in note 2 and giving a true and fair view of the financial position and performance of the Group for the half-year ended 31 December 2024.

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

On behalf of the Directors

Thomas Reddicliffe
Executive Chairman
Perth, Western Australia this 4th day of March 2025

INDEPENDENCE DECLARATION TO THE DIRECTORS OF ERRAWARRA RESOURCES LTD



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Australia

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4 March 2025

Board of Directors
Errawarra Resources Limited
Level 2, 10 Ord Street
West Perth, Western Australia 6005

Dear Sirs

RE: ERRAWARRA RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Errawarra Resources Limited.

As Audit Director for the review of the financial statements of Errawarra Resources Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik
Director

Liability limited by a scheme approved under Professional Standards Legislation



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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF ERRAWARRA RESOURCES LTD



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ERRAWARRA RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Errawarra Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Errawarra Resources Limited's financial position as at 31 December 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 Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 4 March 2025.

Material Uncertainty Related to Going Concern

As referred to in Note 2b to the interim financial statements, the financial statements have been prepared on a going concern basis. As at 31 December 2024, the consolidated entity had cash and cash equivalents totalling \$450,842 incurred a net loss after tax for the half year of \$1,398,011 and incurred net cash outflows from operating activities of \$1,069,648. As stated in Note 2b, these events or conditions, along with other matters as set forth in Note 2b indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.



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Responsibility of the Directors for the Financial Report

The directors of Errawarra Resources Limited 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 Company's financial position as at 31 December 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.

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

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
4 March 2025

CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2024

	Note	Half-year ended 31 Dec 2024 \$	Half-year ended 31 Dec 2023 \$
Continuing operations			
Other income		93,722	35,531
Share-based payment (expense)/reversed	13	(84,174)	25,593
Employee expenses		(92,515)	(61,479)
Consultants expenses		(228,665)	(235,484)
Depreciation expense		(11,543)	(2,616)
Interest expense		(275)	(272)
Occupancy expenses		(23,521)	–
Exploration and evaluation expenses		(842,882)	(638,778)
Fair value (loss)/gain on other financial assets		(71,682)	–
Other expenses		(136,476)	(137,583)
(Loss) from continuing operations before income tax benefit		(1,398,011)	(1,015,088)
Income tax benefit		–	–
(Loss) attributable to members of the parent entity		(1,398,011)	(1,015,088)
Other comprehensive income for the period		–	–
Total comprehensive (loss) for the period		(1,398,011)	(1,015,088)
Net (loss) attributable to:			
Owner of Errawarra Resources Ltd		(1,341,676)	(977,564)
Non-controlling interest		(56,335)	(37,524)
		(1,398,011)	(1,015,088)
Total comprehensive (loss) attributable:			
Owner of Errawarra Resources Ltd		(1,341,676)	(977,564)
Non-controlling interest		(56,335)	(37,524)
		(1,398,011)	(1,015,088)
(Loss) per share attributable to the parent entity:			
Basic (cents per share)		(1.40)	(1.30)

Diluted earnings per share are not disclosed as the economic entity incurred a loss and the options are not deemed to be dilutive.

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	31 Dec 2024 \$	30 Jun 2024 \$
Current assets			
Cash and cash equivalents		450,842	1,545,240
Trade and other receivables	3	174,602	316,846
Other financial assets at fair value through profit and loss	4	223,222	294,904
Other asset		25,000	25,000
Total current assets		873,666	2,181,990
Non-current assets			
Property, plant and equipment	5	78,914	90,457
Right-of-use asset	8	43,280	66,801
Total non-current assets		122,194	157,258
TOTAL ASSETS		995,860	2,339,248
Current liabilities			
Trade and other payables	6	370,333	380,024
Provision	7	11,538	6,923
Lease liability	8	45,540	49,225
Total current liabilities		427,411	436,172
Non-current liabilities			
Trade and other payables	6	91,940	127,479
Lease liability	8	–	20,790
Total non-current liabilities		91,940	148,269
TOTAL LIABILITIES		519,351	584,441
NET ASSETS		476,509	1,754,807
Equity			
Issued capital	9	11,540,319	11,540,319
Reserves	10	2,430,505	2,755,611
Accumulated losses		(13,083,244)	(12,186,387)
Parent interest		887,580	2,109,543
Non-controlling interest		(411,071)	(354,736)
TOTAL EQUITY		476,509	1,754,807

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2024

	Attributable to equity holders						
	Issued Capital \$	Option Reserve \$	Performance Rights Reserve \$	In-specie Distribution Reserve \$	Non-controlling Interest \$	Accumulated Losses \$	Total Equity \$
For the half-year ended 31 December 2024							
Balance as at 1 July 2024	11,540,319	1,872,510	154,521	728,580	(354,736)	(12,186,387)	1,754,807
Total comprehensive income							
Loss for the period	–	–	–	–	(56,335)	(1,341,676)	(1,398,011)
Other comprehensive loss for the period	–	–	–	–	–	–	–
Total comprehensive loss for the period	–	–	–	–	(56,335)	(1,341,676)	(1,398,011)
Transactions with owners recorded direct to equity							
Share-based payments	–	84,174	35,539	–	–	–	119,713
Options lapsed	–	(444,819)	–	–	–	444,819	–
Total transactions with owners	–	(360,645)	35,539	–	–	444,819	119,713
Balance as at 31 December 2024	11,540,319	1,511,865	190,060	728,580	(411,071)	(13,083,244)	476,509

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2024

	Attributable to equity holders						
	Issued Capital \$	Option Reserve \$	Performance Rights Reserve \$	In-specie Distribution Reserve \$	Non-controlling Interest \$	Accumulated Losses \$	Total Equity \$
For the half-year ended 31 December 2023							
Balance as at 1 July 2023	7,579,621	1,897,751	1,141,328	728,580	(184,652)	(10,430,482)	732,146
Total comprehensive income							
Loss for the period	—	—	—	—	(37,524)	(977,564)	(1,015,088)
Other comprehensive loss for the period	—	—	—	—	—	—	—
Total comprehensive loss for the period	—	—	—	—	(37,524)	(977,564)	(1,015,088)
Transactions with owners recorded direct to equity							
Issue of shares	4,250,000	—	—	—	—	—	4,250,000
Share-based payments	—	353	35,539	—	—	—	35,892
Options and PRs exercised or forfeited	—	(25,593)	(1,057,500)	—	—	1,057,500	(25,593)
Shares issue expense	(289,302)	—	—	—	—	—	(289,302)
Total transactions with owners	3,960,698	(25,240)	(1,021,961)	—	—	1,057,500	3,970,997
Balance as at 31 December 2023	11,540,319	1,872,511	119,367	728,580	(222,176)	(10,350,546)	3,688,055

The accompanying notes form part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOW

for the half-year ended 31 December 2024

	Half-year ended 31 Dec 2024 \$	Half-year ended 31 Dec 2023 \$
Cash flows from operating activities		
Payments for exploration and evaluation	(780,071)	(897,215)
Payments to suppliers and employees	(315,133)	(405,330)
Interest received	25,556	36,703
Net cash (used) in operating activities	(1,069,648)	(1,265,842)
Cash flows from investing activities		
Purchase of fixed assets	—	(85,251)
Net cash (used) in investing activities	—	(85,251)
Cash flows from financing activities		
Proceeds from issues of equity securities	—	4,250,353
Payment for share issue costs	—	(289,302)
Repayment of lease liabilities	(24,750)	(20,470)
Net cash (used)/received from financing activities	(24,750)	3,940,581
Net (decrease) / increase in cash and cash equivalents	(1,094,398)	2,589,488
Cash and cash equivalents at the beginning of the financial period	1,545,240	1,258,343
Cash and cash equivalents at the end of the financial period	450,842	3,847,831

The accompanying notes form part of the financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

1. REPORTING ENTITY

Errawarra Resources Ltd (**Errawarra** or the **Company**) is a for profit company limited by shares, incorporated and domiciled in Australia, and whose shares are publicly traded on the Australian Securities Exchange (**ASX**) under ASX code ERW. The consolidated half-year financial report of the Group as at and for the six months ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the **Group**).

The consolidated financial statements are presented in Australian Dollars, which is the Group's functional and presentation currency.

The nature of the operations and principal activities of the Group are mineral exploration and project development which is further described in the Directors' Report.

The financial report of Errawarra for the half-year ended 31 December 2024 was authorised for issue by the Directors.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2024 is available upon request from the Company's registered office or at www.errawarra.com.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and considered together with any public announcements made by the Company during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year financial report has been prepared on a historical cost basis except for financial assets which are measured at fair value through profit and loss.

Apart from the changes in accounting policy in note 2(c), the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

(b) Going concern basis of preparation

The Group recorded a loss of \$1,398,011 (Dec 2023: loss \$1,015,088) and incurred cash outflow from operating activities of \$1,069,648 (Dec 2023: outflow \$1,265,842) for the half year ended 31 December 2024. The Group had cash and cash equivalents at balance date of \$450,842 (Jun 2024: \$1,545,240).

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis.

In arriving at this position the Directors have considered the following pertinent matters:

- › The planned battery recycling activities is staged and discretionary expenditure may be reduced or deferred depending on the outcomes of the prior stage; and
- › The Directors are satisfied that they will be able to raise additional funds by either an equity raising and/or implementation of joint ventures agreements to fund ongoing commitments and for working capital.

In the event that the Group is unable to raise additional funds to meet the Group's ongoing working capital requirements when required, there is a material uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

(c) Changes in accounting policies

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 July 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim consolidated financial statements of the Group.

3. CURRENT TRADE AND OTHER RECEIVABLES

	31 Dec 2024 \$	30 Jun 2024 \$
Net goods and services tax (GST) receivable	29,891	81,104
Other receivable	144,711	235,742
	174,602	316,846

4. CURRENT OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 Dec 2024 \$	30 Jun 2024 \$
Investments in Alien Metals Ltd (AIM: UFO)	223,222	294,904
Investments in Critical Metals Ltd	88,119	88,119
Impairment of Critical Metals Ltd shares	(88,119)	(88,119)
	223,222	294,904

5. PROPERTY, PLANT AND EQUIPMENT

	Equipment at cost \$	Total \$
Cost		
Balance at 1 July 2023	—	—
Additions	102,792	102,792
Balance at 1 July 2024	102,792	102,792
Balance at 31 December 2024	102,792	102,792
Accumulated depreciation		
Balance at 1 July 2023	—	—
Depreciation expense	12,335	12,335
Balance at 1 July 2024	12,335	12,335
Depreciation expense	11,543	11,543
Balance at 31 December 2024	23,878	23,878
Net book value		
As at 30 June 2024	90,457	90,457
As at 31 December 2024	78,914	78,914

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

6. TRADE AND OTHER PAYABLES

	31 Dec 2024 \$	30 Jun 2024 \$
Current		
Trade payables	162,780	117,696
Payables to related party	10,582	3,246
Accruals	109,854	159,710
Other payables ⁽ⁱ⁾	87,117	99,372
	370,333	380,024
Non-current		
Other payables ⁽ⁱ⁾	91,940	127,479
	91,940	127,479

(i) Other payables include performance rights current liability of \$70,500 (Jun 2024: \$70,500) and non-current liability of \$91,940 (Jun 2024: \$127,479).

7. PROVISIONS

	31 Dec 2024 \$	30 Jun 2024 \$
Current		
Employee benefits	11,538	6,923
	11,538	6,923

	Employee benefits \$	Total \$
Balance at 1 July 2023	—	—
Increase/(decrease) in provisions	6,923	6,923
Balance at 1 July 2024	6,923	6,923
Increase/(decrease) in provisions	4,615	4,615
Balance at 31 December 2024	11,538	11,538

8. LEASES

	31 Dec 2024 \$	30 Jun 2024 \$
Right-of-use asset		
Non-current	43,280	66,801
	43,280	66,801

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

8. LEASES (cont'd)

	Building \$	Total \$
Balance at 1 July 2023	35,634	35,634
Addition	94,086	94,086
Depreciation expense	(38,968)	(38,968)
Disposals	(23,951)	(23,951)
Balance at 1 July 2024	66,801	66,801
Depreciation expense	(23,521)	(23,521)
Balance at 31 December 2024	43,280	43,280

	31 Dec 2024 \$	30 Jun 2024 \$
Lease Liability		
Current	45,540	49,225
Non-current	—	20,790
	45,540	70,015
Amounts recognised in profit or loss		
Depreciation expense on right-of-use asset	23,521	38,968
Interest expense on lease liabilities	275	4,911

9. ISSUED CAPITAL

	31 Dec 2024 \$	30 Jun 2024 \$
95,920,669 fully paid ordinary shares (Jun 2024: 95,920,669)	11,540,319	11,540,319
	11,540,319	11,540,319

	31 Dec 2024		30 Jun 2024	
	No.	\$	No.	\$
Fully paid ordinary shares				
Balance at beginning of financial period	95,920,669	11,540,319	60,504,002	7,579,621
Issue of shares – Placement	—	—	35,416,667	4,250,000
Share issue costs	—	—	—	(289,302)
Balance at end of financial period	95,920,669	11,540,319	95,920,669	11,540,319

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

10. RESERVES

	31 Dec 2024 \$	30 Jun 2024 \$
Comprising:		
Reserve relating to the in-specie distribution of shares received from Hannans Ltd in February 2012	728,580	728,580
Option reserve	1,511,865	1,872,510
Performance Rights reserve	190,060	154,521
	2,430,505	2,755,611
Movements in reserve relating to the in-specie distribution of shares received from Hannans Ltd in February 2012		
Balance at the beginning of the financial period	728,580	728,580
Reserve movement during the financial period	–	–
Balance at the end of the period	728,580	728,580
Movements in Option reserve		
Balance at the beginning of the financial period	1,872,510	1,897,751
Share-based payments	84,174	352
Forfeiture of options	(444,819)	(25,593)
Balance at the end of the financial period	1,511,865	1,872,510
Movements in Performance Rights reserve		
Balance at the beginning of the financial period	154,521	1,141,328
Share-based payments	35,539	70,693
Exercise of performance rights	–	(1,057,500)
Balance at the end of the financial period	190,060	154,521

NATURE AND PURPOSE

Option reserve

The option reserve recognises the fair value of options issued and valued using the Black-Scholes model.

Performance Rights reserve

The performance rights reserve recognises the fair value of performance rights issued and is based on the independent expert report prepared by RSM in prior years.

OPTIONS

As at 31 December 2024 options over 18,625,000 (Jun 2024: 20,625,000) ordinary shares in aggregate are as follow:

Issuing entity	No of shares under option	Class of shares	Exercise price of option	Expiry date
Errawarra Resources Ltd	7,500,000	Ordinary	\$0.30 each	21 Apr 2025
Errawarra Resources Ltd	1,000,000	Ordinary	\$0.25 each	29 Jun 2025
Errawarra Resources Ltd	2,000,000	Ordinary	\$0.40 each	21 Apr 2026
Errawarra Resources Ltd	1,500,000	Ordinary	\$0.25 each	30 Nov 2025
Errawarra Resources Ltd	1,500,000	Ordinary	\$0.25 each	25 Sep 2025
Errawarra Resources Ltd	3,525,000	Ordinary	\$0.18 each	30 Oct 2026
Errawarra Resources Ltd	1,600,000	Ordinary	\$0.117 each	25 Nov 2027
Total	18,625,000			

All share options are unlisted, carry no rights to dividends and no voting rights. During the period, 1,600,000 options were issued and 3,600,000 options expired. Refer to note 13 for further details.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

10. RESERVES (cont'd)

PERFORMANCE RIGHTS

As at 31 December 2024 performance rights (**PR**) over 5,000,000 (Jun 2024: 5,000,000) ordinary shares in aggregate are as follow:

Issuing entity	No of shares under PR	Class of shares	Exercise price of option	Expiry date
Errawarra Resources Ltd	5,000,000	Ordinary	Class B Milestone ⁽ⁱ⁾	21 Apr 2027

(i) Class B Milestone will vest when the Company announces a maiden JORC compliant Inferred Mineral Resources (as defined in the JORC Code 2012 Edition) on the Application Tenement at least 1 million tonnes of nickel at 1% (including nickel equivalent metals) within and using industry standard lower cut off grades.

Performance rights carry no rights to dividends and no voting rights. No performance rights were issued during the period.

11. CONTINGENCIES AND COMMITMENTS

(a) Contingent liabilities

There are no known contingent liabilities as at 31 December 2024 (Jun 2024: Nil).

(b) Contingent assets

In 2014, the Group sold the Jigalong manganese project in the East Pilbara region of Western Australia to Atlas Iron Limited (ASX:AGO). As part of the sale agreement, Atlas Iron agreed to pay the Group a 1% gross sales revenue royalty from manganese sourced from within the tenements.

In November 2024 the Company entered into an Earn-in, Joint Venture and Mineral Rights Agreement (**JV**) with ASX listed Falcon Metals Ltd (**Falcon**) for exploration on the Errabiddy project tenement E09/2457 for all materials excluding graphite.

Falcon is required to incur (or cause to be incurred) a minimum of \$200,000 on Exploration Expenditure (Minimum Expenditure Requirement) during the Stage 1 Earn-in Period of the JV. If Falcon has not met the Minimum Expenditure Requirement by the date of withdrawal under the Withdrawal Notice, Falcon must pay to the Company, in immediately available funds, the Shortfall Amount.

Other than the above, there are no other contingent liabilities or contingent assets as at 31 December 2024.

(c) Exploration and evaluation and associate commitments

As at 31 December 2024, tenement commitments for the group totalled \$3,194,954 (Jun 2024: \$5,985,545).

On 29 April 2024, the Company entered into an agreement with Alien Metals Ltd (AIM:UFO) (**Alien**) in respect of the Pinderi Hills Project located in the West Pilbara (**Project**). Under the JV Agreement binding terms sheet, the Company is to contribute up to a total of A\$4 million to earn up to 50% of the Project over a period of 60 months as follows (**JV Terms**):

- > **Initial:** The Company will make a \$500,000 investment in Alien by way of a placement in the company at the 10 day volume weighted average price prior to execution of this agreement. This was completed on execution of the agreement;
- > **Stage 1:** The Company will earn up to 25% by spending A\$1 million within 24 months of the date of the Terms of Agreement; and
- > **Stage 2:** The Company has the option to earn up to a further 25% by spending an additional A\$2.5 million over a period of 36 months post Stage 1 completion.

If the Company does not spend the required amount in either Stage 1 or Stage 2, its interest in the Project under the JV Terms will reduce proportionally to the amount it spent on the Project. Therefore, the Company has the election to determine the amount to be spent on each stage depending on the exploration outcome.

Upon successfully completing Stage 1 and Stage 2, the Company's interest in the Project will be up to 50%. Following the completion of Stage 2, both the Company and Alien will contribute to the Project on a pro-rata basis.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

12. RELATED PARTY DISCLOSURE

(a) Transactions with other related parties

Director transactions

During the period, Royal Corporate Services Pty Ltd, of which Mr Bruce Garlick is a Director, provided geological consulting and administrative services, office rent services amounting to \$24,394 (Jun 2024: \$55,299). As at 31 December 2024, \$10,582 (Jun 2024: \$3,246) was owed to Royal Corporate Services Pty Ltd.

13. SHARE-BASED PAYMENT

Expenses arising from share-based payment transactions:

	31 Dec 2024 \$	30 Jun 2024 \$
Options issued to directors ⁽ⁱ⁾	52,609	–
Options issued to consultants ⁽ⁱⁱ⁾	31,565	–
Options cancelled on resignation	–	(25,593)
	84,174	(25,593)

- (i) Shared-based payments in relation to 1,000,000 options issued to directors on 26 November 2024 for nil consideration; and
(ii) Shared-based payments in relation to 600,000 options issued to consultant and employee on 26 November 2024 for nil consideration.

OPTIONS

The following unlisted options were in existence during the current period and relates to payments to key management personnel, brokers and consultants:

Option series	Number	Grant date	Expiry date	Exercise price
ERWO1ESCC	2,000,000	22 Apr 2022	21 Apr 2026	\$0.40
ERWO3	7,500,000	22 Apr 2022	21 Apr 2025	\$0.30
ERWO4	1,000,000	26 Jun 2022	29 Jun 2025	\$0.25
ERWO5	1,500,000	24 Oct 2022	30 Nov 2025	\$0.25
ERWO6	1,500,000	29 Nov 2022	25 Sep 2025	\$0.25
ERWO7	3,525,000	30 Oct 2023	30 Oct 2026	\$0.18
ERWO8	1,600,000	26 Nov 2024	25 Nov 2027	\$0.117
Total	18,625,000			

The following table summarises the options during the period:

Grant date	Expiry date	Exercise price	Balance at 1 Jul No.	Granted No.	Expired No.	Balance at 31 Dec No.	Vested and exercisable at 31 Dec No.
26 Nov 20	26 Nov 24	\$0.30	1,800,000	–	(1,800,000)	–	–
3 Dec 20	3 Dec 24	\$0.30	1,800,000	–	(1,800,000)	–	–
22 Apr 22	21 Apr 26	\$0.40	2,000,000	–	–	2,000,000	2,000,000
22 Apr 22	21 Apr 25	\$0.30	7,500,000	–	–	7,500,000	7,500,000
26 Jun 22	29 Jun 25	\$0.25	1,000,000	–	–	1,000,000	1,000,000
24 Oct 22	30 Nov 25	\$0.25	1,500,000	–	–	1,500,000	1,500,000
29 Nov 22	25 Sep 25	\$0.25	1,500,000	–	–	1,500,000	1,500,000
30 Oct 23	30 Oct 26	\$0.18	3,525,000	–	–	3,525,000	3,525,000
26 Nov 24	25 Nov 27	\$0.117	–	1,600,000	–	1,600,000	1,600,000
			20,625,000	1,600,000	(3,600,000)	18,625,000	18,625,000
Weighted average exercise price			\$0.28	\$0.12	\$0.30	\$0.26	\$0.26

The share options outstanding at the end of the financial period had a weighted average remaining contractual life of 1.02 years (Jun 2024: 1.18 years).

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2024

13. SHARE-BASED PAYMENT (cont'd)

(i) Issued during the financial period

During the financial period, 1,600,000 unlisted options exercisable at \$0.117 expiring 25 November 2027 were issued under to the directors and consultants. For the options granted during the financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
26 Nov 24	25 Nov 27	\$0.078	\$0.117	127.93%	Nil	3.99%	\$0.053

(ii) Expired and forfeited during the financial period

During the financial period, a total of 3,600,000 options expired unexercised comprising of 1,800,000 options exercisable at \$0.30 per option expiring 26 November 2024, and 1,800,000 options exercisable at \$0.30 per option expiring 3 December 2024.

PERFORMANCE RIGHTS

The following performance rights were in existence during the current period and relates to payments to key management personnel:

Option series	Number	Grant date	Expiry date	Exercise price
PR B	5,000,000	22 Apr 2022	21 Apr 2027	Milestone 2 (M2)

The following table summarise the performance rights during the period:

Grant date	Expiry date	Exercise price	Balance at 1 Jul No.	Granted No.	Exercised No.	Balance at 31 Dec No.	Vested and exercisable at 31 Dec No.
22 Apr 22	21 Apr 27	M2 ⁽ⁱ⁾	5,000,000	—	—	5,000,000	—
			5,000,000	—	—	5,000,000	—

(i) Milestone 2 (M2) will vest when the Group announces a maiden JORC compliant Inferred Mineral Resource (as defined in the JORC Code 2012 Edition) on the Application Tenement of at least 1 million tonnes of nickel at 1% (including nickel equivalent metals) without and using industry standard lower cut off grades.

No performance rights were issued, exercised, or lapsed during the financial period.

14. SUBSEQUENT EVENTS

No matters or circumstances have arisen since 31 December 2024 that may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.