



**PINNACLE MINERALS LTD
AND ITS CONTROLLED ENTITIES**

HALF YEAR FINANCIAL REPORT

**FOR THE SIX MONTHS
ENDED 31 DECEMBER 2024**

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ACN 655 033 677

FINANCIAL REPORT

for the half year ended 31 December 2024

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CORPORATE DIRECTORY

Directors

William (Bill) Witham
Stephen Ross
Lincoln Liu

Executive Chairman
Non-executive Director
Non-executive Director

Company Secretary

Jay Stephenson

Head Office and Registered Office

Registered Office and Principal Place of Business

Unit 6, Level 1 389 Oxford Street
Mt Hawthorn WA 6016
Telephone +61 8 9426 0666

Share Registry

Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000

Securities Exchange

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Website: www.asx.com.au
ASX Code: PIM

Auditor

Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road
Subiaco WA 6008

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DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the six months ended 31 December 2024.

The names, appointment periods and particulars of the Company directors who held office during the half-year and until the date of this report are set out below. Directors have been in office since 1 July 2024 up until the date of this report unless otherwise stated.

Director	Position	Date Appointed	Date Resigned
Mr. William (Bill) Witham	Executive Chairman	3 Nov 2021	-
Mr. Maurice (Nic) Matich	Managing Director	20 Oct 2022	19 Sep 2024
Mr. Stephen Ross	Non-Executive Director	3 Dec 2021	-
Mr. Lincoln Liu	Non-Executive Director	8 Dec 2021	-

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

Company Secretary	Position	Date Appointed	Date Resigned
Mr. Jay Stephenson	Company Secretary	3 November 2021	-

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CHAIRMANS LETTER

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present the Half-Year Financial Statement for the period ended 31 December 2024 for Pinnacle Minerals Limited (ASX: PIM) and provide an overview of our progress, strategic direction, and future outlook.

As we close another half-year at Pinnacle Minerals Limited, I am pleased to reflect on the progress and strategic adjustments we have made in our operations. The past six months have seen us continue to refine our focus on core projects, enhancing our operational efficiency and reducing overhead costs.

Our commitment to the Adina East Lithium Project in Québec remains strong, with significant advancements in geophysical data interpretation and assay results guiding our exploration efforts. Our work in South Australia's Wirrulla Project has yielded promising results in Rare Earth Element (REE) potential, and in Western Australia, we have strategically sought partners for the Capel Heavy Mineral Sands Project, underlining our proactive approach to asset management.

Despite a challenging global economic landscape, our strategic decisions have positioned us well to capitalise on technology-focused opportunities, with a healthy cash balance providing stability and flexibility. As we move forward, our strategy is clear: to enhance shareholder value through diligent exploration, prudent financial management, and a commitment to environmental and social governance.

We are continually exploring new opportunities that align with our strategic goals, actively seeking to expand our project portfolio and enhance our technological capabilities in mining and exploration. Our proactive stance on growth through innovation and partnerships will enable us to remain competitive and adaptable in a rapidly changing industry.

Thank you for your continued support and confidence in Pinnacle Minerals. We look forward to a promising future as we continue to explore and develop valuable mineral resources, and seize new opportunities that arise.

Thank you for your attention.

Warm regards,



William (Bill) Witham
Chairman
Pinnacle Minerals Limited

REVIEW OF OPERATIONS

During the half-year ended 31 December 2024 the Company made a loss for the period after providing for income tax that amounted to \$379,639 (2023: \$1,103,993).

During the half-year, the Company has completed a LIDAR survey of the entire Adina East Lithium Project in Québec. High resolution orthophotos taken simultaneously with the LIDAR readings will be draped over the digital elevation model (DEM), enabling the identification of potential pegmatite outcrops which often show up as “evident” white elevated “areas”, as tested by Pinnacle’s contractor on numerous other projects. These outcrops can then be targeted directly minimising the costly “prospecting” process which involves targeting each claim in the project without predefined targets.

Assay results from the analysis were used to select twenty-one (21) intervals from drill holes located within the footprint of the Narlabay Paleochannel for follow up assay and leach testing at ALS. The aim of the testing is to determine the potential for clay hosted REE mineralisation.

In changing its operational approach, the Company underwent a restructuring of its board and management team. Many members of the previous executive team were linked to assets that Pinnacle is now reducing expenditure on or divesting. These changes reflect the Company’s shift in focus as it transitions towards new opportunities.

The restructuring process will potentially involve new appointments at both the board and management levels, bringing in fresh perspectives to help guide the Company into its next growth phase. This reset will position Pinnacle to pursue new ventures and potential project acquisitions, which will be evaluated over the coming quarters.

Pinnacle remains committed to maintaining its assets in good standing while maintaining flexibility in its future exploration strategy. With a streamlined structure and reduced overhead, the Company will be well-positioned to capitalize on any emerging opportunities. Further updates will be provided as the Company continues its journey towards.

PROJECTS

Adina East Lithium Project - Background

The Adina East Project is located in Quebec’s James Bay region with a total of 147 claims encompassing 72.7km² (7,274.47 ha) adjacent to an interpreted extension of the Trieste greenstone belt (Figure 1). Located within Category-III lands, the Adina East Project does not carry any restrictions relating to mining or exploration according to the James Bay Agreement with the Cree Nation.

Adina East is adjacent to Loyal Lithium’s (ASX: LLI) Trieste project where spodumene-bearing dykes with intercepts including 31.8m at 2.2% Li₂O¹ have been drilled less than 6km from the boundary of the Project. Adina East is also adjacent to Winsome Resources’ Tilly Project where swarming pegmatites have been mapped and are interpreted to extend into the Adina East Project. The claims are readily accessible throughout the year from Mirage Outfitters and the Renard diamond mine (75km to the northwest and 45km to the South of the Project respectively), with the proposed La Grande Alliance eastern road mapped to pass through the Project

Multiple historically mapped pegmatites exist within the Project area. These pegmatites are located approximately 24 km along strike east in the same stratigraphic sequence and location that hosts the Winsome Resources’ (ASX:WR1) Adina Lithium Project, which contains a resource of 59Mt at 1.12% Li₂O with high-grade assay results of up to 4.19% Li₂O over 4.1m.⁶

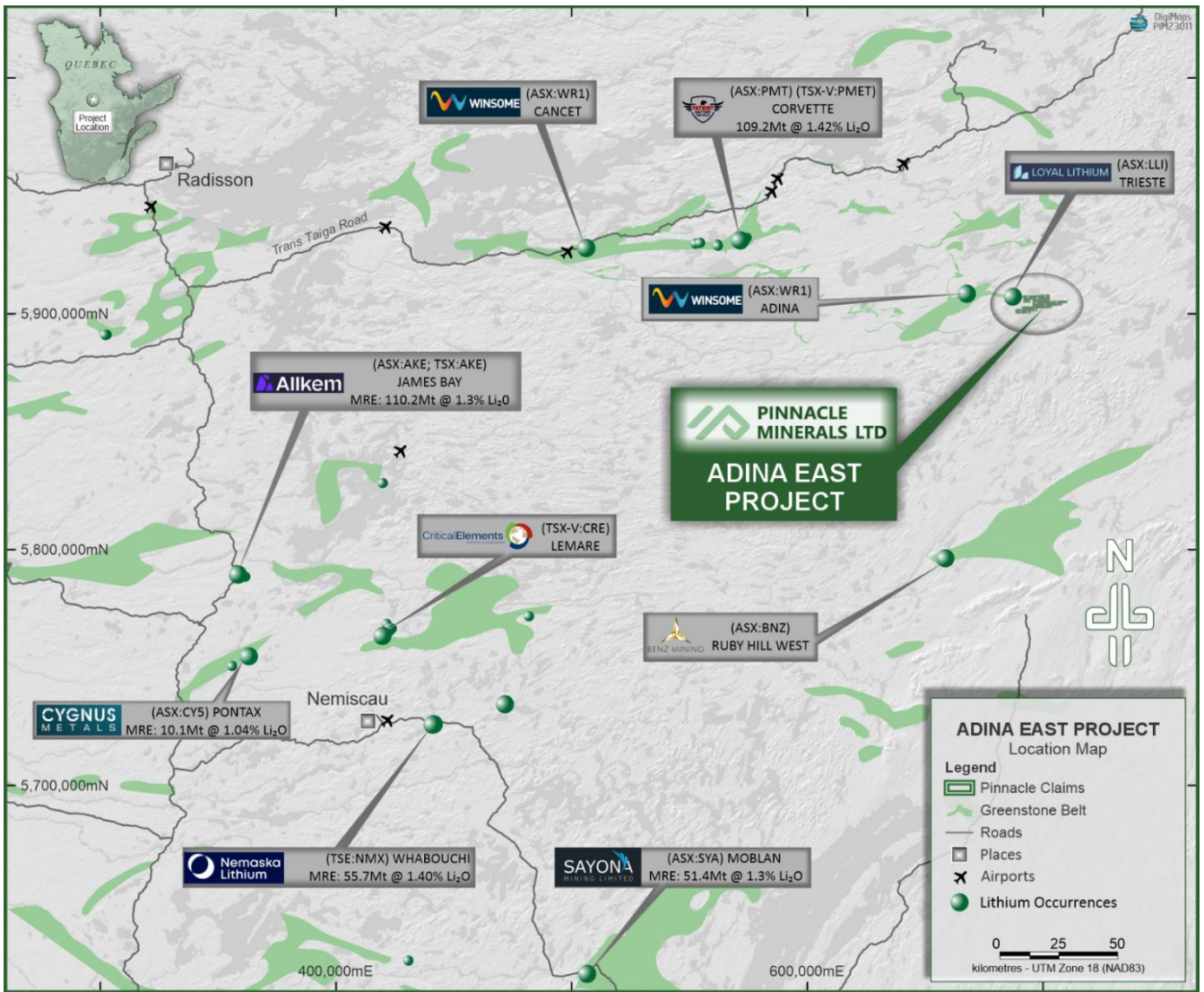
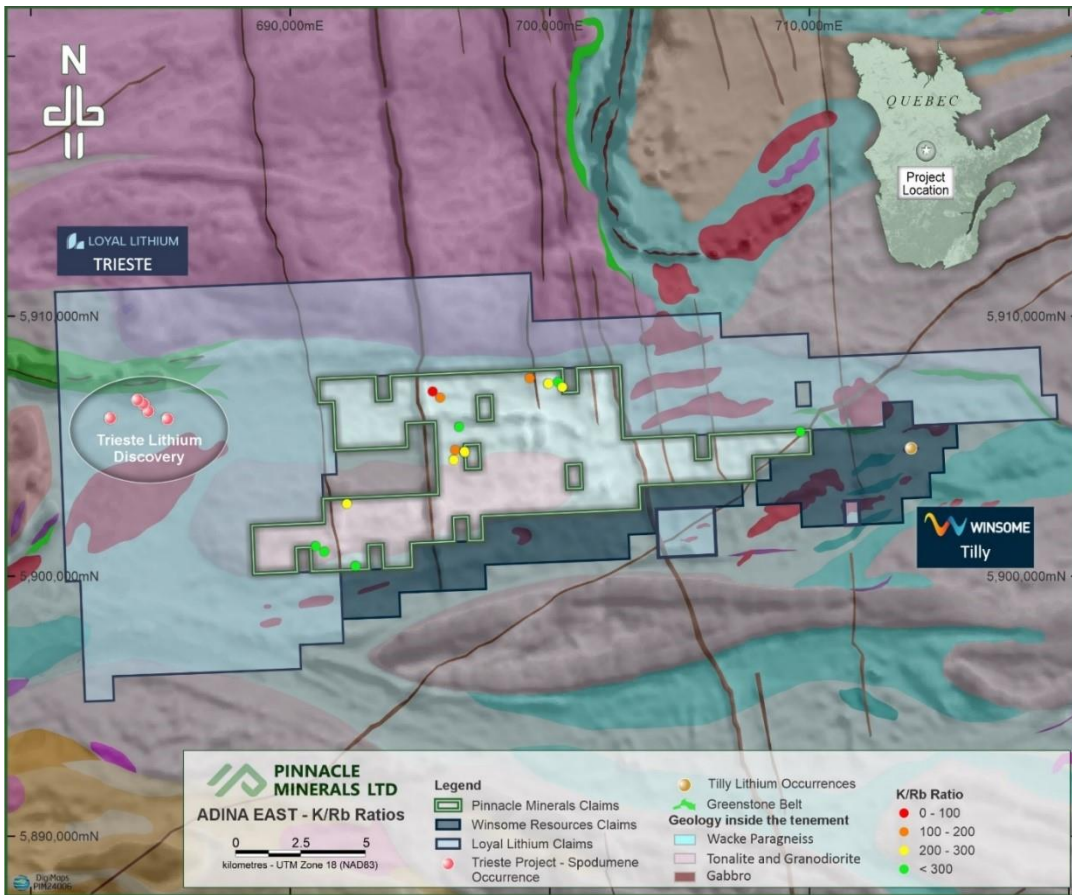


Figure 1: James Bay Province Highlighting Adina East Project Location.

- 3 – Loyal Lithium Limited (ASX:LLI) ASX announcement 2nd January 2024
- 4 – Loyal Lithium Limited (ASX:LLI) ASX announcement 16th August 2023
- 5 – Winsome Resources Limited (ASX:WR1) ASX announcement 19th April 2023
- 6 – Winsome Resources Limited (ASX:WR1) ASX announcement 14th February 2023

Assay results from rock chip samples from the Adina East returned lithium enrichment. However, significant rubidium enrichment, up to 658 ppm was obtained on a granitic pegmatite, indicative of magmatic fractionation which is a precursor to lithium saturation. Importantly, at Adina East, key “fractionation ratios” of K/Rb below 100 suggest the potential for a spodumene-bearing pegmatite to have been generated, trending northwest into the project’s metasedimentary rocks (2).



South Australian Projects

Background on the Wirrulla Project

The Wirrulla Project (EL6968) is 957km² of tenure in the northwestern extents of the Eyre Peninsula South Australia. The project is centered on a circular magnetic feature resembling a Mount Weld style intrusion and was applied for in July 2023 primarily for its’ rare earth element (REE) potential which was identified from historical drilling intercepts where elevated apatite > 10% (typical in carbonatites) were intercepted.

The REE ionic absorption potential of the Narlaby palaeochannel has also been identified by Cobra (COBR.LON) who have defined the Boland Ionic Rare Earth Project which is hosted with-in the palaeochannel. Cobra has recently acquired tenements EL6966 and EL6967 adjacent to the Wirrulla Project which cover a substantial portion of the palaeochannel.

Desktop studies undertaken whilst the tenement was under application have highlighted the uranium prospectivity in the northern extents of the tenement where the uranium-bearing Narlaby paleochannel is mapped continuing into the tenement. The palaeochannel hosts high grade uranium mineralisation at Yarranna (Figure 2) only 10km from the targets identified by satellite and radar imagery analysis conducted by Pinnacle.

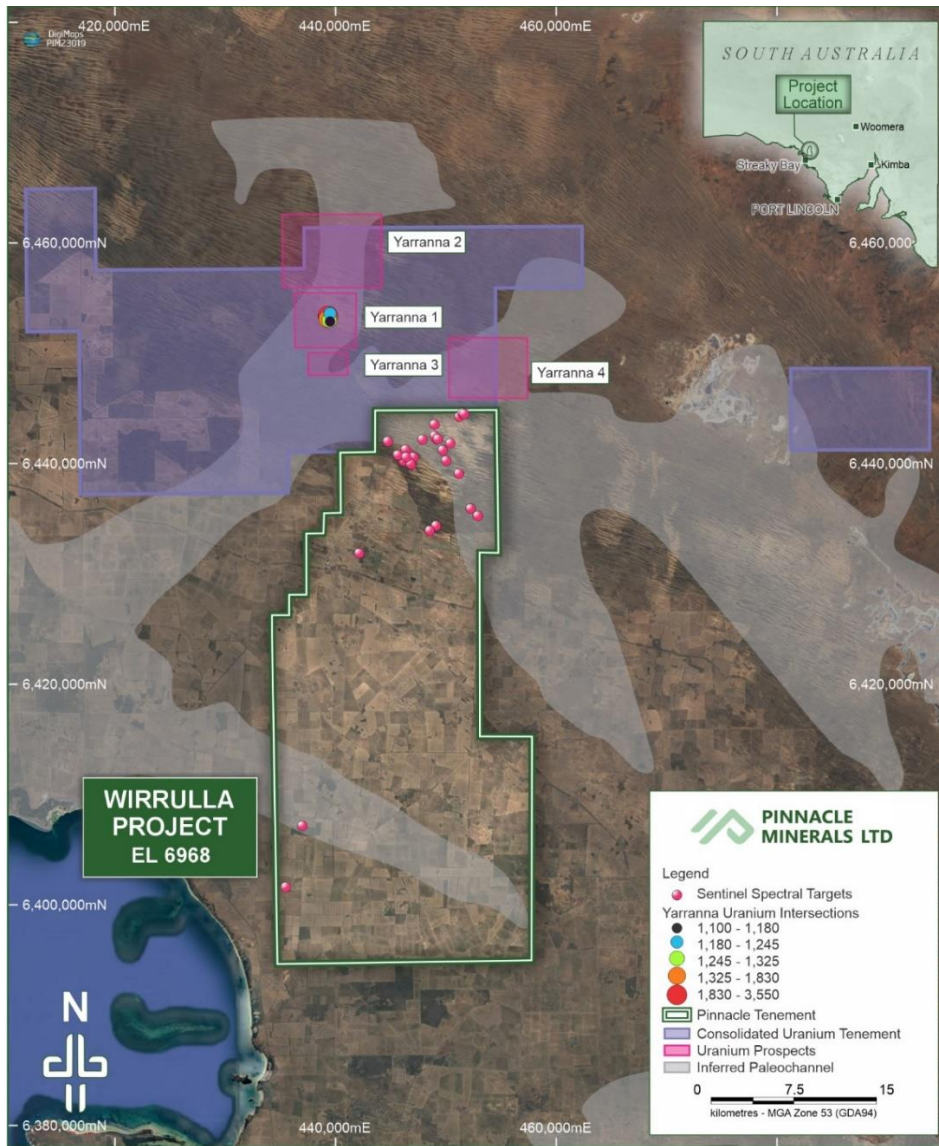


Figure 2: Wirrulla Project – Image released subsequent to the reporting period

West Australian Projects

Capel Mineral Sands Project – Background

The project (Figure 3) was previously held by Tronox Limited (NYSE:TROX), a global, vertically integrated producer of titanium dioxide and inorganic chemicals, with a US \$2b market capitalisation.

Previous, regional-scale exploration, conducted in 2010 by Iluka Resources Limited, discovered moderate-grade HM from surface on several drill lines. Pinnacle believes there is potential for defining cohesive mineralisation at a more local scale, sufficient for delineating an appreciable heavy minerals sands resource, within the tenement.

Regional-scale exploration, conducted in 2010 by Iluka Resources Limited, discovered moderate-grade HM from surface on several drill lines and a previously un-discovered palaeo-shoreline at about 8m above current sea level. No further work on this very prospective trend is recorded.

Assay of the Ruabon (Capel) shoreline by Iluka returned HM grades to 10.8% within the 350m-wide shoreline that is evident over a 5km strike length in historic drilling. Importantly the new shoreline appears to deflect around a basalt flow (palaeo-headland) observed in regional aeromagnetic images. These basalt flows are critical in focussing and trapping HM enrichment in many of the large deposits of the Southwest and Scott Coastal Plain (e.g. Yoganup, Yoganup Extended, Tutunup South, Jangardup).

Pinnacle believes there is potential for defining cohesive mineralisation at a more local scale, sufficient for delineating a material mineral resource within the tenement.

Key intercepts at Ruabon (Capel) include³:

- 21m at 3.3% HM from surface (including 9m @ 6.1% from 11m) in RB007
- 21m at 2.6% HM from surface (including 2m @ 9.6% from 8m) in RB001
- 18m at 2.2% HM from surface in RB003

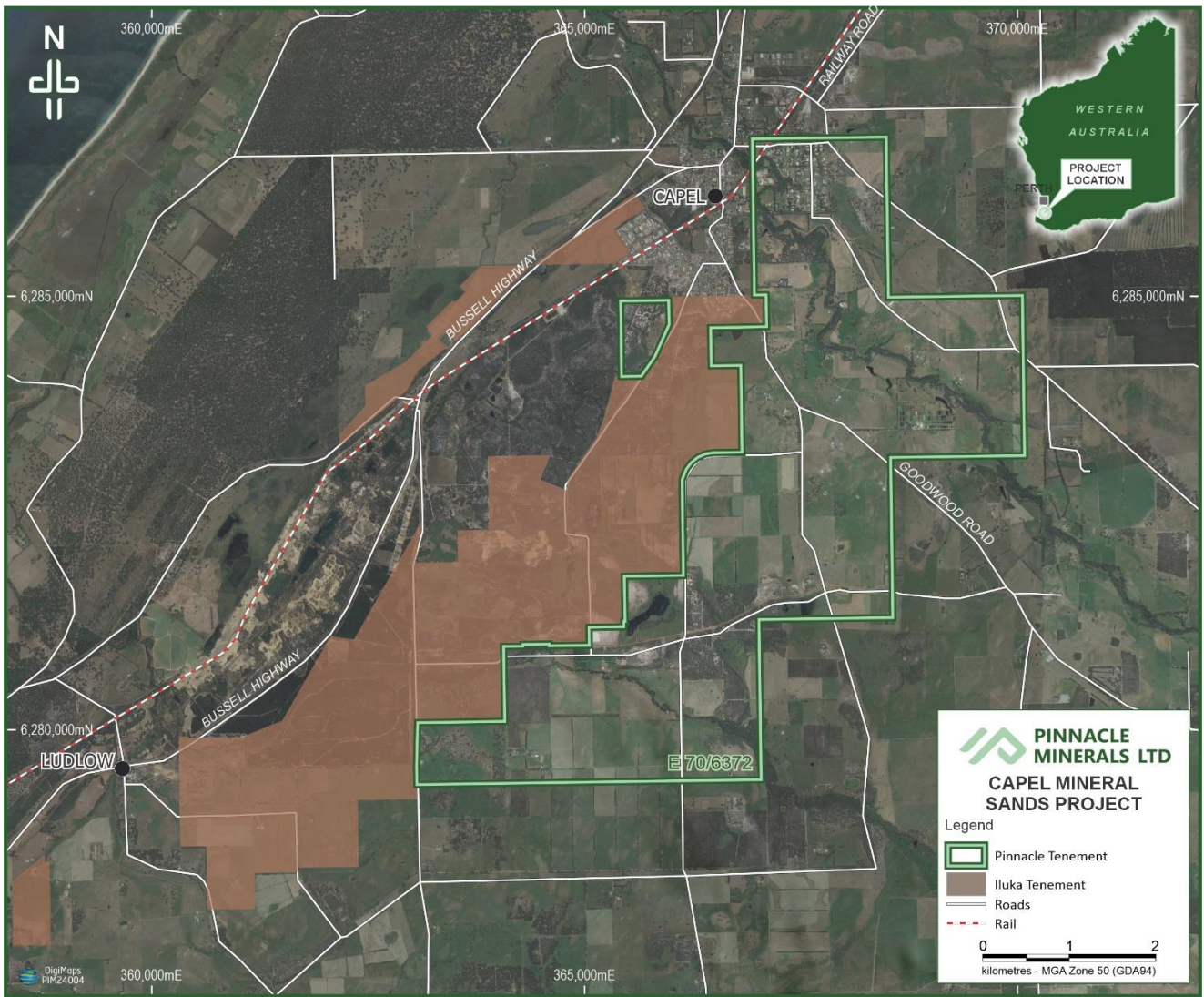


Figure 3: Capel Mineral Sands Project

Competent person statement

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by William Witham, a Competent Person who is a Member of The Australian Institute of Geoscientists (AIG). William Witham is a director of Pinnacle Minerals Ltd. William Witham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. William Witham consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

During the reporting period the Company issued no shares or options. There were 2.5 million options cancelled upon Maurice Match's resignation.

On 16 December 2024, performance rights were issued to the Directors. These will be summarised and valued in note 2.2.5.

The Company's capital structure at the beginning and end of the half-year is outlined below:

	Ordinary Shares	Options	Performance Rights
Existing on Issue 30 th June 2024	45,463,317	44,867,271	-
Direction Performance Rights	-	-	4,140,000
Lapsed Performance Options	-	2,500,000	
TOTAL: 31st December 2024	45,463,317	42,367,271	4,140,000

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company.

PRINCIPAL ACTIVITIES

The Company continued the systematic exploration and development of its portfolio of battery and technology metals projects in Canada, Western Australia and South Australia.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no events subsequent to the end of the reporting period.

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AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2024 has been received and can be found on page 13.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

For, and on behalf of, the Board of the Company,



William Witham

Chair

Date. 10 March 2025

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Pinnacle Minerals Limited and the entities it controlled 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:

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

Yours Faithfully,



HALL CHADWICK AUDIT (WA) PTY LTD



**Nikki Shen ca
Director**

Dated 10 day of March 2025
Perth, Western Australia

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DIRECTORS' DECLARATION

The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001:

- (a) Comply with Accounting Standards AASB 134: Interim Financial Reporting; and
- (b) Give a true and fair view of the financial position of the entity as at 31 December 2024 and of its performance for the six months ended on that date.

In the directors' opinion there are reasonable grounds to believe that Pinnacle Minerals 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 the directors.

For, and on behalf of, the Board of the Company,



Mr. William Witham
Chair
10 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PINNACLE MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Pinnacle Minerals Limited (“the Company”) and Controlled Entities (“the Consolidated Entity”) 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 consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, 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 half-year financial report of Pinnacle Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity’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 *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor’s Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* 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* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.4 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$379,639 during the half year ended 31 December 2024. As stated in Note 1.4, these events or conditions, along with other matters as set forth in Note 1.4, 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 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 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 Consolidated Entity'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.



HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682



Nikki Shen ca
Director

Dated 10 March 2025
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue and other income		43,059	47,326
Administration expense		125,582	233,799
Professional Fees and legal		15,914	59,952
Directors fees		90,000	90,000
Share Based Payments		42,490	128,512
Exploration expensed		18,441	425,712
Employee benefit expense		130,271	213,344
Loss before income tax		(379,639)	(1,103,993)
Income tax expense/(benefit)		-	-
Loss for the half year		(379,639)	(1,103,993)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss for the half year		(379,639)	(1,103,993)
Loss per share attributable to the ordinary equity holders of the Company			
Basic (loss) per share		(0.008)	(0.030)
Diluted (loss) per share		(0.004)	(0.0155)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Current assets			
Cash and cash equivalents	3	794,278	1,526,259
Trade and other receivables	4	22,516	57,218
Asset Held for Sale		-	22,000
Advanced Payment tenement application		-	15,000
Total current assets		816,793	1,620,477
Non-current assets			
Mineral exploration and evaluation assets	6	2,954,838	2,705,803
Total non-current assets		2,954,838	2,705,803
Total assets		3,771,632	4,326,280
Current liabilities			
Trade and other payables	5	83,613	301,112
Total current liabilities		83,613	301,112
Total non-current liabilities		-	-
Total liabilities		83,613	301,112
Net assets		3,688,019	4,025,168
Equity			
Contributed equity	2	7,707,352	7,707,352
Reserves	2.1	1,593,114	1,570,312
Accumulated losses		(5,612,447)	(5,252,496)
Total equity		3,688,019	4,025,168

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 01-Jul-2024	7,707,352	1,570,312	(5,252,496)	4,025,169
Lapsed Performance Options		(19,688)	19,688	-
Total comprehensive loss for the half year	-	-	(379,639)	(379,639)
Issue of Performance Rights	-	42,490	-	42,490
Balance as at 31 December 2024	7,707,352	1,593,114	(5,612,447)	3,688,019
Balance at 01-Jul-2023	6,298,694	1,134,587	(1,952,083)	5,481,198
Total comprehensive loss for the half year	-	-	(1,103,993)	(1,103,993)
Issue of Options	-	342,142	-	342,142
Issue of Shares (net of costs)	1,408,658	-	-	1,408,658
Balance as at 31 December 2023	7,707,352	1,476,729	(3,056,076)	6,128,005

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Cash flow from operating activities			
Revenue and Interest received		35,529	47,326
Payments to suppliers & employees		(447,416)	(741,464)
Net cash (outflow) from operating activities		(482,944)	(694,138)
Cash flow from investing activities:			
Payments for exploration expenditure assets		(249,037)	(122,077)
Receipt from offtake payment		-	738,540
Net cash (outflow) from investing activities		(249,037)	616,463
Cash flow from financing activities:			
Proceeds from issue of options (net of costs)		-	-
Net cash inflow from financing activities		-	-
Net increase / (decrease) in cash held		(731,981)	(77,675)
Cash and cash equivalents at the beginning of the half-year		1,526,258	2,411,995
Cash and cash equivalents at the end of period	3	794,278	2,334,321

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

GENERAL INFORMATION

Pinnacle Minerals Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Unit 6, Level 1 389 Oxford Street, Mt Hawthorn WA. These are the consolidated financial statements and notes of Pinnacle Minerals Limited (the Company) and controlled entity (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Pinnacle Minerals Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

The nature of operations and principal activities of the Company are described in the Directors' Report.

1. BASIS OF PREPARATION

The financial statements were authorised for issue on 10 March 2025 by the directors of the Company.

1.1 STATEMENT OF COMPLIANCE

The half year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The interim report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

1.2 ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT REPORTING PERIOD

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values 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 are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

1.4 GOING CONCERN

The 31 December 2024 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year ended 31 December 2024 of \$379,369 (2023: \$1,103,993 loss) and a net cash outflow from operating, investing, and financing activities of \$731,981 (2023: \$77,675 outflow).

As at 31 December 2024, the Company had working capital of \$733,181 (2023: \$2,175,777 working capital).

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial report, have prepared a cash flow forecast for the next 12 months from the date of signing. The cash flow forecast reflects that further funding will be required, including the Group being able to secure additional funding by Q2 2025, in order to meet the Group's ongoing working and investing capital requirements.

At the date of signing this report, the Directors have reasonable grounds to believe that the Group will be able to achieve the matters above and that it is appropriate to prepare the financial report on the going concern basis based on the following:

- The Group's ability to raise funds from external sources to meet ongoing working and investing capital requirements, as demonstrated by the successful completion of the recent placement in September.
- The Group's ability to reduce expenditure on non-essential activities and manage the timing of cash flows to meet the committed obligations of the business as and when they fall due.

Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

2. ISSUED CAPITAL

	31 Dec 2024 No.	30, June 2024 No.
Fully paid ordinary shares	45,463,317	45,463,317

	31 Dec 2024 No.	31 Dec 2024 \$	30 June 2024 No.	30 June 2024 \$
Balance at beginning of the period	45,463,317	7,707,352	45,463,317	7,707,352
Shares issued during the year	-	-	-	-
Issue costs during the year	-	-	-	-
Balance at end of the period	45,463,317	7,707,352	45,463,317	7,707,352

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

2.1 RESERVES

2.1.1 NUMBER OF OPTIONS – MOVEMENT IN THE PERIOD

	31 Dec 2024 No.	30 June 2024 No.
Balance at beginning of the period	44,867,271	33,037,634
Performance Options lapsed – Maurice Matich	(2,500,000)	-
Options issue to the vendors of Adina East as part of the consideration exercisable at 15c on or before 20.12.26	-	7,629,637
Options to Directors and Management exercisable at 16c on or before 20.12.2026 ⁽¹⁾	-	1,200,000
Performance options issued to William Witham issued 20 Dec 2023 ⁽²⁾	-	3,000,000
Options issued to Maurice Matich ⁽³⁾	-	500,000
Performance options disposed – Maurice Matich – 28 February 2024 ⁽³⁾	-	(500,000)
Balance at end of the period	42,367,271	44,867,271

1. The Options issues to Directors and Management were issue on 20 December 2023 as remuneration as an incentive. The Options were approved at the Company AGM. The Options were issued for Nil consideration and are exercisable at 16c on or before 20 December 2026. There are no vesting conditions.
2. Performance Options issued to William Witham were issued on 20 December 2023 as remuneration as an incentive.
3. The Options issued to Maurice Matich on 28 February 2024 were issued upon the vesting of Tranche 1 of his Performance Options.

2.1.2 NUMBER OF PERFORMANCE RIGHTS - MOVEMENT IN THE PERIOD

	31 Dec 2024 No.	30 June 2024 No.
Balance at beginning of the period	-	-
Performance Rights issued	4,140,000	-
Balance at end of the period	4,140,000	-

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NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

2.2 OPTIONS AND PERFORMANCE RIGHTS MOVEMENT IN DOLLARS (\$)

	31 Dec 2024 \$	30 June 2024 \$
Balance at beginning of the period	1,570,312	1,134,587
2.2.2 Performance Options lapsed – Maurice Matich	(19,688)	-
2.2.3 Issue of options to board and management on 20 December 2023	-	128,512
2.2.4 Issue of Options for acquisition of Adina East	-	213,630
2.2.5 Vesting of Options to William Witham	37,422	93,583
2.2.6 Issue of Performance Rights to Directors – 31 Dec 2024	5,068	-
Balance at end of the period	<u>1,593,114</u>	<u>1,570,312</u>

2.2.1 The option reserve records the fair value of options and performance rights issued to the Directors and management, and the vendors.

2.2.2 The performance rights issued to Maurice Matich lapsed upon his resignation on 19 September 2024.

2.2.3 The Options to the Board and management have been valued at \$0.086 per option using the Black Scholes Valuation Model using the following inputs.

Spot Price	\$0.15
Strike Price	\$0.16
Time to Expiry	3 years
Volatility	89.7%
Risk-Free Interest Rate	3.8%

2.2.4 The Options to the vendors of the Adina East Project were valued at \$0.028 per option using the comparable market price of the Pinnacle options which were trading on ASX at time of the issuance of the options.

2.2.5 The Performance Options to William Witham have been valued at \$0.0951 and \$0.1018 per option using the Binominal valuation model using the following inputs:

	Class A - 1	Class A - 2	Class B	Class C
Spot Price	\$0.16	\$0.16	\$0.16	\$0.16
Strike Price	\$0.16	\$0.16	\$0.16	\$0.16
Option Life	4.00	4.00	3.00	3.00
Volatility	100%	100%	100%	100%
Risk Free Rate	4.01%	4.01%	4.01%	4.01%
Fair Value of each Option	\$0.0951	\$0.0799	\$0.0818	\$0.1018

2.2.6 On 16 December 2024, the Company issued the following performance rights to directors following approval at the Company's AGM.

- 828,000 Class A Performance Rights, 621,000 Class B Performance Rights and 621,000 Class C Performance Rights to William Witham (or his nominee)
- 552,000 Class A Performance Rights, 414,000 Class B Performance Rights and 414,000 Class C Performance Rights to Stephen Ross (or his nominee)
- 276,000 Class A Performance Rights, 207,000 Class B Performance Rights and 207,000 Class C Performance Rights to Lincoln Liu (or his nominee)

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

2.2 OPTIONS AND PERFORMANCE RIGHTS MOVEMENT IN DOLLARS (\$) continued

The Performance Rights to the Directors have been valued using the Binominal valuation model using the following inputs:

	Class A	Class B	Class C
Exercise Price	Nil	Nil	Nil
Stock Price	0.051	0.051	0.051
Option Life	3.00	3.00	3.00
Volatility	83.95%	83.95%	83.95%
Risk Free Rate	4.17%	4.17%	4.17%
Performance Hurdle	Vest upon the Company achieving a daily VWAP share price of \$0.075 for 20 continuous trading days.	Vest upon the Company achieving a daily VWAP share price of \$0.010 for 20 continuous trading days.	Vest upon the Company achieving a daily VWAP share price of \$0.015 for 20 continuous trading days.
Fair value of each Right	0.044	0.0397	0.0330

The valuation date of the performance rights was 27th November 2024, and they have an exercise price of nil.

As at 31 December 2024, the performance rights had a value of \$5,068.

3. CASH AND CASH EQUIVALENTS

	31 Dec 2024 \$	30 June 2024 \$
Cash and cash equivalents	794,278	1,526,259
	794,278	1,526,259

4. TRADE AND OTHER RECEIVABLES

	31 Dec 2024 \$	30 June 2024
Other receivables - GST Recoverable	8,174	20,399
Other receivables - Interest receivable	7,530	28,277
Prepayments	6,812	8,542
	22,516	57,218

5. TRADE AND OTHER PAYABLES

	31 Dec 2024 \$	30 June 2024 \$
Trade creditors	54,747	143,108
Other payables ⁽ⁱ⁾	15,865	108,686
Accrued expenses	13,000	49,318
	83,613	301,112

⁽ⁱ⁾Other payables are non-interest bearing and are normally settled on 30-day terms.

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NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

6 EXPLORATION AND EVALUATION

	31 Dec 2024 \$	30 June 2024 \$
Balance at the beginning of the period	2,705,803	3,091,901
Exploration of tenements	249,035	717,215
Write off tenements	-	(1,181,557)
Acquisition of Adina East Project ¹	-	1,622,288
Receipt of Offtake payment	-	(738,540)
Impairment provision	-	(805,504)
Balance at the end of the Period	2,954,838	2,705,803

- The Group issued 9,088,117 Shares at an issue price of \$0.155 per share and 7,629,637 Options at a value of \$0.028 per option to the vendors of the Adina East Project in James Bay Canada and in addition to the Adina East Project tenement acquisition, the group received US \$500,000 which net off with Exploration and Evaluation above.

7 OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and Canada. The Group operates predominantly in the minerals exploration and evaluation industry.

The Group currently operates materially in one business segment and two geographical segments as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker. In the previous period the Group operated in one business segment and one geographical segment.

The three segments are detailed below:

Canada Exploration

All expenses or capitalised exploration in relation to the Adina East and other Canadian exploration activities are allocated to Canada Exploration.

Australia Exploration

All expenses or capitalised exploration in relation to the Australian exploration activities are allocated to Australia Exploration.

Corporate Items

All items that are not related to exploration and evaluation either expensed or capitalised are allocated to corporate.

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NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

7 OPERATING SEGMENTS continue

Segment Financial Performance for the period ended 31 December 2024

	Canada Exploration	Australia Exploration	Corporate	Total
Segment revenue	-	20,000	23,059	43,059
Segment expenditure	-	15,000	407,698	422,698
Segment (loss) from continuing operations before tax	-	5,000	(384,639)	(379,639)
Segment Net assets	1,036,033	1,890,014	761,972	3,688,019

Segment Financial Performance for the period ended 31 December 2023

	Canada Exploration	Australia Exploration	Corporate	Total
Segment revenue	-	-	47,326	47,326
Segment expenditure	214,889	210,823	725,607	1,151,319
Segment (loss) from continuing operations before tax	(214,889)	(210,823)	(678,281)	(1,103,993)
Segment Net assets	883,747	3,060,179	2,190,978	6,134,904

8 COMMITMENTS AND CONTINGENT LIABILITIES

8.1 COMMITMENTS

The Group must expend CAD \$1,000,000 on exploration on the Adina East mining claims within 24 months of the Joint Venture commencement date. If the Group does not satisfy the required expenditure, then the Group must spend an amount equal to 1.50 multiplied by the differences between CAD \$1,000,000 and the amount the Group has actually expended within 24 months from the Joint Venture commencement date before the end of the date that is 36 months after the Joint Venture commencement date.

Since 31 December 2024, the Directors are not aware of any other matter or circumstance that has significantly or may significantly affect the commitments and contingencies disclosed in the 30 June 2024 annual report.

8.2 CONTINGENT ASSETS AND LIABILITIES

8.2.1 CONTINGENT LIABILITIES

No contingent liabilities exist as at the date of this report.

8.2.2 CONTINGENT ASSETS

No contingent assets exist as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2024

9 SUBSEQUENT EVENTS

There were no further subsequent events.

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