

Freehill Mining Limited

ABN 27 091 608 025

Interim Report - 31 December 2024

For personal use only

Freehill Mining Limited
Corporate directory
31 December 2024

Directors	Paul Davies Benjamin Jarvis Peter Williams
Registered office	Level 24, 570 Bourke St Melbourne, Victoria, Australia, 3000
Principal place of business	Level 24, 570 Bourke St Melbourne, Victoria, Australia, 3000
Share register	Automic Registry Services Level 5, 126 Phillips Street Sydney NSW 2000
Auditor	Connect National Audit Pty Ltd Level 11 333 Collins Street Melbourne, Victoria 3000
Stock exchange listing	Freehill Mining Limited shares are listed on the Australian Securities Exchange (ASX code: FHS)
Website	www.freehillmining.com

Freehill Mining Limited
Chairman's letter
31 December 2024

The Board of Freehill Mining Limited is pleased to present this report for the half year ending 31 December 2024.

Performance for the half is best reflected in the improved financials for the period which saw considerable revenue growth and significantly narrowing losses.

Revenue for the half was \$1,245,524 versus \$198,338 in the prior corresponding period, driven by the expansion of materials processing activities at the Company's 100%-owned Yervas Buenas ('YB') project located in Region IV, Chile. The total comprehensive loss for the year, after accounting for positive foreign currency movements of circa \$131,000, was (\$88,357) versus (\$830,302) in the prior half, a major turnaround.

During the half, the Company's operations and therefore its financial performance were impacted by a fatality of a worker on site at YB in early July. Freehill has cooperated fully with all investigations and the relevant authorities. The Company stresses that the safety of its workers, third parties visiting its site and those engaged in logistics activities remains its top priority.

Against this backdrop, the focus for the half has been to demonstrate to our expanding customer base an ability to produce and deliver customised materials in a timely and efficient manner to support the construction of major infrastructure projects in the region, and large-scale industrial operations such as the numerous cement plants that the Company supplies. Freehill is proud of the fact that in relatively short order, it has established itself as a dependable and trusted supplier to some of Chile's largest cement companies and infrastructure developers, and this reputation is a key catalyst to achieve greater scale and a dominant market position.

While the Board is pleased with the growing revenue base and the narrowing of losses, we are firmly of the view that our materials processing operations are still in the very early stages of growth. A great deal of infrastructure development is occurring in Region IV in Chile and Freehill is a direct beneficiary of this trend. Encouragingly, the pipeline of potential projects continues to expand. Already we are supporting a number of large infrastructure projects underway – the La Serena Hospital build and the expansion of the Coquimbo Port to name just two – with several more projects of similar scale already slated for development. Freehill, through its strong customer relationships, stands well-placed to secured multiple new purchase orders and heads into the second half of the financial year with a robust sales pipeline.

The Company continues to operate on a relatively capital-light basis given the revenue contribution and future growth from its operating business at YB. In July, Freehill raised \$500,000 from new and existing shareholders before costs, with funds deployed primarily to support the growth of YB's waste material business and to advance on-site magnetite mining operations.

Unlocking the value of Freehill's magnetite assets at YB, and demonstrating further exploration upside at the adjoining Cu-Au El Dorado project, are important objectives for the Company. Our intention is to recommence magnetite mining at YB after more thorough mine planning, which is necessary given the nature of the deposit at the YB mine, and after a bulk sample is produced for broader marketing purposes. The Company will then assess opportunities to produce and sell a lower grade product to the cement industry and a higher-grade concentrate for other markets. In the near-term, customers in the cement industry are more focused on sourcing the waste materials currently being produced at YB, and the Company is now building a case to also supply magnetite to them from the same source.

Freehill's objective in the current half is to continue to increase its revenue base and establish a consistently profitable materials processing and supply operation from YB and other locations under consideration. This will then underpin our ability to consolidate the materials market in Region IV and other adjoining regions where we have commenced supply. More importantly, these growing revenue streams will give us the flexibility to pursue higher priced commodity opportunities in the region, namely magnetite mining and supply and as well as some interesting opportunities in copper.

As an ASX-listed junior with a small but growing cash generating business, Freehill is in the enviable position to deliver considerable value to shareholders and we are confident this will become evident as 2025 progresses. We are grateful for the continued support of our shareholders and our dedicated and hardworking operations team in Chile that are key to our growth and development.

Ben Jarvis
Non-Executive Chairman

Freehill Mining Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Freehill Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

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

Paul Davies
Benjamin Jarvis
Peter Williams

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Continue to develop position as leading supplier of material to Infrastructure and Construction Sectors in La Serena Region;
- Initiate small scale magnetite mining and production at Yervas Buenas mine;
- Diversify product offering within waste material business; and
- Reviewing potential acquisitions predicated on adding shareholder value.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$219,904 (31 December 2023: \$670,846).

Refer the Chairman's letter that directly precedes this Directors' report.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors

Ben Jarvis
Director

14 March 2025

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Freehill Mining Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Freehill Mining Limited.



ROBIN KING HENG LI CA RCA
DIRECTOR
CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888
14 March 2025

Freehill Mining Limited

Contents

31 December 2024

Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	15
Independent auditor's review report to the members of Freehill Mining Limited	16

General information

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

Freehill Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 24, 570 Bourke St
Melbourne, Victoria,
Australia, 3000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2025.

Freehill Mining Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
	Note	Dec 2024	Dec 2023
		\$	\$
Revenue	3	1,245,524	198,338
Expenses			
Mine production costs		(789,190)	(146,075)
Corporate and administration expenses		(545,472)	(569,193)
Depreciation and amortisation expense		(109,995)	(76,162)
Other expenses		(20,771)	(32,503)
Finance costs		-	(45,251)
		<u> </u>	<u> </u>
Loss before income tax expense		(219,904)	(670,846)
Income tax expense		<u> -</u>	<u> -</u>
Loss after income tax expense for the half-year attributable to the owners of Freehill Mining Limited		(219,904)	(670,846)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (note 7)		<u>131,547</u>	<u>(159,456)</u>
Other comprehensive income/(loss) for the half-year, net of tax		<u>131,547</u>	<u>(159,456)</u>
Total comprehensive loss for the half-year attributable to the owners of Freehill Mining Limited		<u><u>(88,357)</u></u>	<u><u>(830,302)</u></u>
		Cents	Cents
Basic earnings per share	12	(0.007)	(0.027)
Diluted earnings per share	12	(0.007)	(0.027)

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

Freehill Mining Limited
Consolidated statement of financial position
As at 31 December 2024

	Note	Consolidated Dec 2024 \$	Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		74,195	63,481
Trade and other receivables	4	904,345	518,872
Inventories		108,547	106,524
Other		50,816	2,928
Total current assets		<u>1,137,903</u>	<u>691,805</u>
Non-current assets			
Trade and other receivables	4	799,390	887,099
Property, plant and equipment		897,144	750,991
Exploration and evaluation		104,757	23,227
Mining	5	<u>10,466,846</u>	<u>10,495,493</u>
Total non-current assets		<u>12,268,137</u>	<u>12,156,810</u>
Total assets		<u>13,406,040</u>	<u>12,848,615</u>
Liabilities			
Current liabilities			
Trade and other payables		564,951	368,308
Total current liabilities		<u>564,951</u>	<u>368,308</u>
Non-current liabilities			
Provisions		70,000	70,000
Total non-current liabilities		<u>70,000</u>	<u>70,000</u>
Total liabilities		<u>634,951</u>	<u>438,308</u>
Net assets		<u>12,771,089</u>	<u>12,410,307</u>
Equity			
Issued capital	6	44,430,732	43,981,593
Reserves	7	1,332,694	1,201,147
Accumulated losses		<u>(32,992,337)</u>	<u>(32,772,433)</u>
Total equity		<u>12,771,089</u>	<u>12,410,307</u>

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

Freehill Mining Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	40,097,764	1,246,575	(31,266,479)	10,077,860
Loss after income tax expense for the half-year	-	-	(670,846)	(670,846)
Other comprehensive loss for the half-year, net of tax	-	(159,456)	-	(159,456)
Total comprehensive loss for the half-year	-	(159,456)	(670,846)	(830,302)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,845,751	-	-	2,845,751
Balance at 31 December 2023	<u>42,943,515</u>	<u>1,087,119</u>	<u>(31,937,325)</u>	<u>12,093,309</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	43,981,593	1,201,147	(32,772,433)	12,410,307
Loss after income tax expense for the half-year	-	-	(219,904)	(219,904)
Other comprehensive income for the half-year, net of tax	-	131,547	-	131,547
Total comprehensive income/(loss) for the half-year	-	131,547	(219,904)	(88,357)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 6)	449,139	-	-	449,139
Balance at 31 December 2024	<u>44,430,732</u>	<u>1,332,694</u>	<u>(32,992,337)</u>	<u>12,771,089</u>

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

Freehill Mining Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Consolidated	
	Dec 2024	Dec 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	995,055	126,025
Payments to suppliers and employees (inclusive of indirect taxes)	<u>(1,153,130)</u>	<u>(856,050)</u>
Net cash used in operating activities	<u>(158,075)</u>	<u>(730,025)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(81,530)	-
Payments for exploration and evaluation	<u>(227,501)</u>	<u>-</u>
Net cash used in investing activities	<u>(309,031)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares	500,100	1,071,410
Proceeds from borrowings	-	6,600
Share issue transaction costs	<u>(22,961)</u>	<u>(74,459)</u>
Net cash from financing activities	<u>477,139</u>	<u>1,003,551</u>
Net increase in cash and cash equivalents	10,033	273,526
Cash and cash equivalents at the beginning of the financial half-year	63,481	46,880
Effects of exchange rate changes on cash and cash equivalents	<u>681</u>	<u>(1,986)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>74,195</u></u>	<u><u>318,420</u></u>

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

Freehill Mining Limited
Notes to the consolidated financial statements
31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Going concern

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

As disclosed in the financial statements, the consolidated entity incurred a loss of \$219,904 (30 June 2024: \$670,846) and had operating cash outflows of \$158,075 (30 June 2024: \$730,025).

The directors have reviewed the cash flow forecast for the next 12 months from the date of signing this financial report, and assessed that there are reasonable grounds to believe the consolidated entity will be able to continue as a going concern due to the following factors:

During the past 12 months sales from the Yervas Buenas project have grown 5 fold for the period to \$1.2m clearly demonstrating the Company's ability to supply the major participants in the construction sector and the demand for our product while generating a profit from operations in Chile ;

The work done over the past 12 months has embedded the Company within the supply chains of major players in the construction sector, this combined with our new location will significantly strengthen that position do more than sustain and evolve its position as a going concern;

As an ASX listed entity, the company has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the Directors consider appropriate; and

The Company is reviewing a number of opportunities which it believes will generate positive near term cashflows to further support its development.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment: Chilean Mining. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 3. Revenue

	Consolidated	
	Dec 2024	Dec 2023
	\$	\$
Mining sales	<u>1,245,524</u>	<u>198,338</u>

Freehill Mining Limited
Notes to the consolidated financial statements
31 December 2024

Note 3. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	Dec 2024	Dec 2023
	\$	\$
<i>Major product lines</i>		
Mining sales	<u>1,245,524</u>	<u>198,338</u>
<i>Geographical regions</i>		
Chile	<u>1,245,524</u>	<u>198,338</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>1,245,524</u>	<u>198,338</u>

Note 4. Trade and other receivables

	Consolidated	
	Dec 2024	Jun 2024
	\$	\$
<i>Current assets</i>		
Trade receivables	301,810	52,963
Other receivables	1,622	622
Indirect taxes receivable	<u>600,913</u>	<u>465,287</u>
	<u>904,345</u>	<u>518,872</u>
<i>Non-current assets</i>		
Indirect taxes receivable	<u>799,390</u>	<u>887,099</u>
	<u>1,703,735</u>	<u>1,405,971</u>

The majority of the indirect tax receivable relates to Value Added Tax (VAT) in Chile. This will be recovered as VAT on sales in Chile exceeds the VAT on expenses. An amount has been allocated as a current asset based on the expected revenues and expenses over the next 12 months with the balance being disclosed as non-current.

Note 5. Mining

	Consolidated	
	Dec 2024	Jun 2024
	\$	\$
<i>Non-current assets</i>		
Mining - at cost	16,102,259	16,102,259
Less: Accumulated amortisation	(38,196)	(9,549)
Less: Impairment	<u>(5,597,217)</u>	<u>(5,597,217)</u>
	<u>10,466,846</u>	<u>10,495,493</u>

Freehill Mining Limited
Notes to the consolidated financial statements
31 December 2024

Note 5. Mining (continued)

Reconciliations

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

	Mining asset \$
Consolidated	
Balance at 1 July 2024	10,495,493
Amortisation expense	(28,647)
Balance at 31 December 2024	<u>10,466,846</u>

Note 6. Issued capital

	Dec 2024 Shares	Consolidated Jun 2024 Shares	Dec 2024 \$	Jun 2024 \$
Ordinary shares - fully paid	<u>3,078,527,769</u>	<u>2,999,844,432</u>	<u>44,430,732</u>	<u>43,981,593</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	2,999,844,432		43,981,593
		78,683,337	\$0.060	472,100
Less cost of capital raising		-	\$0.000	(22,961)
Balance	31 December 2024	<u>3,078,527,769</u>		<u>44,430,732</u>

Ordinary shares

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

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 7. Reserves

	Consolidated Dec 2024 \$	Jun 2024 \$
Foreign currency reserve	(456,787)	(588,334)
Share-based payments reserve	<u>1,789,481</u>	<u>1,789,481</u>
	<u>1,332,694</u>	<u>1,201,147</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Freehill Mining Limited
Notes to the consolidated financial statements
31 December 2024

Note 7. Reserves (continued)

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share-based payments \$	Foreign currency \$	Total \$
Balance at 1 July 2024	1,789,481	(588,334)	1,201,147
Foreign currency translation	-	131,547	131,547
Balance at 31 December 2024	<u>1,789,481</u>	<u>(456,787)</u>	<u>1,332,694</u>

Note 8. Dividends

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

Note 9. Contingent liabilities

On 8 July 2024, the company announced that a fatal accident occurred at the company's Yervas Beunas site. The financial impact of any settlement is still being determined.

Note 10. Related party transactions

Parent entity

Freehill Mining Limited is the parent entity.

Transactions with related parties

There were no transactions with related parties other directors fees during the current and previous financial half-year.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	Dec 2024	Jun 2024
	\$	\$
Current payables:		
Fees and expenses payable to directors	68,573	47,723

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 12. Earnings per share

	Consolidated Dec 2024 \$	Dec 2023 \$
Loss after income tax attributable to the owners of Freehill Mining Limited	(219,904)	(670,846)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	3,202,111,923	2,452,067,849
Weighted average number of ordinary shares used in calculating diluted earnings per share	3,202,111,923	2,452,067,849
	Cents	Cents
Basic earnings per share	(0.007)	(0.027)
Diluted earnings per share	(0.007)	(0.027)

For personal use only

Freehill Mining Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Ben Jarvis
Director

14 March 2025

For personal use only

**Independent Auditor's Review Report
To the members of Freehill Mining Limited
Report on the Half-year Financial Report**

Conclusion

We have reviewed the accompanying Half-year Financial Report of Freehill Mining Ltd ("the Company") and the entities it controlled ("the consolidated entity"). 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 Freehill Mining Ltd 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 of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2024;
- 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;
- Notes 1 to 12 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of the 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 Half-year Financial Report section of our report. We are independent of the consolidated entity 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 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.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to note 1 in the half-year financial report which indicates that the consolidated entity incurred a loss of \$219,904, had operating cash outflows of \$158,075.

The directors have reviewed the cash flow forecast for the next 12 months from the date of signing this financial report, and assessed that there are reasonable grounds to believe the consolidated entity will be able to continue as a going concern due to the following factors:

- During the past 12 months sales from the Yervas Buenas project have grown 5 fold for the period to \$1.2m clearly demonstrating the Company's ability to supply the major participants in the construction sector and the demand for our product while generating a profit from operations in Chile;
- The work done over the past 12 months has embedded the Company within the supply chains of major players in the construction sector, this combined with our new location will significantly strengthen that position do more than sustain and evolve its position as a going concern.
- As an ASX listed entity, the company has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the Directors consider appropriate; and
- The Company is reviewing a number of opportunities which it believes will generate positive near term cashflows to further support its development.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

As stated in Note 1, these events or conditions, along with other matters detailed in the note, indicate the existence of material uncertainty. If these events or conditions are not completed, and within the timeframes forecast, whether the consolidated entity is able to continue as a going concern and therefore realize its assets and settle its liabilities in the ordinary course of business is uncertain. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the consolidated entity 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 *Corporations Act 2001*
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year 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 Australian 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.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888



ROBIN KING HENG LI CA RCA
DIRECTOR

Date: 14 March 2025