



ARIKA RESOURCES

**Arika Resources Limited
(formerly known as Metalicity Limited)**

ABN: 92 086 839 992

**Interim Financial Report
For the half year ended 31 December 2024**

For personal use only

Arika Resources Limited Corporate Directory

Directors

Justin Barton – Managing Director
Roger Steinepreis – Non-Executive Chairman
Steven Wood – Independent Non-Executive Director

Company Secretary

Kate Breadmore – Joint Company Secretary
Aaron Gates – Joint Company Secretary

Auditors

Pitcher Partners BA&A Pty Ltd
Level 11
12-14 The Esplanade
PERTH WA 6000

Solicitors

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Bankers

ANZ Banking Group Ltd
1275 Hay Street
WEST PERTH WA 6005

Registered Office & Principal Place of Business

Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 6500 0202

Share Registry

MUFG Corporate Markets
QV1 Building
Level 12, 250 St Georges Terrace
PERTH WA 6000
Investor Enquiries: 1300 554 474
Facsimile: (02) 9287 0303

Stock Exchange

Securities of Arika Resources Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: ARI

Web Site: www.arika.com.au

For personal use only

Arika Resources Limited
Contents

	Page
Directors' report	3
Auditor's independence declaration	14
Interim financial statements	
Consolidated statement of profit or loss and other comprehensive income	15
Consolidated statement of financial position	17
Consolidated statement of changes in equity	18
Consolidated statement of cash flows	19
Notes to the consolidated financial statement	20
Directors' declaration	32
Independent auditor's review report	33

For personal use only

Arika Resources Limited Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Group') consisting of Arika Resources Limited (formerly known as Metalicity Limited) (the 'Company', 'Arika' 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 Arika Resources Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Name	Particulars
Justin Barton	Managing Director (transferred from Managing Director and Acting Chairman on 25 October 2024)
Roger Steinepreis	Non – Executive Chairman (transferred from Non - Executive Director On 25 October 2024)
Steven Wood	Independent Non-Executive Director

Company Secretary

Name	Particulars
Kate Breadmore	Joint Company Secretary
Aaron Gates	Joint Company Secretary (Appointed 11 October 2024)

Principal Activities

During the half-year, the principal continuing activities of the consolidated entity consisted of mineral exploration and development of the Kookynie and Yundamindra Gold Projects, that the Company has an 80% joint venture interest in with Nex Metals Exploration Ltd ('Nex').

Operating Results

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$569,655 for the half-year ended 31 December 2024 (31 December 2023: \$284,504).

Review of Operations

Arika Resources is committed to delivering shareholder value through the discovery, acquisition and development of high-quality gold deposits.

The Company's flagship projects are the 80%-owned Yundamindra and Kookynie Gold Projects, located within the exceptionally well-endowed Laverton Greenstone Belt of the Northeastern Goldfields of Western Australia.

Arika is continuing to build both projects by working collaboratively with industry-leading geoscientific consultants to expand known mineralisation and make new discoveries by systematically assessing a growing pipeline of high-priority brownfield and greenfield targets.

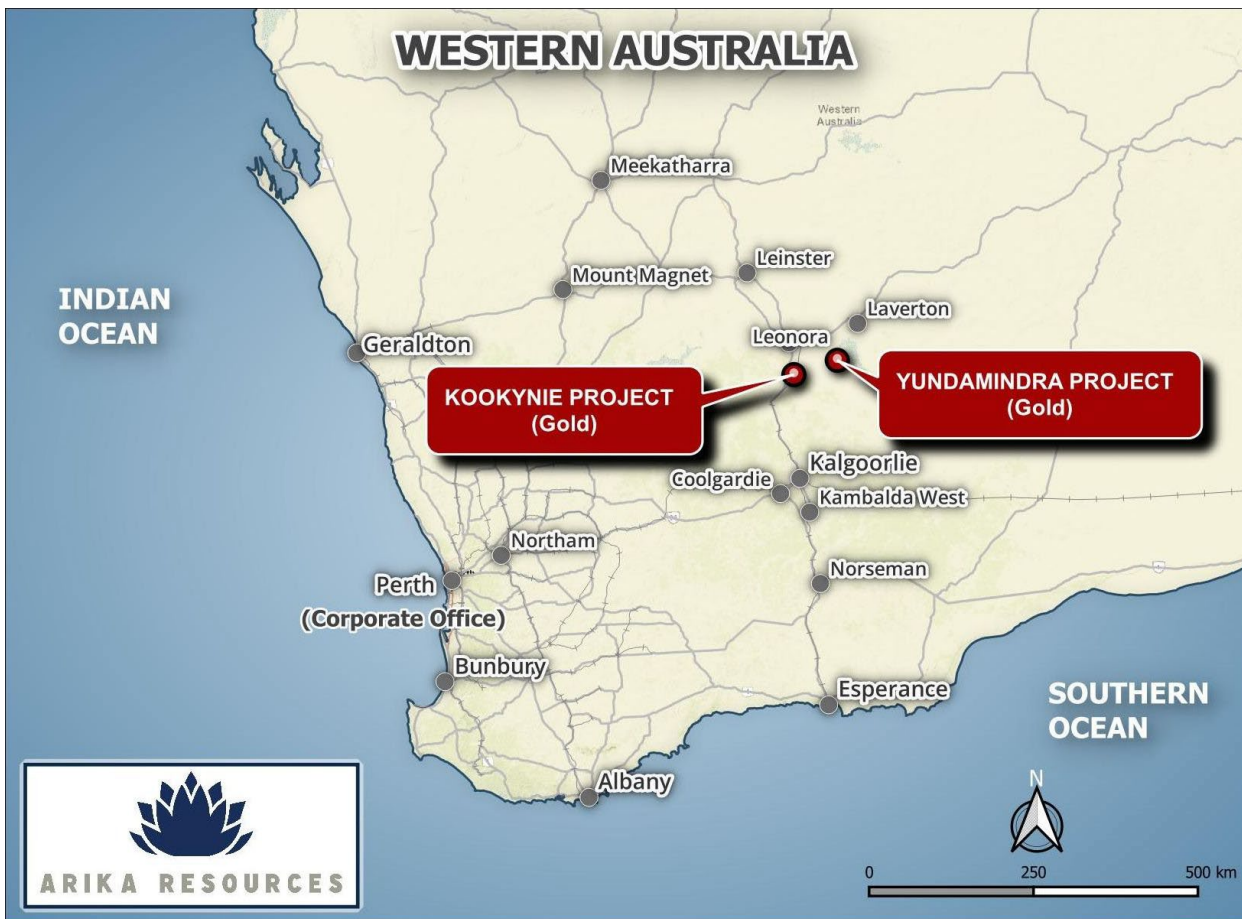


Figure 1: Location Map of Kookynie and Yundamindra Projects

During the six months to 31 December 2024, Arika's primary exploration focus was on the Yundamindra Project.

Yundamindra Gold Project

The Yundamindra Gold Project is located 65km south-east of Leonora and 65km east of the Kookynie Project. Yundamindra is situated in close proximity to numerous multi-million ounce deposits, with a number of mills easily accessible by road (Figure 1 & 2). The Yundamindra Project delivered high-grade historical production prior to 1970 of 74kt @ 19.3g/t Au for 45,000 ounces.

The Yundamindra Project has historically only been explored for near-surface open pit oxide gold mineralisation, with the most recent drilling completed more than 10 years ago when the gold price ranged between \$250-\$300/oz.

An analysis of all historical datasets has revealed that, despite the known prospects at Yundamindra appearing to have been extensively drilled, ~97% of all drilling has been limited to near-surface weathered zones and depths of less than 80m, with very few holes extending into fresh rock beyond 100m.

This data review identified more than 140 historical high-grade intercepts of above 4m @ 2g/t Au, with mineralisation open along strike and very limited exploration at depth.

**Arika Resources Limited
Directors' Report**

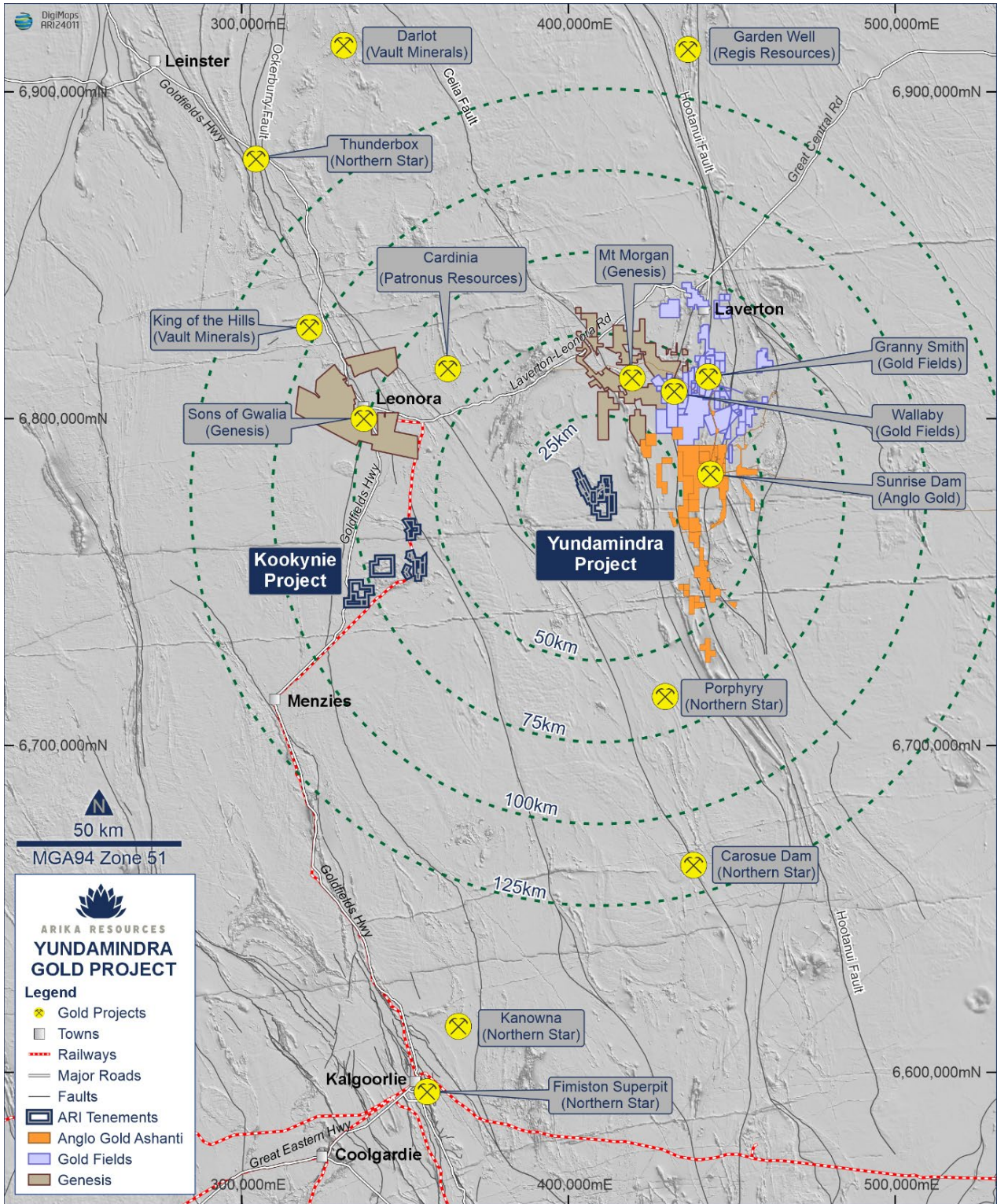


Figure 2: Regional project location plan showing Arika's Yundamindra & Kookynie Gold Projects in relation to major operating gold mines and deposits

Drilling programs at the Yundamindra Project during the half-year focused on the Pennyweight Point and Landed at Last prospects.

For personal use only

Drilling Activities

Arika completed a maiden drilling program at the Pennyweight Point prospect in August 2024, which comprised 77 Reverse Circulation (RC) drill-holes (YMRC001-YMRC077) for a total of approximately 6,000m.

The primary objectives of this phase of drilling were to validate historical results and to test for bedrock-hosted gold mineralisation beneath the shallow historical occurrences.

For personal use only

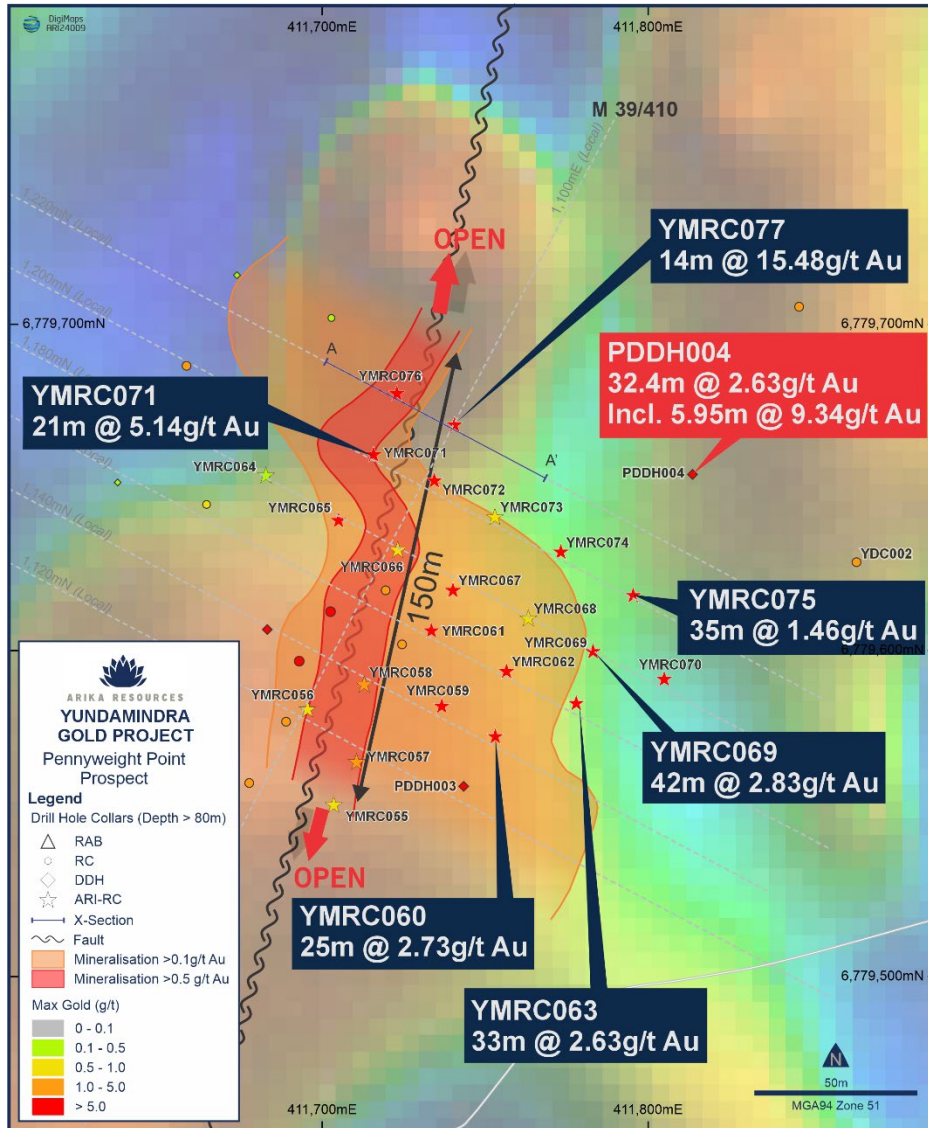


Figure 3: Pennyweight Point. Level plan of the mineralised zone on the 350mRL level, or ~50m below surface, at the interface between the weathered zone and fresh rock. Arika's recent drilling is shown in relation to historical diamond drillholes PDDH004, PDDH003 & YDC002 with collars coloured by maximum gold-in-hole over a background image of Total Magnetic Intensity (TMI). The mineralised zone sits on the axis of the PWP Fault which extends for >2km's to the north and south of the area shown in this image. The extensions have not been drill tested.

These objectives were achieved, with the campaign delivering spectacular results that firmly establish the potential for Yundamindra to host a significant gold deposit.

Arika Resources Limited Directors' Report

Highlights included¹²³:

- **14m @ 15.48g/t Au from 46m (YMRC077)**
- **30m @ 3.86g/t Au from 64m (YMRC069)**
- **33m @ 3.35g/t Au from 22m (YMRC071)**
- **33m @ 2.63g/t Au from 85m (YMRC063)**
- **30m @ 2.36g/t Au from 64m (YMRC060).**

In December 2024, the Company commenced a Phase 2 Expansional Drilling Program to test for extensions at the Pennyweight Point (Figure 3) and Landed at Last prospects, both of which remain open along strike and at depth.

This Phase 2 drilling is focused on testing for primary structures and depth extensions to the shallow gold occurrences. The program comprises ~6,000m of Reverse Circulation (RC) drilling, with the initial focus on Pennyweight Point.

Prior to the end of the half-year, Arika completed 11 holes for ~1,350m at Pennyweight Point.

The Phase 2 Expansional Drilling Program was completed in February 2025, with 45 holes for ~5,000m completed across both Pennyweight Point and Landed at Last. Assay results for Pennyweight Point were released in March 2025, and have extended the strike length and vertical depth of the mineralisation, which remains open in all directions⁴. Assays for remaining holes are pending.

A targeted diamond drilling program was also undertaken at the Pennyweight Point and Landed at Last prospects in February 2025 to obtain valuable diamond core to help the Company better understand the geology and structure of the mineralisation at these highly prospective and growing targets.

Geophysical Analysis and Interpretation

During the half year, specialist geophysical consulting group Core Geophysics, under the guidance of Andrew Bisset (Principal Geophysicist), undertook geophysical data synthesis, which incorporated a range of open file regional and prospect scale datasets including:

- Regional and detailed aeromagnetic and radiometric data;
- Regional and detailed (airborne and ground-based) gravity data; and
- Satellite imagery.

The resulting interpretation shows the project area to be a structurally complex intrusive volcanic and granitic interaction with intense structural disruptions. These are key elements which are consistently associated with many of the region's most significant gold deposits, including Sunrise Dam and Wallaby.

The analysis has provided an improved understanding of the lithological and structural architecture at Yundamindra, enabling a re-interpretation and refinement of the structural controls on the known mineralisation at Landed at Last and Pennyweight Point, and identifying **more than 25 new high-priority targets**.⁵

¹ Please refer to ASX announcement "Exceptional 30m @ 3.86g/t Au Intercept at Yundamindra" dated 20 September 2024.

² Please refer to ASX announcement "Pennyweight Point Delivers More Thick High Grade Gold Hits" dated 26 September 2024.

³ Please refer to ASX announcement "Exceptional Gold results from Pennyweight Point Drilling" dated 23 October 2024.

⁴ Please refer to ASX announcement "Pennyweight Point Significant New Intercepts" dated 7 March 2025

⁵ Please refer ASX announcement "Over 25 New Unidentified Gold Targets at Yundamindra" dated 26 November 2024

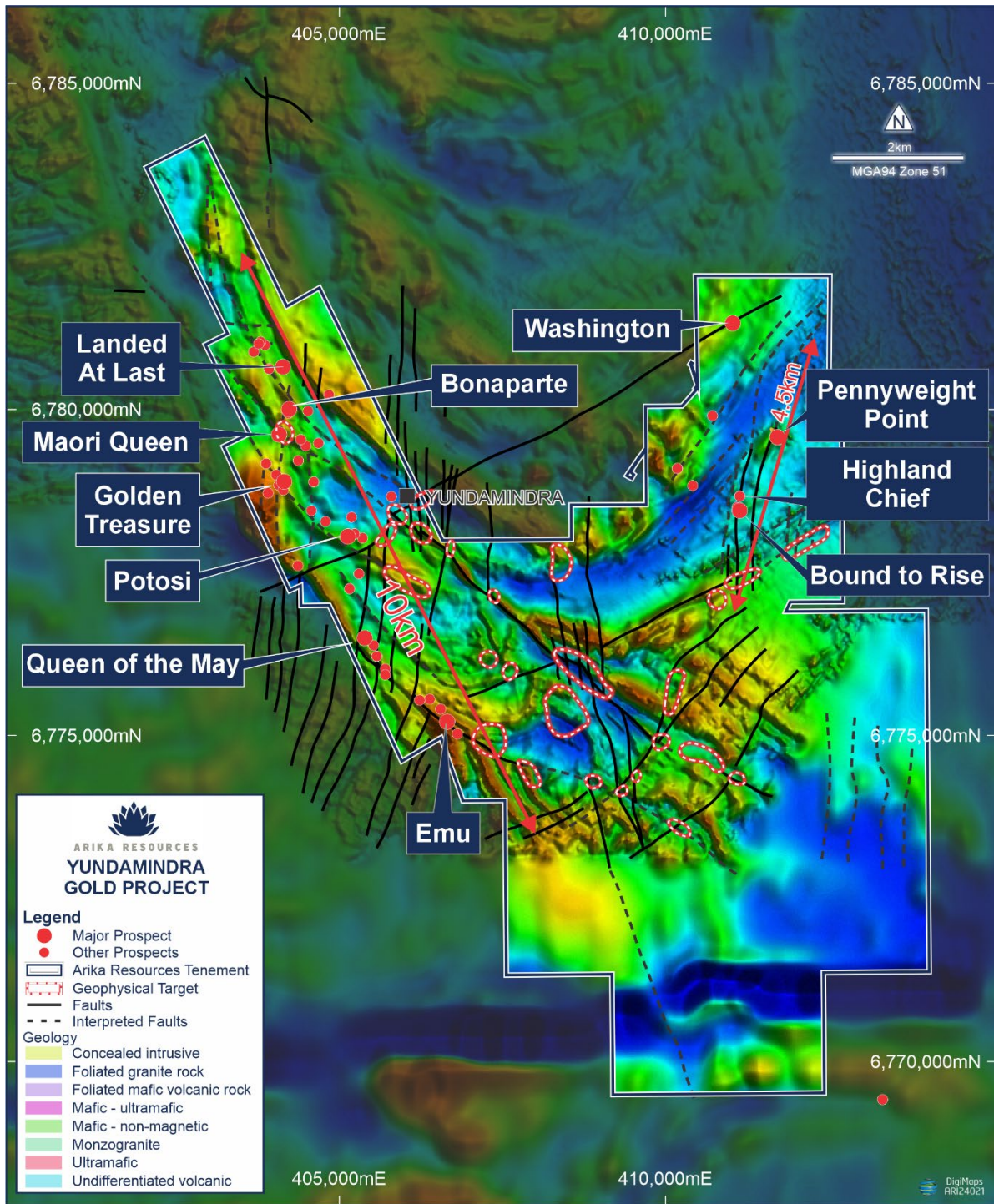


Figure 3: Yundamindra Project geological-structural interpretation of geophysical data

An overlay of these locations onto the geological-structural interpretation provides compelling evidence that mineralisation at Yundamindra is strongly associated with structural controls, particularly structural intersections, highlighting the outstanding potential for discoveries to be made across the broader project in areas that have never been previously drill tested.

This data filtering has been very effective in narrowing the search space to key areas for follow-up. However, whilst these targets are well defined, there are conceivably many more targets than are presented in this interpretation and the targeting work is ongoing.

Arika is continuing to take an aggressive, but methodical and systematic approach to exploration at Yundamindra, as the Company unlocks the potential for a multi-million ounce gold system.

For personal use only

Arika Resources Limited Directors' Report

Kookynie Gold Project

The Kookynie Gold Project is located approximately 180km north of the town of Kalgoorlie and presents an opportunity to develop a high-grade gold resource based off historical and recent exploration within the area undertaken by Arika and past explorers.

The Kookynie Project hosts some of Arika's key gold assets, which include the historical mining centres of Diamantina-Cosmopolitan-Cumberland (known as the "DCC trend"), as well as the McTavish, Leipold, Champion and Altona prospects (Figure 5).

These key prospects all have shallow mineralisation, are all located on mining leases and are all situated in close proximity to a number of mills easily accessible by road, providing a unique opportunity for the Company to unlock significant value.

The Kookynie Gold Project has significant historical and current gold endowment, with the Cosmopolitan Gold Mine producing more than 331,000 ounces between 1895 and 1922 at an average grade of 15g/t Au. The Altona Gold Mine produced 88,700 ounces between 1900 and 1965 at an average head grade of 30g/t Au.

Arika has drilled 380 holes for over 34,000 metres across several deposits, prospects and exploration targets within the Kookynie Gold project since early 2020. This volume of drilling has yielded significant intercepts, with some truly spectacular gold results including, but not limited to:

- **4m @ 26.91g/t Au** from 65m⁶ (LPRC0077)
- **10m @ 7.44g/t Au** from 108m⁷ (LPRC049)
- **3m @ 19.1g/t Au** from 88m⁸ (McTRC0044)
- **5m @ 25.9g/t Au** from 28m⁹ (McTRC0049)
- **28m @ 1.83g/t Au** from 72m¹⁰ (CPRC0041)
- **3m @ 14.9g/t Au** from 97m¹¹ (ALTRC0030)

Arika's exploration activities to date have proved that the Kookynie Gold Project has substantial value and the Kookynie area retains significant mineral endowment.

In April 2022, Arika released a maiden JORC 2012 Mineral Resource Estimate for the Leipold, McTavish and Champion Deposits totalling 83,000 ounces of contained gold.

Please refer to Table 2 for the Total Mineral Resource Estimate Breakdown (ref):

**Kookynie Gold Project
March 2022 Mineral Resource Estimate (0.5g/t Au Cut-off)**

Deposit	Indicated			Inferred			Total		
	Tonnage kt	Au g/t	Au Ounces	Tonnage kt	Au g/t	Au Ounces	Tonnage kt	Au g/t	Au Ounces
Leipold	450	1.3	19,000	630	1.7	34,000	1,080	1.5	53,000
Champion				380	1.7	20,000	380	1.7	20,000
McTavish				120	2.0	8,000	120	2.0	8,000
Total	450	1.3	19,000	1,130	1.7	62,000	1,580	1.6	81,000

Table 2 – Kookynie Mineral Resource Estimate Tables.

Significant resource upside potential remains at the Kookynie Project, with all prospects open along strike and at depth, and the McTavish South, Cosmopolitan and Altona prospects still to be drilled.

⁶ ASX Announcement "Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project" dated 15 September 2020.

⁷ ASX Announcement "Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project" dated 25 August 2020.

⁸ ASX Announcement "McTavish Returns Assays Up To 52.8 g/t Au & Executive Changes" dated 24 May 2021.

⁹ ASX Announcement "McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au" dated 8 July 2021.

¹⁰ ASX Announcement "Widest Intersection to Date at Kookynie as Champion & McTavish Continue to Deliver Strong Gold Results" dated 13 December 2021.

¹¹ ASX Announcement "Further Impressive Drill Results at Altona, Kookynie Gold Project" dated 18 March 2021.

Arika Resources Limited Directors' Report

Much of the bedrock geology of interest within the Company's tenure at Kookynie is obscured beneath transported and/or residual soil cover and has received little previous exploration. The McTavish East Gold Deposit, a completely 'blind' deposit discovered by Carnavale Resources (ASX: CAV) ~1km south-east of Arika's McTavish Prospect, provides compelling evidence that significant gold mineralisation is still to be found at Kookynie.

During the half-year to 31 December 2024, Arika commenced a comprehensive, independent detailed review of all prospects and tenure at Kookynie. This work is ongoing. Results from the review will be released once complete and will be used to guide future drilling of high-priority targets at Kookynie as soon as all regulatory approvals are received.

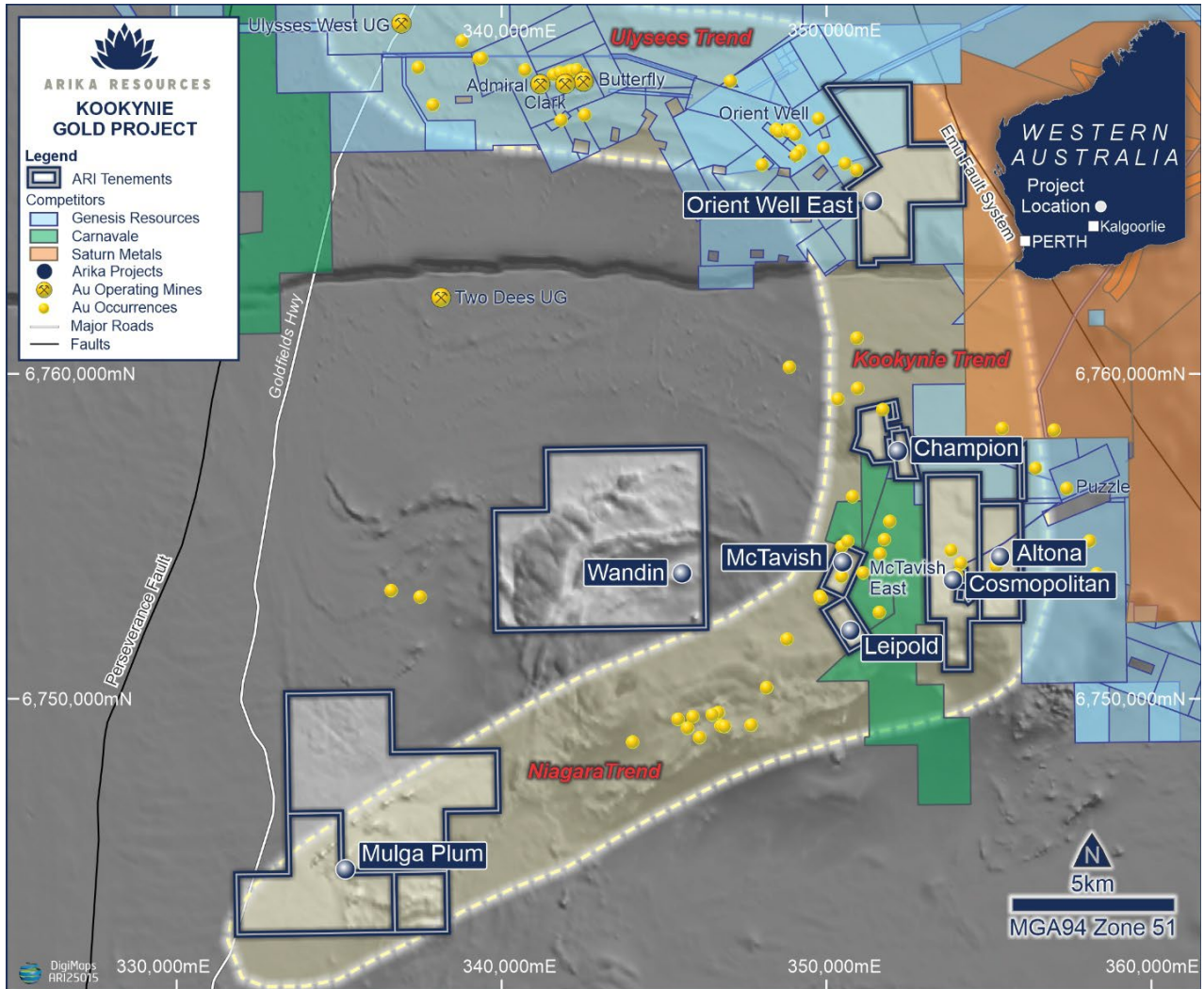


Figure 5 – Kookynie Prospect Locality Map with mineralised trends.

Admiral Bay Project

During the half-year¹², the Company appointed Argonaut PCF Limited to seek indicative offers for its Admiral Bay Zinc Project. No offers have been received to date, with the project remaining available for divestment opportunities.

Mt Surprise (Queensland)

Exploration on Arika's Queensland Projects remained on hold for the half-year as the Company focused its exploration efforts at the Yundamindra and Kookynie Gold Projects in Western Australia.

¹² Please refer ASX announcement "Opportunity to Acquire World Class Admiral Bay Zinc Project" dated 19 July 2024.

Arika Resources Limited

Directors' Report

Disclaimer and Forward-Looking Statements

This report is not a prospectus nor an offer of securities for subscription or sale in any jurisdiction nor a securities recommendation. The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Arika Resources Limited and consult with their own legal, tax, business and/or financial advisers in connection with any acquisition of securities.

The information contained in this report has been prepared in good faith by Arika Resources Limited. However, no representation or warranty, express or implied, is made as to the completeness or adequacy of any statements, estimates, opinions or other information contained in this report. To the maximum extent permitted by law, Arika Resources Limited, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use of, or reliance on, anything contained in or omitted from this report. Certain information in this report refers to the intentions of Arika Resources Limited, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the *Corporations Act 2001* or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Arika Resources Limited's actual results, performance or achievements to differ from those referred to in this report to occur as contemplated.

The report contains only a synopsis of more detailed information to be published in relation to the matters described in this document and accordingly no reliance may be placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you or incurring by you of additional liability. Recipients of this report should conduct their own investigation, evaluation and analysis of the business, data and property described in this document. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and you should satisfy yourself in relation to such matters. Furthermore, this report may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

- (a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and
- (b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and
- (c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether because of new information, future events or results or otherwise.

Competent Person Statements

The Group is not aware of any new information or data that materially affects the information included in the report and, in the case of "exploration results" that all material assumptions and technical parameters underpinning the "exploration results" in the relevant announcements referenced apply and have not materially changed.

Arika Resources Limited Directors' Report

Tenements Schedule

Tenement	Registered Holder	Shares Held	Plainted	Status	Area (ha)	Nature of Interest	Interest
Kookynie							
P40/1331	KYM Mining Limited	100/100	No	Live	161.2	Direct Holding	80%
E40/390	KYM Mining Limited	100/100	No	Live	3,300.0	Direct Holding	80%
E40/350	KYM Mining Limited	100/100	No	Live	2,394.0	Direct Holding	80%
E40/357	KYM Mining Limited	100/100	No	Live	1,194.0	Direct Holding	80%
E40/353	KYM Mining Limited	100/100	No	Live	598.0	On Application	80%
P40/1407	KYM Mining Limited	100/100	No	Live	10.0	Direct Holding	80%
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Direct Holding	80%
E40/387	Arika Resources Limited	100/100	No	Live	299.0	Direct Holding	80%
G40/3	Nex Metals Explorations Limited	100/100	No	Live	7.2	Earn In	80%
L40/9	Nex Metals Explorations Limited	100/100	No	Live	1.0	Earn In	80%
E40/332	Nex Metals Explorations Limited	100/100	No	Live	600.0	Earn In	80%
M40/22	Nex Metals Explorations Limited	100/100	No	Live	121.7	Earn In	80%
M40/27	Nex Metals Explorations Limited	100/100	No	Live	85.5	Earn In	80%
M40/61	Nex Metals Explorations Limited	100/100	No	Live	832.7	Earn In	80%
M40/77	Nex Metals Explorations Limited	90,405/ 90,405	No	Live	119.2	Earn In	80%
P40/1501	Nex Metals Explorations Limited	100/100	No	Live	21.1	Earn In	80%
E40/289	Paris Enterprises Pty Ltd	100/100	No	Live	1,222.7	Earn In	80%
Kookynie Total Area (ha)					8,583.2		
Yundamindra							
L39/34	Nex Metals Explorations Limited	100/100	No	Live	1.0	Earn In	80%
L39/52	Nex Metals Explorations Limited	96/96	No	Live	1.0	Earn In	80%
L39/258	Nex Metals Explorations Limited	100/100	No	Live	3.2	Earn In	80%
M39/84	Nex Metals Explorations Limited	100/100	No	Live	378.0	Earn In	80%
M39/274	Nex Metals Explorations Limited	100/100	No	Live	230.0	Earn In	80%
M39/406	Nex Metals Explorations Limited	100/100	No	Live	124.0	Earn In	80%
M39/407	Nex Metals Explorations Limited	100/100	No	Live	896.0	Earn In	80%
M39/408	Nex Metals Explorations Limited	100/100	No	Live	785.0	Earn In	80%
M39/409	Nex Metals Explorations Limited	100/100	No	Live	966.0	Earn In	80%
M39/410	Nex Metals Explorations Limited	100/100	No	Live	978.0	Earn In	80%
M39/839	Nex Metals Explorations Limited	100/100	No	Live	7.3	Earn In	80%
M39/840	Nex Metals Explorations Limited	100/100	No	Live	9.7	Earn In	80%
P39/6126	Nex Metals Explorations Limited	100/100	No	Live	10.4	Earn In	80%
P39/6127	Nex Metals Explorations Limited	100/100	No	Live	5.6	Earn In	80%
E39/1773	Paddick Investments Pty Ltd	100/100	No	Live	903.0	Earning-in	80%
E39/1774	Paddick Investments Pty Ltd	100/100	No	Live	2,517.0	Earning-in	80%
Yundamindra Total Area (ha)					7,815.2		
Admiral Bay							
E 04/1610	Kimberley Mining Australia Pty Ltd		Live	42 Blocks	Holding in Subsidiary	80.3%	
M 04/244	Kimberley Mining Australia Pty Ltd		Live	796.4 ha	Holding in Subsidiary	80.3%	
M 04/249	Kimberley Mining Australia Pty Ltd		Live	843.85 ha	Holding in Subsidiary	80.3%	
Queensland Projects							
EPM 28052	Metalicity Energy Pty Ltd		Live	32,500 ha	MCT Beneficial owner	100%	
EPM 28653	Metalicity Energy Pty Ltd		Live	3,575 ha	MCT Beneficial owner	100%	

Arika Resources Limited Directors' Report

No New Information

To the extent that this announcement contains references to prior exploration results which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Significant changes in the state of affairs

On 12 July 2024 the Company announced it had completed the settlement of all disputes between Nex and Arika agreed on 21 December 2023. Arika now holds an 80% interest in Kooyknie and Yundamindra Gold Projects.

On 18 September 2024 the Company completed a consolidation of its securities on a 10:1 basis.

On 26 September 2024 the Company's name changed to Arika Resources Limited.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters Subsequent to reporting date

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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



Justin Barton
Managing Director
Perth, Western Australia

14 March 2025

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ARIKA RESOURCES LIMITED**

In relation to the independent auditor's review for the half-year ended 31 December 2024, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Arika Resources Limited and the entities it controlled during the year.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 14 March 2025

For personal use only

Arika Resources Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2024

		31 December 2024	31 December 2023
	Note	\$	\$
Continuing operations			
Other Income	3	43,441	21,616
Fair Value movement on financial assets at fair value through profit & loss	8	365,463	1,005,023
Expenses		(988,322)	(1,179,655)
Loss before income tax expense		(579,418)	(153,016)
Income tax expense		-	-
Loss after income tax		(579,418)	(153,016)
Discontinued operations			
Net loss from discontinued operations	5	(81,972)	(152,903)
Loss for the half year		(661,390)	(305,919)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation gain (loss)		-	(42,212)
Other comprehensive income (loss) for the period, net of tax		-	(42,212)
Total comprehensive loss for the year		(661,390)	(348,131)
Loss attributable to:			
Owners of the Company		(569,655)	(284,504)
Non-controlling interest		(91,735)	(21,415)
		(661,390)	(305,919)
Loss attributable to equity holders of the company:			
Loss from continuing operations, net of tax		(602,259)	(284,504)
Profit from discontinued operations, net of tax		9,761	-
		(579,418)	(284,504)
Loss attributable to non-controlling interest relates to:			
Loss from continuing operations, net of tax		-	(21,415)
Loss from discontinued operations, net of tax		(91,735)	-
		(91,735)	(21,415)
Total comprehensive loss attributable to:			
Owners of the Company		(569,655)	(284,504)
Non-controlling interest		(91,735)	(63,627)
		(661,390)	(348,131)
Total comprehensive profit / (loss) attributable to equity holders of the company:			
Total comprehensive loss from continuing operations, net of tax		(579,418)	(284,504)
Total comprehensive profit from discontinued operations, net of tax		9,761	-
		(569,657)	(284,504)
Total comprehensive loss attributable to non-controlling interest relates to:			
Total comprehensive loss from continuing operations, net of tax		-	(63,627)
Total comprehensive loss from discontinued operations, net of tax		(91,735)	-
		(91,735)	(63,627)

Arika Resources Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2024

	31 December 2024	31 December 2023
Note	\$	\$
Loss per share from continuing operations attributable to the equity holders of the company:		
Basic loss per share (cents)	(0.11)	(0.01)
Diluted loss per share (cents)	(0.11)	(0.01)
Loss per share from discontinued operations attributable to the equity holders of the company:		
Basic loss per share (cents)	(0.02)	(0.00)
Diluted loss per share (cents)	(0.02)	(0.00)
Loss per share attributable to the equity holders of the company:		
Basic loss per share (cents)	(0.13)	(0.01)
Diluted loss per share (cents)	(0.13)	(0.01)

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

Arika Resources Limited
Consolidated Statement of Financial Position
As at 31 December 2024

		31 December 2024	30 June 2024
	Note	\$	\$
Current assets			
Cash and cash equivalents		2,325,695	172,368
Trade and other receivables		89,029	52,867
Financial assets at fair value through profit & loss	8	-	2,010,045
Prepayments		25,497	38,233
Other financial assets	6	-	-
Total current assets		2,440,221	2,273,512
Non-current assets			
Exploration and evaluation expenditure	7	13,848,581	7,424,117
Plant and equipment		10,895	12,039
Other financial assets	6	251,267	-
Total non-current assets		14,110,743	7,436,156
Total assets		16,550,964	9,709,668
Current liabilities			
Trade and other payables		505,366	24,978
Provisions		95,531	115,572
Borrowings		-	150,080
Total current liabilities		600,897	290,630
Net assets		15,950,067	9,419,038
Equity			
Issued capital	9	70,019,016	66,050,356
Reserves	11	6,489,043	6,100,516
Accumulated losses		(63,133,230)	(62,563,575)
Parent Entity Interest		13,374,829	9,587,297
Non Controlling Interest		2,575,238	(168,259)
Total equity		15,950,067	9,419,038

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

Arika Resources Limited
Consolidated Statement of Changes in Equity
for the half year ended 31 December 2024

	Issued capital	Share Based Payments Reserve	Foreign Exchange Reserve	Accumulated Losses	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	66,050,356	6,100,516	-	(62,563,575)	(168,259)	9,419,038
Loss for the half year	-	-	-	(569,655)	(91,735)	(661,390)
Total comprehensive gain/(loss) for the half-year	-	-	-	(569,655)	(91,735)	(661,390)
Non-controlling interest on consolidation	-	-	-	-	2,835,232	2,835,232
Issue of shares	4,353,483	-	-	-	-	4,353,483
Issue of broker options	-	114,469	-	-	-	114,469
Issue of director options	-	265,734	-	-	-	265,734
Expense of performance rights	-	8,324	-	-	-	8,324
Capital raising costs	(384,823)	-	-	-	-	(384,823)
Total transactions with owners during the half-year	3,968,660	388,527	-	-	2,835,232	7,192,419
Balance at 31 December 2024	70,019,016	6,489,043	-	(63,133,230)	2,575,238	15,950,067
Balance at 1 July 2023	64,561,230	6,056,558	-	(61,547,765)	(134,623)	8,935,400
Loss for the half year	-	-	-	(284,504)	(21,415)	(305,919)
Other comprehensive loss for the half-year	-	-	(42,212)	-	-	(42,212)
Total comprehensive loss for the half-year	-	-	(42,212)	(284,504)	(21,415)	(348,131)
Issue of shares	1,497,936	-	-	-	-	1,497,936
Issue of broker options	-	33,598	-	-	-	33,598
Expense of performance rights	-	14,639	-	-	-	14,639
Capital raising costs	(33,598)	-	-	-	-	(33,598)
Total transactions with owners during the half-year	1,464,338	48,237	-	-	-	1,512,575
Balance at 31 December 2023	66,025,568	6,104,795	(42,212)	(61,832,269)	(156,038)	10,099,844

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

Arika Resources Limited
Consolidated Statement of Cash Flows
for the half year ended 31 December 2024

	31 December 2024	31 December 2023
Note	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(379,156)	(697,793)
Payments for exploration and evaluation	(60,000)	-
Interest received	20,599	2,898
	<u>(418,557)</u>	<u>(694,895)</u>
Net cash (used in) operating activities		
Cash flows from investing activities		
Payment for exploration and evaluation	(1,207,762)	(386,369)
	<u>(1,207,762)</u>	<u>(386,369)</u>
Net cash (used in) investing activities		
Cash flows from financing activities		
Proceeds from shares issued	4,200,000	1,375,000
Loan repayment	(150,000)	-
Principal amount paid on lease	-	(27,964)
Transaction costs in relation to share issue	(270,354)	(84,295)
	<u>3,779,646</u>	<u>1,262,741</u>
Net cash provided by financing activities		
Net increase in cash and cash equivalents	2,153,327	181,477
Cash and cash equivalents at the beginning of the half year	172,368	680,553
Cash and cash equivalents at the end of the half year	<u>2,325,695</u>	<u>862,030</u>

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

For personal use only

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

1. Material accounting policies

(a) Corporate information and basis of preparations

The half-year financial report covers Arika Resources Limited (formerly known as Metalicity Limited) (the 'Company', 'Arika' or 'Parent Entity') and its controlled entities (the 'Group' or 'consolidated entity').

These general purpose financial statements for the 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 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.

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

(b) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There are no material impacts.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There are no material impacts.

(c) Going concern

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. For the half year ended 31 December 2024 the Group incurred a loss after tax of \$661,390 (31 December 2023: \$348,131) and a net cash outflow from operating and investing activities of \$1,626,319 (31 December 2023: \$1,081,264). At 31 December 2024, the Group has working capital surplus of \$1,839,324 (30 June 2024: working capital of \$1,982,882) and current cash holding was \$2,325,695 (30 June 2024: \$172,368).

In the view of the Directors the Group has sufficient funds to meet its commitments as and when they fall due in the next 12 months. The Directors will continue to monitor cash reserves and reduce exploration and evaluation expenditure accordingly should the need arise.

In forming this view, the Directors have taken into consideration the following:

- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds;
- Asset sales, including sale of tenure; and
- Ability of the Group to raise further funds through further capital raisings

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

Should the Group be unsuccessful with the initiatives detailed above then, there is a material uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

2. Segment information

Identification of reportable operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group has two geographic segments being Australia and Canada and operates in one industry being the exploration of minerals. The Canada based operations has been discontinued and is reflected in Note 5.

3. Other Income

An analysis of the Group's other income for the half-year is as follows:

	31 December 2024	31 December 2023
	\$	\$
Interest earned	20,599	2,898
Joint venture management fee	22,842	18,718
	<u>43,441</u>	<u>21,616</u>

4. Significant Expenses

Profit before income tax from continuing operations includes the following specific expenses:

		31 December 2024	31 December 2023
		\$	\$
Net foreign exchange loss		(2,837)	44,536
Share based payment expense	14	274,058	14,639
Impairment of loans		93,874	435,817
Impairment of exploration	9	84,809	108,368

5. Discontinued operations

	31 December 2024	31 December 2023
	\$	\$
Kimberley Mining Limited – Admiral Bay Project	81,972	152,903
Net loss from discontinued operations	<u>81,972</u>	<u>152,903</u>

During the year ended 30 June 2021, following an extensive process to divest the Admiral Bay project, which is currently held by the ~80.3% owned subsidiary, Kimberley Mining Limited, the Board elected to put the Admiral Bay project on care and maintenance and impair the carrying value of the Project to nil.

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

(i) Financial performance information	31 December 2024 \$	30 June 2024 \$
Impairment of exploration and expenditure assets	(84,809)	(170,136)
(Gain) / loss on foreign currency translation	2,837	(87,455)
Loss after income tax of discontinued operations	(81,972)	(257,591)

(ii) Cash flow information	31 December 2024 \$	31 December 2023 \$
Net cash used in investing activities	(84,809)	(127,583)
Net cash outflow	(84,809)	(127,583)

(iii) Carrying amount of assets and liabilities	31 December 2024 \$	30 June 2024 \$
Other receivables	21,780	21,566
Asset classified as held for sale	21,780	21,566
Liabilities held for sale*	(960,989)	(876,180)
Net liabilities attributable to discontinued operations	(939,209)	(854,615)

* Intercompany payables that are eliminated on consolidation

6. Other financial assets

	31 December 2024 \$	30 June 2024 \$
Current		
Nex receivable ⁽¹⁾	-	-
Non-Current		
Nex receivable ⁽¹⁾	251,267	-
	251,267	-

⁽¹⁾ The Nex receivable at 30 June 2024 was \$1,679,314, which comprised of 49% of joint operation billings raised to Nex under the Joint Venture Agreement (“JV Agreement”) less an expected credit loss (“ECL”) allowance for the full amount based on publicly available information regarding Nex’s financial position. This receivable as at 30 June 2024 was settled during the half-year as explained in Note 7 below and further receivable accrued during the half year.

	31 December 2024 \$	30 June 2024 \$
Nex receivable	251,267	1,679,314
Less: Expected credit loss	-	(1,679,314)
	251,267	-

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

7. Exploration and evaluation expenditure

	31 December 2024	30 June 2024
	\$	\$
Exploration at cost at the beginning of the period	7,424,117	7,012,544
Acquisition costs ⁽¹⁾	5,525,999	-
Exploration and evaluation expenditure	998,509	170,136
Impairment of exploration expenditure ⁽²⁾	(84,809)	(170,136)
Write off exploration expenditure ⁽¹⁾	(24,299)	(107,382)
Exploration and evaluation expenditure - Interest in joint operation ⁽³⁾	-	423,155
Exploration and evaluation expenditure - QLD interest	9,064	95,800
Closing balance	<u>13,848,581</u>	<u>7,424,117</u>
Total expenditure incurred and carried forward in respect of specific projects		
- Kookynie/Yundamindra	13,500,538	7,085,138
- Other	348,043	338,979
Total carried forward exploration expenditure	<u>13,848,581</u>	<u>7,424,117</u>

⁽¹⁾ **Nex Settlement**

On 12 July 2024, the Company completed a formal agreement (the "Nex Settlement") with Nex Metals Limited ("Nex") in relation to the Kookynie and Yundamindra Joint Operation (the "JV"). The formal agreement increased the Group's interest in the Kookynie and Yundamindra Joint Operation to 80%. All previous litigation and disputes between the parties have now been settled.

As consideration for the Nex Consideration, the Company surrendered 100% of the fully paid ordinary shares that it owned in Nex. The Company also transferred to Nex the following prospecting licences P40/1500, P40/1510, P40/1511, P40/1499 and agreed to waive all amounts owing from Nex for its share of joint operation billings. \$24,299 that was previously capitalised for these prospecting licences has been included as part of the acquisition cost.

Upon completion of the Nex Settlement, the Group has determined it now controls the JV and accordingly has recognised the full fair value of exploration and evaluation expenditure associated with the JV, as well as a non-controlling interest ("NCI") for the remaining interest retained by Nex.

The acquisition of the JV was accounted for as an asset acquisition rather than as a business combination, as it was determined that the acquired net assets of the JV did not constitute a business.

The consideration paid in relation to the additional 29% interest in the JV was as follows:

Disposal of Shares in Nex	\$2,375,508
Disposal of loan to Nex & shortfall	\$ 290,960
Disposal of prospecting licences	<u>\$ 24,299</u>
	<u>\$2,690,767</u>

Fair value of assets acquired and liabilities assumed:

Exploration and evaluation expenditure	<u>\$5,525,999</u>
	<u>\$5,525,999</u>
NCI (20% of the net assets of the JV)	<u>(\$2,835,232)</u>
	<u>\$2,690,767</u>

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

(2) During the period an impairment of \$84,809 was provided for the Admiral Bay Project.(30 June 2024 - \$170,136).

(3) On 6 May 2019, the Company announced that it had entered into a farm-in agreement with Nex for the Kookynie and Yundamindra projects in the Eastern Goldfields, Western Australia. On 20 May 2021, MCT announced that it had met the required \$5 million spend to achieve a 51% earn-in on the Kookynie and Yundamindra tenements. On 12 July 2024 the Group increased its interest in the JV to 80%. The Joint arrangement was previously classified as a joint operation. Upon completion of the Nex Settlement, the Group determined it had control of the JV, consolidating the JV into the Consolidated Financial Statements of the Group with effect from 12 July 2024.

The recoverability of the carrying amount of the exploration development expenditure is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

8. Financial Assets at Fair Value through Profit & Loss

	31 December 2024	30 June 2024
	\$	\$
Shares in listed Corporations	-	2,010,045

The Group held Nil shares in Nex at 31 December 2024. This financial asset is carried at fair value through profit and loss (30 June 2024: 91,365,685 shares in Nex).

	31 December 2024	30 June 2024
	\$	\$
Opening balance – at fair value	2,010,045	1,735,948
Return of capital – Nex Settlement	7 (\$2,375,508)	-
Fair value adjustment	365,463	274,097
Closing balance – at fair value	-	2,010,045

The revaluation of the shares resulted in a \$365,463 gain that flowed through the Statement of Profit or Loss as a “Fair Value movement on financial instruments at fair value through profit and loss”.

9. Issued capital

(a) Issued share capital	31 December 2024	30 June 2024
	\$	\$
633,508,638 (30 June 2024: 4,485,852,685 pre consolidation) fully paid ordinary shares	70,019,016	66,050,356
	70,019,016	66,050,356

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

(b) Movement in ordinary share capital

Date	Details	Number of shares	\$
01/07/2024	Opening balance	4,485,852,685	66,050,356
06/08/2024	Placement A Tranche 1 ^(a)	210,213,170	420,426
	Balance before consolidation	4,696,065,855	66,470,782
12/09/2024	Consolidation 10:1 ^(b)	469,605,819	66,470,782
19/09/2024	Placement A Tranche 2 ^(a)	28,978,683	579,574
11/10/2024	Placement B Tranche 1 ^(c)	120,000,000	3,000,000
24/11/2024	Payment in lieu of fees ^(d)	3,924,136	78,482
18/12/2024	Placement B Tranche 2 ^(c)	11,000,000	275,000
	Capital raising costs ^(e)		(384,822)
	Balance at the end of the period	633,508,638	70,019,016

(a) The Company completed a capital raise to sophisticated investors at \$0.02 per share raising \$1,000,000 (before costs), including a placement with Directors for \$120,000 subject to shareholder approval. 6,000,000 shares were issued to the following Directors (500,000 to Justin Barton, 5,000,000 to Roger Steinepreis and 500,000 to Steven Wood).

(b) The Company consolidated issued capital on a 10:1 basis.

(c) The Company completed a capital raise to sophisticated investors at \$0.025 per share raising \$3,200,000 (before costs). including a placement with Directors for \$275,000 subject to shareholder approval. 11,000,000 shares were issued to the following KMPs (3,000,000 to Justin Barton, and 8,000,000 to Roger Steinepreis).

(d) 3,924,136 shares were issued to Directors as payment in lieu of fees owing of \$78,482 (Justin Barton \$47,917, Roger Steinepreis \$8,948 and Steven Wood \$21,617) for the period up to 31 October 2024 at \$0.002 a share as approved by shareholders.

(e) Capital raising costs include share-based payment expense of \$114,469 in relation to options issued to the Company's lead broker for the placements undertaken. Refer to note 12 for relevant terms.

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

10. Options, Performance Rights and Warrants

(a) (i) Options

As at 31 December 2024, the Company had 121,892,956 options over ordinary shares under issue (30 June 2024: 605,596,326). These options are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price \$
Pre Consolidation				
Free Attaching Options	110,556,166	24/05/2023	24/05/2026	0.006
Free Attaching Options s	110,556,166	24/05/2023	24/05/2023	0.009
Management Incentive Options	116,983,994	12/12/2023	11/12/2023	0.003
Other Options	267,500,000	27/10/2023	26/10/2025	0.003
Balance before consolidation	605,596,326			
Consolidation 10:1^(a)				
Free Attaching Options	11,055,616	24/05/2023	24/05/2026	0.060
Free Attaching Options	11,055,616	24/05/2023	24/05/2023	0.090
Management Incentive Options	11,698,397	12/12/2023	11/12/2023	0.030
Other Options	26,749,995	27/10/2023	26/10/2025	0.030
Balance after consolidation	60,559,624			
Additions				
Free Attaching Options	33,333,332	19/09/2024	19/03/2026	0.025
Other Options	2,000,000	19/09/2024	19/03/2026	0.025
Other Options	4,500,000	11/10/2024	10/10/2027	0.040
Other Options	500,000	18/12/2024	10/10/2027	0.040
Management Incentive Options	10,500,000	18/12/2024	18/12/2027	0.050
Management Incentive Options	10,500,000	18/12/2024	18/12/2027	0.060
Balance at end of period	121,892,956			

(a) The Company consolidated options on a 10:1 basis on 12 September 2024.

(a) (ii) Free attaching options

Included in the tables in 12(a)(i) are the following free attaching options. These are not recognised in the share based payment reserve as they do not constitute a share based payment under accounting standards.

Details	No of Options	Grant Date	Date of Expiry	Conversion Price \$
Pre Consolidation				
Other Options	110,556,166	24/05/2023	24/05/2026	0.006
Other Options	110,556,166	24/05/2023	24/05/2026	0.009
Balance before consolidation	221,112,332			
Consolidation 10:1^(a)				
Other Options	11,055,616	24/05/2023	24/05/2026	0.060
Other Options	11,055,616	24/05/2023	24/05/2023	0.090
Balance after consolidation	22,111,232			
Additions				
Other Options	33,333,332	19/09/2024	19/03/2026	0.025
Balance at end of period	55,444,564			

(a) The company consolidated options on a 10:1 basis on 12 September 2024.

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

(a) (iii) Movements in options

Movements in options during the half-year are as follows:

Date	Details	Number of options
01/07/2024	Opening balance	605,596,326
	Balance before consolidation	605,596,326
12/09/2024	Consolidation 10:1 ^(a)	60,559,624
	Granted during the year (note 12)	61,333,332
	Balance at the end of the period	121,892,956

(a) The company consolidated options on a 10:1 basis on 12 September 2024.

(b) (i) Performance Rights

As at 31 December, the Company had 3,600,000 performance rights over ordinary shares under issue (30 June 2024: 36,000,000). Each represent a conditional right for the holder to acquire one fully paid ordinary share in the Company and are subject to meeting specified vesting conditions. These performance rights are exercisable as follows:

Details	No of Performance Rights	Grant Date	Date of Expiry	Hurdle Price \$
Pre Consolidation				
Performance Rights	2,000,000	15/02/2023	15/02/2026	0.0135
	2,000,000	15/02/2023	15/02/2026	0.0180
	5,000,000	25/11/2022	19/12/2025	0.0150
	5,000,000	25/11/2022	19/12/2025	0.0250
	1,000,000	15/02/2023	15/02/2026	0.0075
	1,000,000	15/02/2023	15/02/2026	0.0100
	20,000,000	05/05/2023	31/05/2025	0.0200
Balance before consolidation	36,000,000			
Consolidation 10:1^(a)				
Performance Rights	200,000	15/02/2023	15/02/2026	0.1350
	200,000	15/02/2023	15/02/2026	0.1800
	500,000	25/11/2022	19/12/2025	0.1500
	500,000	25/11/2022	19/12/2025	0.2500
	100,000	15/02/2023	15/02/2026	0.0750
	100,000	15/02/2023	15/02/2026	0.1000
	2,000,000	05/05/2023	31/05/2025	0.2000
Balance after consolidation	3,600,000			

(a) The Company consolidated performance rights on a 10:1 basis on 12 September 2024.

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

(b) (ii) Movements in Performance Rights

Movements in performance rights during the half-year are as follows:

Date	Details	Number of performance rights
01/07/2024	Opening balance	36,000,000
	Balance before consolidation	36,000,000
12/09/2024	Consolidation 10:1 ^(a)	3,600,000
	Balance at the end of the period	3,600,000

(a) The Company consolidated options on a 10:1 basis on 12 September 2024.

(c) Kimberly Mining Limited Warrants

As at 31 December 2024, there were 31,128,738 in issued common shares in Kimberly Mining Limited (An entity incorporated in Canada of which Arika has an 80.3% interest – refer note 18) and 8,461,000 under warrants (30 June 2024: 31,128,738 common shares and 8,461,000 warrants). These warrants are exercisable/convertible as follows:

Details	No of Warrants	Date of Expiry	Conversion Price \$
	5,317,250	None	0.05
Founder Warrants – Tranche 2	3,143,750	None	0.05
Balance at the end of the period	8,461,000		

Founder warrants are convertible to 1 ordinary share in Kimberly Mining Limited upon exercise.

11. Reserves

	31 December 2024	30 June 2024
	\$	\$
Shared based payment reserve	6,489,043	6,100,516
Foreign currency translation reserve	-	-
	<u>6,489,043</u>	<u>6,100,516</u>

Movement of Shared based payment reserve

Date	Details	\$
01/07/2024	Opening balance	6,100,516
	Issue of KMP options	265,734
	Expensing of performance rights	8,324
	Issue of advisor options	114,469
	Balance at the end of the period	6,489,043

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

12. Share based payments

Share-based payments during the half-year ended 31 December 2024 are summarised below.

(a) Recognised share-based payment expense

The expense recognised for options, performance rights and shares issued during the half-year or issued in prior periods is shown in the table below”

	31 December 2024 No.	31 December 2023 No.
Options issued to employees ^(b4) ^(b5)	265,734	-
Performance rights issued to employees ^(b)	8,324	14,639
Recognised as a share based payment expense	274,058	14,639

	31 December 2024 No.	31 December 2023 No.
Broker Options ^(b1) ^(b2) ^(b3)	114,469	33,598
Recognised as capital raising costs	114,469	33,598

(b) Options granted during the half year

Options granted during the period ended 31 December 2024 as share-based payments are as follows:

Class Of Securities	Grant Date	Number Of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Broker Options ⁽¹⁾	19/09/2024	2,000,000	0.025	19/03/2026	19/09/2024	None
Broker Options ⁽²⁾	11/10/2024	4,500,000	0.040	10/10/2027	11/10/2024	None
Broker Options ⁽³⁾	18/12/2024	500,000	0.040	10/10/2027	18/12/2024	None
Management Options ⁽⁴⁾	18/12/2024	10,500,000	0.050	18/12/2027	18/12/2024	None
Management Options ⁽⁵⁾	18/12/2024	10,500,000	0.060	18/12/2027	18/12/2024	None

⁽¹⁾ Options were issued to the Company's Lead Broker as part of the Capital raising completed in September 2024, \$15,189 has been recognised in equity as capital raising costs.

⁽²⁾ Options were issued to the Company's Lead Broker as part of the Capital raising completed in December 2024, \$92,369 has been recognised in equity as capital raising costs.

⁽³⁾ Options were issued to the Company's Lead Broker as part of the Capital raising completed in December 2024, \$6,911 has been recognised in equity as capital raising costs.

⁽⁴⁾ Options were issued to the Directors as part of their remuneration. \$137,977 has been recognised as a share based payment. Refer to Note 13 for further information.

⁽⁵⁾ Options were issued to the Directors as part of their remuneration, \$127,757 has been recognised as a share based payment. Refer to Note 13 for further information.

Options were valued using a Black-Scholes Model with the following inputs

Class Of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option	Total Fair Value	Value Recognised 31 Dec 24
Broker Options ⁽¹⁾	Nil	19/09/24	100%	3.59%	19/03/26	0.019	0.007	\$15,189	\$15,189
Broker Options ⁽²⁾	Nil	11/10/24	100%	3.78%	10/10/27	0.034	0.020	\$92,369	\$92,369
Broker Options ⁽³⁾	Nil	18/12/24	100%	3.81%	10/10/27	0.026	0.013	\$6,911	\$6,911
Management Options ⁽⁴⁾	Nil	18/12/24	100%	3.81%	18/12/27	0.026	0.013	\$137,977	\$137,977
Management Options ⁽⁵⁾	Nil	18/12/24	100%	3.81%	18/12/27	0.026	0.012	\$127,757	\$127,757

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

(c) Performance rights granted during the half year

There were no performance rights granted during the period ended 31 December 2024.

During the period the Company recognised an expense of \$8,324, for part expense of performance rights issued in the prior period

13. Key management personnel disclosures

On 25 October 2024 Roger Steinepreis transferred to Non – Executive Chairman from Non Executive Director and Justin Barton transferred to Managing Director from Managing Director and Acting Chairman.

For the period 31 December 2024, there were no other material changes to the Group's contracts and arrangements to those disclosed in the 30 June 2024 Annual Report.

Other transactions with Key Management Personnel

During the half-year, Directors participated in the Company's share capital placements, upon receipt of shareholder approval. Directors were also issued shares in lieu of fees owing for remuneration from past services provided. Refer to Note 9 for further information.

On 18 December 2024, Shareholders approved the issue of the following Options to the Directors (or their nominees) for the Company in accordance with the Group's Incentive Plan.

Class Of Securities	Grant Date	Number Of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Roger Steinepreis	18/12/2024	3,000,000	0.050	18/12/2027	18/12/2024	None
Roger Steinepreis	18/12/2024	3,000,000	0.060	18/12/2027	18/12/2024	None
Justin Barton	18/12/2024	6,000,000	0.050	18/12/2027	18/12/2024	None
Justin Barton	18/12/2024	6,000,000	0.060	18/12/2027	18/12/2024	None
Steven Wood	18/12/2024	1,500,000	0.050	18/12/2027	18/12/2024	None
Steven Wood	18/12/2024	1,500,000	0.060	18/12/2027	18/12/2024	None

Refer to Note 12 for further information in relation to the fair value of the Management Options issued.

There were no other transactions with Key Management Personnel other than as disclosed above.

14. Dividends

No dividends have been paid or declared since the start of the half-year, and none are recommended.

15. Commitments

There are no material commitments that the Group has entered into during the half-year under review other than below.

Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These are not materially different from those disclosed in the 30 June 2024 Annual Report.

16. Contingent assets and liabilities

The Group has no contingent liabilities as at 31 December 2024 (30 June 2024: Nil).

Arika Resources Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2024

17. Related Party transactions

(a) Other transactions with key management personnel

On 26 June 2024, Roger Steinepreis agreed to provide a short term funding facility to the Group of up to \$150,000. The short term funding facility was agreed to be repaid out of the proceeds of any capital raising by the Group. The short term funding facility and interest of \$2,992 was repaid in October 2024.

Steinepreis Paganin completed \$56,129 in legal work for the Group during the period (31 December 2023: \$31,216). Roger Steinepreis is the Executive Chairman of the Group.

(b) Transaction with related parties

There were no transactions with related parties, other than those with key management personnel as included in Note 13.

(c) Outstanding balances arising from sales / purchases of goods and services

There are no balances owing to or from related parties at 31 December 2024.

18. Group entities

	Country of incorporation	Interest 2024	Interest 2023
Parent entity			
Arika Resources Limited	Australia		
Subsidiary			
Metalicity Energy Pty Ltd	Australia	100%	100%
KYM Mining Pty Ltd	Australia	100%	100%
Kimberley Mining Limited ⁽¹⁾	Canada	~80.3%	~80.3%
Kimberley Mining Australia Pty Ltd ⁽¹⁾	Australia	~80.3%	~80.3%
Kimberley Mining Holdings Pty Ltd ⁽¹⁾	Australia	~80.3%	~80.3%

(1) Arika Resources Limited holds ~80.3% interest in Kimberley Mining Limited ("KML"), and its wholly owned subsidiaries, with outside equity interest holding the remaining ~19.7%. The outside equity interest in Kimberley Mining Limited equates to ~1.41% of the net assets of the Group, being \$185,024 at 31 December 2024 (30 June 2024: \$168,359). Please refer to note 5 for further details.

19. Subsequent events

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

20. Financial Instruments

The Directors consider that the carrying amount of other financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

Arika Resources Limited
Director's Declaration

In the directors' opinion:

- (a) 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;
- (b) 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
- (c) there are reasonable grounds to believe that the company 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.



Justin Barton
Managing Director
Perth, Western Australia

14 March 2025

ARIKA RESOURCES LIMITED
ABN 92 086 839 992
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ARIKA RESOURCES LIMITED

Conclusion

We have reviewed the half-year financial report of Arika Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated condensed statement of financial position as at 31 December 2024, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, 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 the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group'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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1c to the half-year financial report which indicates that the Group incurred a loss after tax of \$661,390 (31 December 2023: \$348,131) and a net cash outflow from operating and investing activities of \$1,626,319 (31 December 2023: \$1,081,264). At 31 December 2024, the Group has working capital surplus of \$1,839,324 (30 June 2024: working capital of \$1,982,882) and current cash holding was \$2,325,695 (30 June 2024: \$172,368). As at the date of this report there is a material uncertainty that the Group can meet its administrative and other committed expenditure for a period of at least the next 12 months. These conditions, along with other matters as set forth in Note 1c to the half-year financial report, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

For personal use only

ARIKA RESOURCES LIMITED
ABN 92 086 839 992
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ARIKA RESOURCES LIMITED

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 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.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 14 March 2025