

**KAILI RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ARBN 077 559 525

**Half-Year Financial Report
30 June 2025**

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CORPORATE DIRECTORY

Board of Directors

Jianzhong Yang – Non-Executive Chairman
Long Zhao - Executive
Patrick W V M Sam Yue – Non-Executive
(Appointed on 6 August 2025)
Jialin Yang (Resigned on 5 August 2025)
Rong Jin (Resigned on 5 August 2025)
Jing Li (Resigned on 6 August 2025)

Principal Registry and Transfer Office

Butterfield Corporate Services Ltd

The Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

Telephone: +441 295 1111

Company Secretary

Patrick W V M Sam Yue
(Appointed on 6 August 2025)
Long Zhao (Resigned on 6 August 2025)

Branch Share Register and Transfer Office

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street
Sydney NSW 2000
Australia
Telephone: +612 8234 5000

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Auditor

John Shute
Chartered Accountant
Suite 605
321 Pitt Street
Sydney NSW 2000
Australia

Representative Office in Australia

Suite 1312
87-89 Liverpool Street
Sydney NSW 2000
Australia

Telephone: +61 2 9264 6288
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Home Stock Exchange

ASX Limited
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Sydney NSW 2000
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ASX Code: KLR

Website

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REVIEW OF OPERATIONS

EXPLORATION

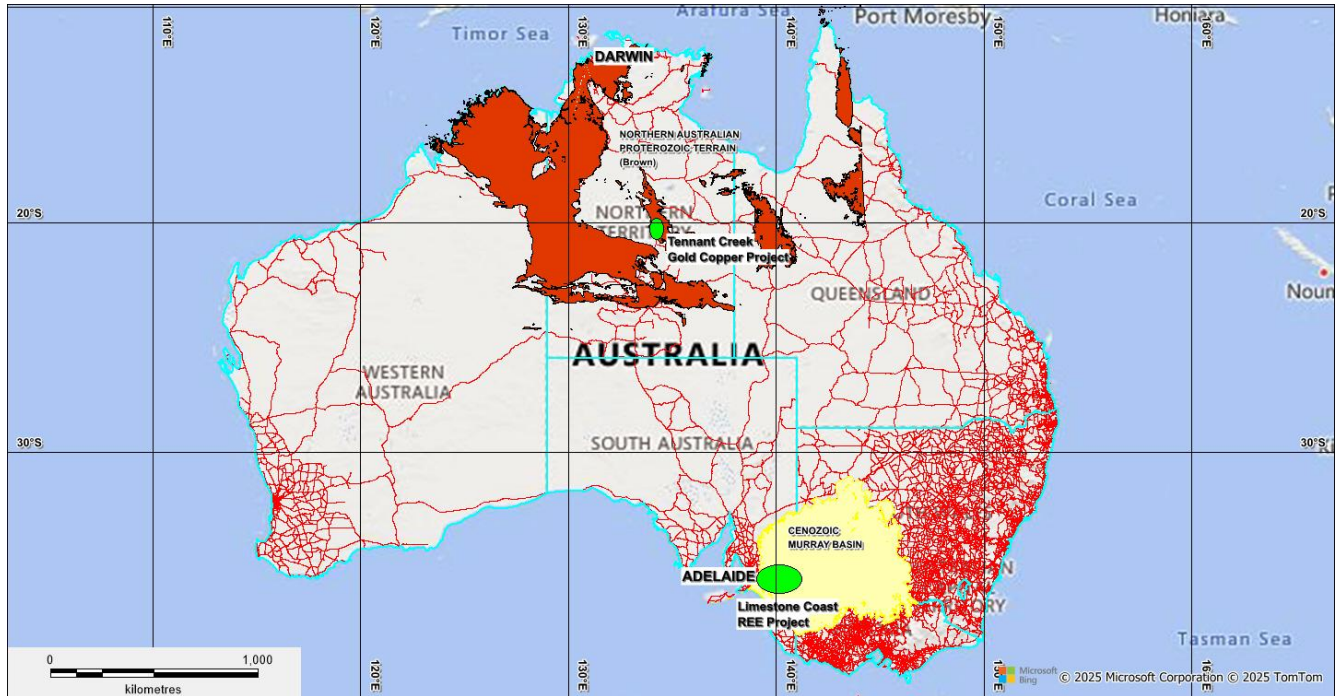


Figure 1: Kaili Resources projects locations

Limestone Coast – Rare Earth Elements Exploration – South Australia

Lameroo EL 6856, Karte EL 6977 and Coodalya EL 6978

Held 100% by wholly owned subsidiary Kaili Gold Pty Ltd

The 3 tenements with Coodalya within 50 kms NW of contiguous Lameroo and Karte are accessible by highway and close to infrastructure being approximately 200 kms east of Adelaide within the Loxton/Parilla Sands in the Murray Basin in South Australia (**Figure 2**). REEs are reportedly contained within the fine clay fraction of Tertiary (65 to 2.5 Million Years Ago) Strandlines (ionic clay style of deposit) in the basin.

Australian Rare Earths (ASX:AR3) has reported exploration success within their tenements in the region with estimated JORC 2012 resource of 236Mt @ 748ppm Total Rare Earth Oxides (TREO) (*see AR3 ASX Release of 30th September 2024*) and is advancing through pre-feasibility study with a \$5 million Australian Government co-funding grant.

REVIEW OF OPERATIONS (continued)

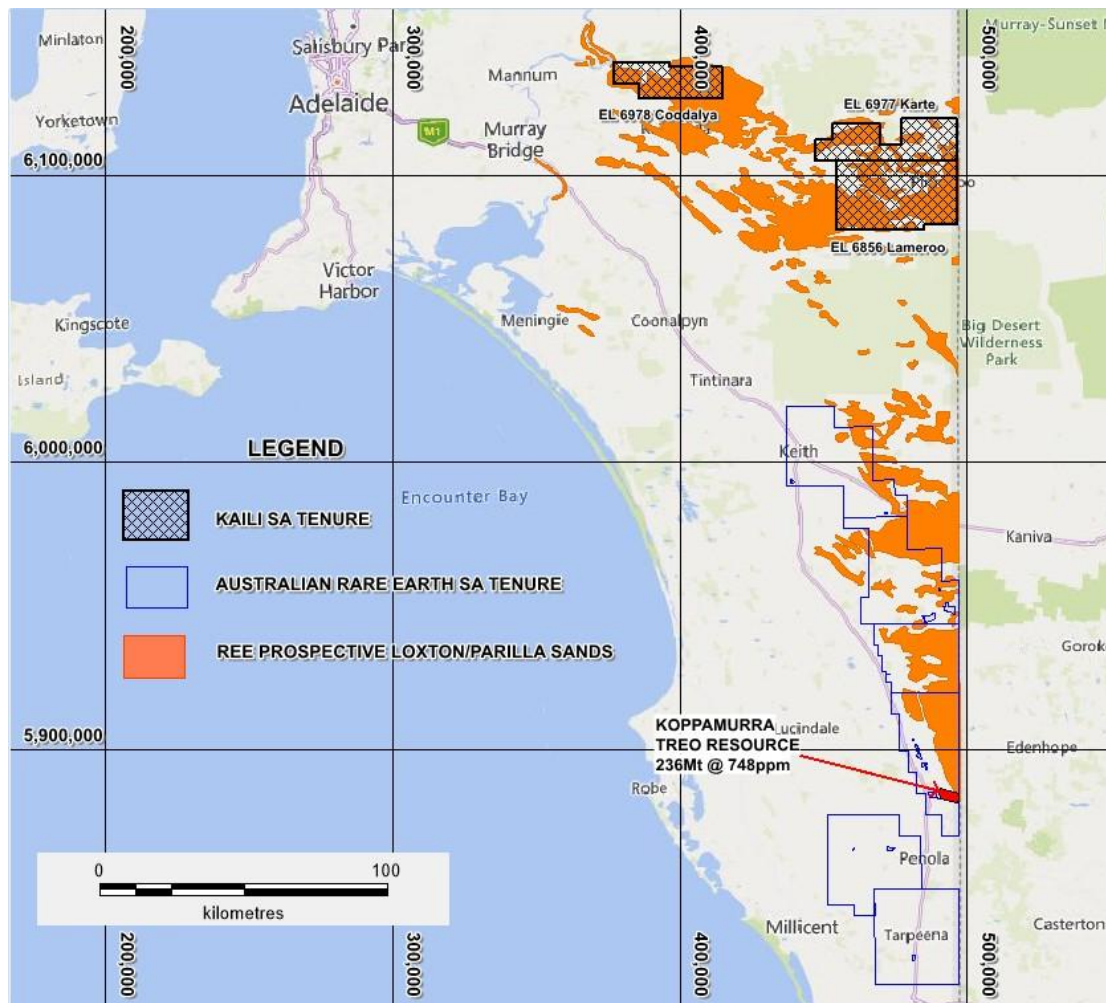


Figure 2: Location of Lameroo, Karte and Coodalya Rare Earth Exploration Tenements In Murray Basin, Limestone Coast, South Australia

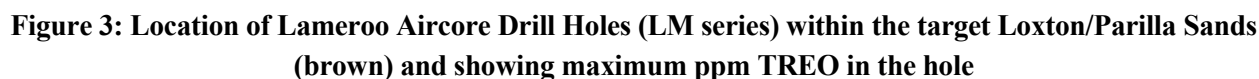
In prior periods, the Company had conducted pXRF scan of samples from selected historic drill holes held by the SA Government and collected and assayed samples from fresh outcropping granite at Lameroo. Having regards to the information obtained the Company completed an initial widely spread drilling program along road verges at Lameroo (**Figure 3**) in February 2024 to identify areas for infill drilling. At that time the applications for the additional tenements Karte and Coodalya were successful thereby doubling the total acreage held by the Company.

The assay results of the initial drilling program were encouraging. They have been used as reference in the design, planning and budgeting of larger drill programs across all 3 tenements to be conducted in this financial year.

A summary of significant Total Rare Earth Oxides (“TREO”) drilling intersections in February 2024 are as follows:

- 1m @ 356 ppm from 18 m - 19 m LMAC046
- 1m @ 271 ppm from 2 m - 3 m LMAC032
- 1m @ 228 ppm from 19 m - 20 m LMAC047

(See the Company's ASX Announcement on 25th March 2024 for the JORC table and list of results for each hole.)



During the period the Company completed roadside traverses across the Lameroo, Karte and Coodalya tenements for rare earths elements (“REE”) exploration (**Figures 4 and 5**) and had planned to commence drilling programs in the financial year. The Company has applied for approval of EPEPRs (exploration program for environment protection and rehabilitation) for all 3 tenements by the Department of Energy and Mining of South Australia (DEM) in the selected locations (**Figures 4 and 5**). The approval was received in mid-August 2025 and the Company has since engaged a crew consisting of driller, geologist and traffic manager, and drilling commenced on 8 September 2025.

The plan is to Aircore drill a total of up to 1,000 metres of shallow holes each of up to 20 metres deep to test for potential REE mineralisation. Drill sites on council road verges have been selected for the drilling program to minimise disruption to the public, private properties and flora. Discussions have also been held with relevant local councils in preparation of the exploration activities.

REVIEW OF OPERATIONS (continued)

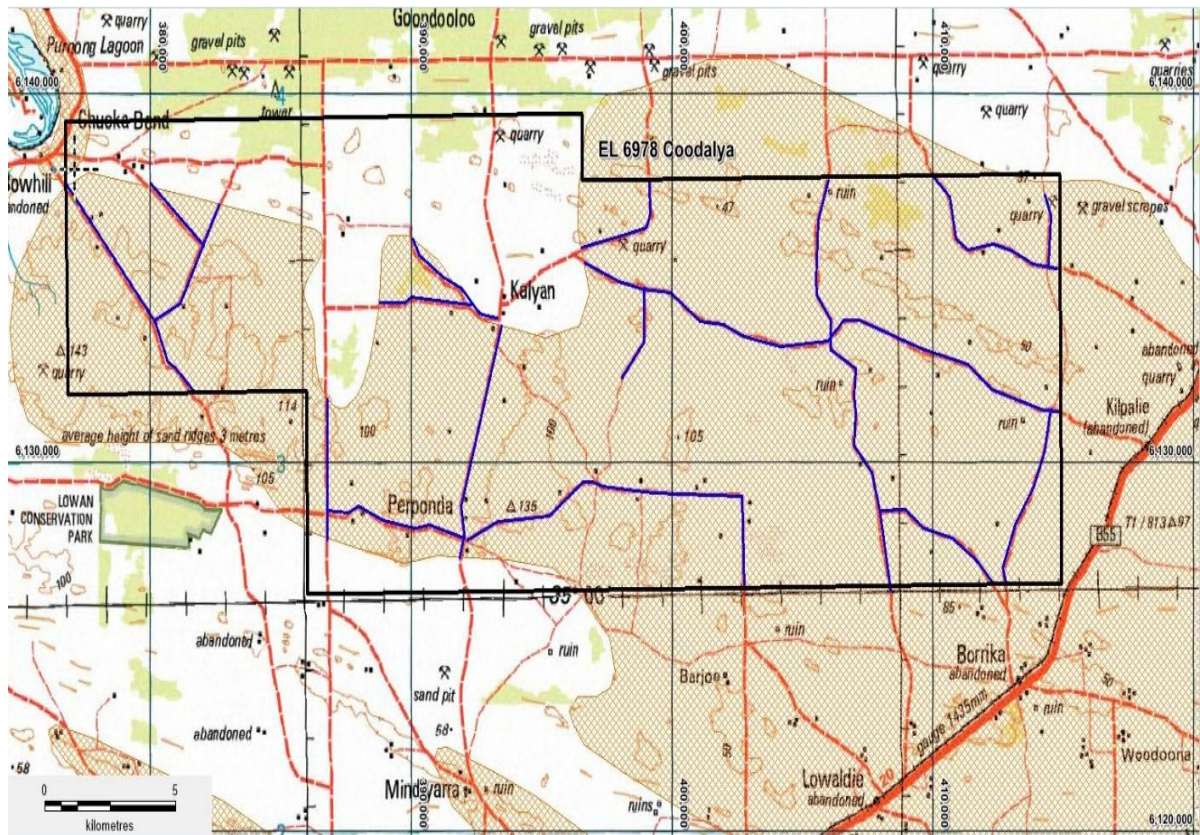


Figure 4: Vehicular traverses in blue targeting the Loxton/Parilla Sands in the Coodalya Tenement

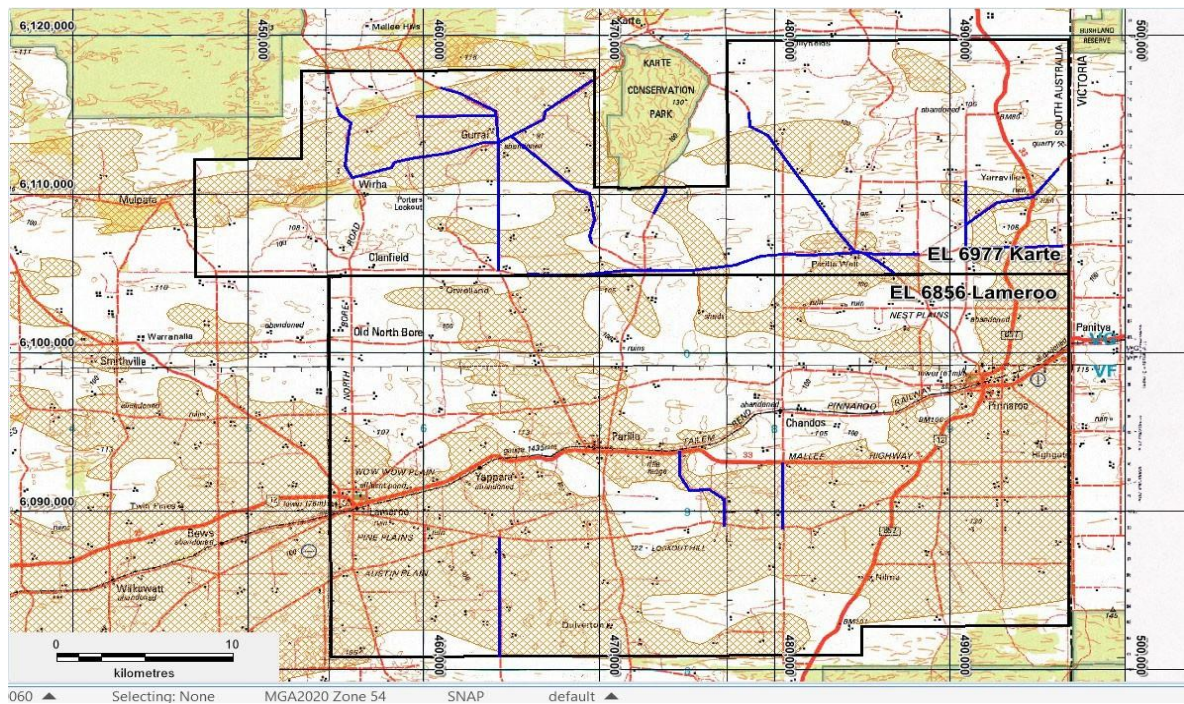


Figure 5: Vehicular traverses in blue targeting the Loxton/Parilla Sands in the Karte and Lamerook Tenements

REVIEW OF OPERATIONS (continued)

Yilgarn Craton (Gindalbie)-Critical Metals - Western Australia

Holey Dam E27/550

Held 100% by wholly owned subsidiary Kaili Gold Pty Ltd

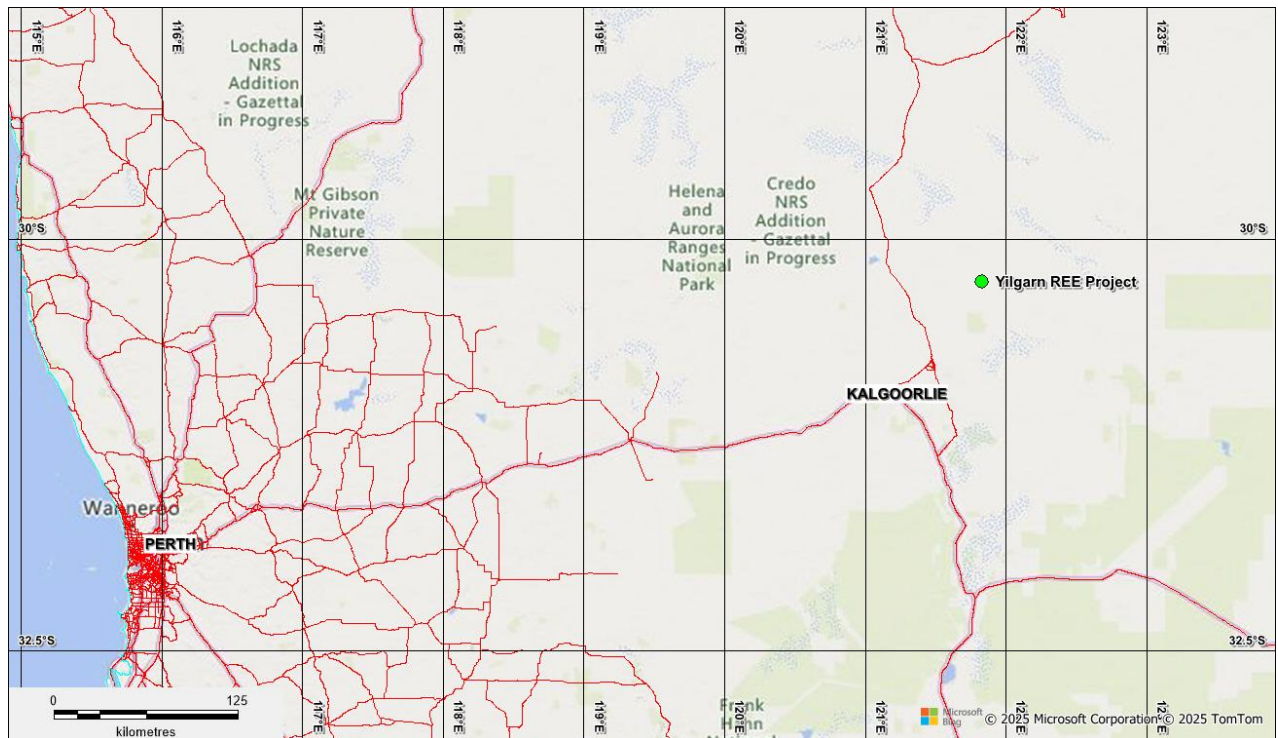


Figure 6: Kaili Resources Yilgarn REE Project

In 2023, 2 holes from an RC drilling within Holey Dam revealed elevated Total Rare Earth Oxides (“TREO”) in a zone of TREO enrichment at the base of the saprolite clays above partially weathered mafic rocks; a location termed BOCO (Base of Complete Oxidation) and is just above the partially altered basalt or “saprock.”

The results were reported in *ASX Announcements of 12 October 2023 and 20 November 2023*.

The Company has conducted pXRF scans of samples from previously completed Aircore Holes in the Saprolite Zone for a multi element suite including REE minerals Nd, Pr, Ce, La and Y and selected samples for assay at the laboratory.

In February 2025, a selection of the samples has been assayed at the laboratory to assess whether further drilling for REE mineralisation is warranted. The assay results indicated insufficient presence of rare earth elements to warrant further exploration within the tenement and Holey Dam E 27/550 was surrendered in March 2025.

REVIEW OF OPERATIONS (continued)

Tennant Creek – Gold and Copper Exploration - Northern Territory Kovacs ELA 32666

Held 100% by wholly owned subsidiary Kaili Gold Pty Ltd



Figure 7: Regional Tenement Location SE of Tennant Creek – Kovacs

The Company awaits the grant of the exploration licence under application ELA 32666 Kovacs south of Tennant Creek lodged in February 2021.

Technical Releases since 1 January 2025

This review of operations contains information extracted from the Company's ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results can be found in the following announcements lodged on the ASX:

31 January 2025	Quarterly Activities/Appendix 5B Cash Flow report
19 February 2025	Sites selected for REE drilling in SA
30 April 2025	Quarterly Activities/Appendix 5B Cash Flow report
28 July 2025	Quarterly Activities/Appendix 5B Cash Flow report
15 August 2025	Received Approval for REE Drilling in SA
28 August 2025	Drilling at Limestone Coast to commence on 8 Sep 2025

REVIEW OF OPERATIONS (continued)

LICENCES STATUS

Minerals tenements and applications for tenements held at 30 June 2025 and at the date of this report and acquired or disposed of during and since the half year ended 30 June 2025 and their locations are set out below:

Granted	Tenement	Name	Commodity	Region	Registered Holder	Beneficial Interest	Area	Status
							Km ²	
19/10/2022	EL 6856	Lameroo	Rare Earth	SA - Murray Basin	Kaili Gold Pty Ltd	100%	991.0	Expiry on 18/10/2028
15/02/2024	EL 6977	Karte	Rare Earth	SA - Murray Basin	Kaili Gold Pty Ltd	100%	590.0	Expiry on 14/02/2030
15/02/2024	EL 6978	Coodalya	Rare Earth	SA - Murray Basin	Kaili Gold Pty Ltd	100%	408.0	Expiry on 14/02/2030
Under application	ELA32666	Kovacs	Gold/Base Metals	NT-Warramunga Province	Kaili Gold Pty Ltd	100%	271.7	Application submitted 23/02/2021
Total							2,260.7	

There was no acquisition or disposal or change in beneficial interests under farm-in or farm-out agreements during the half year other than relinquishment of E 27/550 Holey Dam.

Competent person

The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is the Company's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566).

Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

Forward-Looking Statement

This report may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Kaili Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements

REVIEW OF OPERATIONS (continued)

OPERATING AND FINANCIAL REVIEW

Performance

During the half-year the Group made a net loss of \$192,506 (2024: 2,380,808) including impairment of exploration and evaluation expenditure of \$8,128 (2024: \$1,559,460).

Financial Position

Cash and cash equivalents at 30 June 2025 were \$15,030 (31 December 2024: \$211,286) with total current assets of \$79,930 (31 December 2024: \$300,023).

Current liabilities at 30 June 2025 increased to \$5,034,468 from \$5,033,428 at 31 December 2024.

Net liabilities at 30 June 2025 increased to \$4,692,217 from \$4,499,711 at 31 December 2024 due to loss for the period.

Cash Flows

Operating activities resulted in net outflow of \$115,413 (2024: \$209,203) as the Group is still in the exploration phase with no revenue. This outflow was funded from existing cash on hand.

STRATEGIES AND PROSPECTS FOR FUTURE

The Group will continue its mineral exploration program and search for new projects in the resources sector subject to financing. However, no indication as to likely results in the future can be given due to the uncertainties usually associated with exploration activities and new projects. Future financial performance will depend on the success of exploration in its existing tenements and new projects.

DIRECTORS' REPORT

The Directors of Kaili Resources Limited submit the financial report of the consolidated group for the half-year ended 30 June 2025.

Directors

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

Jianzhong Yang – Chairman
Long Zhao
Patrick W V M Sam Yue - Appointed on 6 August 2025
Jialin Yang - Resigned on 5 August 2025
Rong Jin - Resigned on 5 August 2025
Jing Li - Resigned on 6 August 2025

Operating Results

Total comprehensive loss for the half-year ended 30 June 2025 was \$192,506 (2024: \$2,380,808).

Review of Operations

A review of operations for the half-year ended 30 June 2025 is set out on pages 3 to 10.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 12, and forms part of this Directors' Report.

This report is signed in accordance with a resolution of the Directors.



Long Zhao
Director

Dated this 10th day of September 2025

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Kaili Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Kaili Resources Limited and Controlled Entities for the half year ended 30 June 2025 there has been:

- a) no contraventions of the 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.



John F Shute
Chartered Accountant

Dated: 10 September 2025

**Independent Auditor's Report on Review of the Half Year
Financial Report to the Members of
Kaili Resources Limited and Controlled Entities
(Incorporated in Bermuda with limited liability)**

Introduction

We have reviewed the half year financial report of Kaili Resources Limited (the "Company") and the subsidiaries (together "the Group") set out on pages **16 to 25**, which comprises the consolidated statement of financial position as of 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, for the six-months period ended 30 June 2025, and notes to the interim financial report. The directors of the Company are responsible for the preparation and fair presentation of this interim financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

Emphasis of matter

We draw attention to Note 4, Going Concern to the financial report which describes the basis on which the financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of the liabilities in the normal course of business.

In August 2025 Yitai Group (Hongkong) Co. Ltd assigned the loans and advances owed by the Company, amounting to \$4,599,506, to Mr Jianzhong Yang without change to the terms and conditions and on 5 September 2025, Mr Jianzhong Yang extended the repayment date of the borrowings from 1 April 2026 to 1 October 2026.

On 5 September 2025, Kaili Holdings Limited, related entity of Mr Jianzhong Yang, extended its existing financial support of up to \$1 million to the Company from 31 March 2026 to 1 October 2026.



As stated in Note 4, the directors have assessed the uncertainties relating to the likelihood of securing additional funding, and are of the opinion that the Group will continue to operate as a going concern for the foreseeable future.

In the event the assumptions underpinning the basis of preparing the financial statements on a going concern basis do not occur, then there is material uncertainty whether the Group will continue to operate as a going concern.

We draw attention to Note 9 to the financial statements which details the Group's mining tenements. The carrying value of these assets is based on the Director's opinion as to the fair market value of the mining tenements.

This valuation, if found to be incorrect, indicates that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Conclusion

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 Kaili Resources Limited is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 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.


JOHN F SHUTE
Chartered Accountant

Dated: 10 September 2025

DIRECTORS' DECLARATION

In the opinion of the Directors of Kaili Resources Limited:

- a. The consolidated financial statements and notes of Kaili Resources Limited are in accordance with the Corporations Act 2001, including:
 - i Giving a true and fair view of its financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 Interim Financial Reporting; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Long Zhao
Director

Dated this 10th day of September 2025

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**Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For The Half-Year Ended 30 June 2025**

	Note	30 June 2025 \$	30 June 2024 \$
Other revenue		-	-
Expenses			
Depreciation		(7,053)	(7,561)
Employee benefits		(38,677)	(38,489)
Impairment of exploration and evaluation expenditure	9	(8,128)	(1,559,460)
Adjustment to borrowings at amortised cost		-	(579,645)
Project costs		(181)	(3,615)
Other	6	(138,467)	(192,038)
Loss before income tax expense		(192,506)	(2,380,808)
Income tax		-	-
Loss for the period		(192,506)	(2,380,808)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(192,506)	(2,380,808)
Loss attributable to:			
- members of the Parent Entity		(192,506)	(2,380,808)
Total comprehensive loss attributable to:			
- members of the Parent Entity		(192,506)	(2,380,808)
		Cents	Cents
Loss per share			
Basic and diluted loss per share	7	(0.13)	(1.62)

The accompanying notes form part of this financial report.

Consolidated Statement of Financial Position**As At 30 June 2025**

		30 June 2025	31 December 2024
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		15,030	211,286
Trade and other receivables	8	64,900	53,255
Prepayments		-	35,482
TOTAL CURRENT ASSETS		79,930	300,023
NON-CURRENT ASSETS			
Property, plant and equipment		27,447	34,500
Financial assets		10,000	10,000
Exploration and evaluation expenditure	9	224,874	189,194
TOTAL NON-CURRENT ASSETS		262,321	233,694
TOTAL ASSETS		342,251	533,717
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	405,525	405,243
Provisions	12	29,437	28,679
Borrowings	11	4,599,506	4,599,506
TOTAL CURRENT LIABILITIES		5,034,468	5,033,428
TOTAL LIABILITIES		5,034,468	5,033,428
NET LIABILITIES		(4,692,217)	(4,499,711)
EQUITY			
Issued capital		1,474,004	1,474,004
Reserves		(6,166,221)	(5,973,715)
TOTAL DEFICIT		(4,692,217)	(4,499,711)

The accompanying notes form part of this financial report.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 30 June 2025

	Share capital \$	Share premium \$	Accumulated losses \$	Total \$
Balance at 1 January 2024	1,474,004	24,475,363	(27,797,214)	(1,847,847)
Total comprehensive loss for the period	-	-	(2,380,808)	(2,380,808)
Balance at 30 June 2024	1,474,004	24,475,363	(30,178,022)	(4,228,655)
Balance at 1 January 2025	1,474,004	24,475,363	(30,449,078)	(4,499,711)
Total comprehensive loss for the period	-	-	(192,506)	(192,506)
Balance at 30 June 2025	1,474,004	24,475,363	(30,641,584)	(4,692,217)

The accompanying notes form part of this financial report.

Consolidated Statement of Cash Flows

For the Half-Year Ended 30 June 2025

	30 June 2025 \$	30 June 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(115,413)	(209,203)
Net cash used in operating activities	<u>(115,413)</u>	<u>(209,203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(68,284)	(153,998)
Net cash used in investing activities	<u>(68,284)</u>	<u>(153,998)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Others	(12,554)	-
Net cash used in financing activities	<u>(12,554)</u>	<u>-</u>
Net decrease in cash held	(196,251)	(363,201)
Cash and cash equivalents at the beginning of period	211,286	425,401
Effect of exchange rates on cash holding in foreign currencies	(5)	3
Cash and cash equivalents at the end of period	<u>15,030</u>	<u>62,203</u>

The accompanying notes form part of this financial report.

Notes to Financial Statements For the Half-Year Ended 30 June 2025**Note 1 – Nature of operations**

Kaili Resources Limited and subsidiaries' (the Group) principal activities are investment in the resources industry and exploration for minerals, including gold, base metals and rare earth elements.

Note 2 – General information and basis of preparation

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six months ended 30 June 2025 and are presented in Australian dollar (\$), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 10 September 2025.

Note 3 – Significant accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent financial statements.

The Group has reviewed all the new and amended Accounting Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2024. It has been determined that there is no material impact of the new and revised Accounting Standards and Interpretations on its business.

The Group has not early adopted new Accounting Standards and Interpretations that are not yet mandatory in this reporting period. No significant impact on the Group's financial performance or position is expected when they are adopted.

Note 4 – Going Concern

During the period the Group has incurred a net loss of \$192,506. At balance date the Group had current assets of \$79,930 including cash and cash equivalents of \$15,030, current liabilities of \$5,034,468 including \$4,599,506 of unsecured and interest free borrowings payable by 1 April 2026 to Yitai Group (Hongkong) Co., Limited ("Yitai HK"), a related party of the ultimate parent company Inner Mongolia Yitai Investment Co., Limited. In August 2025 Yitai HK has assigned the amount payable to them of \$4,599,506 to Director Mr Jianzhong Yang without change to the terms and conditions and on 5 September 2025, Mr Jianzhong Yang has extended the repayment date of the borrowings from 1 April 2026 to 1 October 2026. The Group has also an unfulfilled expenditure requirement under its exploration licences of \$52,000 for the next 12 months.

On 25 March 2025, Kaili Holdings Limited, a substantial shareholder of the Company and controlled by Director Mr Jianzhong Yang has confirmed financial support of up to \$1 million until 31 March 2026 to the Company to ensure that the Company and its controlled entities have working capital to continue to be able to pay their debts as and when they fall due, meet their work commitments for their exploration licences and continue to operate as a going concern. On 5 September 2025, Kaili Holdings Limited has extended the financial support from 31 March 2026 to 1 October 2026.

Notes to Financial Statements For the Half-Year Ended 30 June 2025

To continue as a going concern, the Group requires additional funding to be secured from sources including but not limited to:

- New equity or debt capital raising;
- Successful development of its current and future projects; and
- the sale of its interest in current exploration projects.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Group's ability to effectively manage their expenditures and cash flows from operations, the opportunity to sell or farm out interests in existing permits and the financial support of Kaili Holdings Limited and Mr Jianzhong Yang, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the event that the assumptions underpinning the basis of preparation do not occur as anticipated, there is material uncertainty whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

Note 5 – Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2024.

Impairment

The Directors have reviewed the carrying value of exploration and evaluation expenditure at 30 June 2025 and based on the Group's accounting policy for exploration and evaluation expenditure and in accordance with the requirements of AASB 6 – Exploration and Evaluation of Mineral Resources, have impaired the capitalised expenditure in the amount of \$8,128 (2024: 1,599,460).

Notes to Financial Statements For the Half-Year Ended 30 June 2025 (continued)

	30 June 2025	30 June 2024
	\$	\$
Note 6 – Other expenses from ordinary activities		
Audit fees	6,800	6,800
Consulting fees	31,370	43,930
Contractor payments	25,760	31,200
Legal and professional fees	21,396	36,244
Listing fees	842	846
Motor vehicle expenses	1,418	5,136
Registration fees and charges	40,099	37,249
Travel and accommodation	-	8,786
Share registry	5,483	5,158
Other	5,299	16,689
	<u>138,467</u>	<u>192,038</u>

Note 7 – Loss per share

	\$	\$
Operating (loss) after income tax used in calculation of basic and diluted (loss) per share	<u>(192,506)</u>	<u>(2,380,808)</u>
Weighted average number of shares used in basic and diluted earnings per share calculation	<u>147,400,363</u>	<u>147,400,363</u>
	Cents	Cents
Loss per share	<u>(0.13)</u>	<u>(1.62)</u>

	30 June	31 December
	2025	2024
	\$	\$

Note 8 – Trade and other receivables

GST receivable	5,830	6,740
Other receivable	59,070	46,515
	<u>64,900</u>	<u>53,255</u>

Notes to Financial Statements For the Half-Year Ended 30 June 2025 (continued)

	30 June 2025	31 December 2024
	\$	\$

Note 9 – Exploration and evaluation expenditure

At cost:

Balance at beginning of period/year	189,194	1,583,567
Additions	43,808	228,735
Impairment on licences relinquished	(8,128)	(1,623,108)
Balance at end of period/year	<u>224,874</u>	<u>189,194</u>

Exploration and evaluation expenditures are capitalised in respect of each identifiable area of interest. Ultimate recoupment of the carrying value of the exploration areas is dependent on successful development and commercial exploitation, or alternatively sale of the respective areas of interest. The areas of interest are exploration licences held by the Group and are detailed in the schedule contained in the Licences Status shown on page 9.

Note 10 – Trade and other payables

Trade and other payables	391,286	382,347
Accrued expenses	14,239	22,896
	<u>405,525</u>	<u>405,243</u>

Note 11 – Borrowings**Current**

Unsecured borrowings from a related party	<u>4,599,506</u>	<u>4,599,506</u>
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Yitai HK had provided the Company unsecured and interest free loan of \$2,400,000 and advances of \$2,199,506 under a financial facility of \$2,500,000 both due for repayment on 1 April 2026. The Company agreed on 25 March 2025 not to draw additional funds under the financial facility of \$2,500,000. The total amount of \$4,599,506 owing to Yitai HK has been assigned to Director Mr Jianzhong Yang in August 2025 and on 5 September 2025 Mr Jianzhong Yang has extended the repayment date of the borrowings to 1 October 2026.

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Notes to Financial Statements For the Half-Year Ended 30 June 2025 (continued)

	30 June 2025 \$	31 December 2024 \$
Note 12 – Provisions		
Current		
Annual leave entitlements	16,115	16,043
Long service leave entitlements	13,322	12,636
	<u>29,437</u>	<u>28,679</u>

Note 13 – Operating segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group has identified its operating segment as the Mining Sector in Australia. All segments assets, segment liabilities and segment results relate to the one business segment and therefore no segment analysis has been prepared. This position has not changed from the prior period.

Note 14 – Commitments**Exploration Expenditure Commitments**

The Group holds three granted tenements in Australia. A condition of the tenements is that the Group is required to meet minimum committed requirements to maintain current rights of tenure. These commitments may be subject to renegotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements and are due as follows from balance date:

	30 June 2025 \$	31 December 2024 \$
Within twelve months	52,000	57,000
Twelve months or longer and not longer than 5 years	192,000	349,500
	<u>244,000</u>	<u>406,500</u>

The Group has obligations to restore land and rehabilitate areas disturbed during exploration.

Note 15– Contingent Liabilities

At balance date, the Group has given guarantees totalling \$30,000 (31 December 2024: \$30,000) for compliance with the conditions of the exploration licences granted in Western Australia. The last of these licences has been relinquished during the period and these guarantees will be cancelled in due course.

Note 16– Related Party Transaction

The Group engaged Vincerek Pty Ltd, an associate of Director Mr. Long Zhao, to provide general administration services for compensation of \$1,200 per week. The engagement may be terminated by either party with one month notice. For the half year ended 30 June 2025, a total charge of \$31,200 (2024:

Notes to Financial Statements For the Half-Year Ended 30 June 2025 (continued)

\$31,200) for the services was recognised and nil amount has been paid. At balance date the total owed to Vincerek Pty Ltd is \$62,400 including GST for the services provided in prior periods.

Note 17– Events after Balance Date

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial period and the date of this report which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years other than the following:

- (a) On 5 August 2025, Director Mr Jianzhong Yang acquired Treasure Unicorn Limited, which holds 51.38% of the issued capital of the Company, from Yitai HK and together with his related entity Kaili Holdings Limited became the controlling shareholder holding 60.34% of the issued capital of the Company.
- (b) In August 2025 Yitai HK assigned the loans and advances owed by the Company to them amounting to \$4,599,506 to Mr Jianzhong Yang without change to the terms and conditions and on 5 September 2025, Mr Jianzhong Yang extended the repayment date of the borrowings from 1 April 2026 to 1 October 2026.
- (c) On 5 September 2025, Kaili Holdings Limited, related entity of Mr Jianzhong Yang, extended its existing financial support of up to \$1 million to the Company from 31 March 2026 to 1 October 2026.
- (d) Subsequent to balance date, Kaili Holdings Limited has advanced \$130,000 to the Company as part of the financial support arrangements in place and up to \$870,000 under the financial facility remains available at the date of this report.