

Macarthur Minerals Limited

ABN 93 103 011 436

Interim Consolidated Financial Statements For the nine months ended December 31, 2024

Unaudited - Prepared by Management

(All amounts are in Australian dollars unless otherwise stated)

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General information

The financial statements cover Macarthur Minerals Limited as a Group consisting of Macarthur Minerals Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Macarthur Minerals Limited's functional and presentation currency.

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

Suite G1, Building 1
Kings Row Office Park
40 McDougall Street
Milton QLD 4064
Australia

The financial statements were authorised for issue, in accordance with a resolution of Directors, on February 14, 2025. The Directors have the power to amend and reissue the financial statements.

Notice of no Auditor Review of Interim Financial Statements

The Management of the Company is responsible for the preparation of the accompanying unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ('IFRS') for the preparation of the interim consolidated financial statements and are in accordance with IAS 34 'Interim Financial Reporting'.

The Company's auditor has not performed a review of these interim consolidated financial statements.

Macarthur Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended December 31, 2024



| | | Group | |
|--|-------------|---|---|
| | Note | Nine months ended Dec 31, 2024 (Unaudited) A\$ | Nine months ended Dec 31, 2023 (Unaudited) A\$ |
| Revenue | | | |
| Other income | | 20,913 | 49,518 |
| Interest revenue calculated using the effective interest method | | 2,841 | 13,588 |
| Share-based payment income | | - | 152,286 |
| Net rental income from associated entity | | 22,123 | 18,946 |
| Total revenue | | <u>45,877</u> | <u>234,338</u> |
| Expenses | | | |
| Depreciation expense | | (38,579) | (53,268) |
| Exploration expenditure | | - | (950) |
| Finance costs | | (55,572) | (33,541) |
| Impairment of exploration and evaluation | | (309,524) | - |
| Impairment of investment in associate | 5 | - | (261,901) |
| Investor relations | | (26,848) | (261,835) |
| Loss on disposal of financial assets | | (454,972) | - |
| Loss on disposal of investments | 5 | (87,812) | - |
| Loss on sale of Hematite Project | 6 | (21,990,791) | - |
| Net fair value loss of financial assets | 4 | (773,707) | - |
| Net loss on foreign exchange | | (5,273) | (1,570) |
| Office and general expenses | | (123,710) | (226,782) |
| Personnel costs | | (563,338) | (646,665) |
| Professional fees | | (805,614) | (475,711) |
| Share-based compensation | 11 | (23,588) | 5,099,540 |
| Share of losses of associate accounted for using the equity method | 5 | - | (455,238) |
| Share registry, filing and listing fees | | (186,416) | (143,289) |
| Travel and accommodation | | (15,968) | (33,419) |
| Write off of financial assets | 4 | (152,286) | - |
| Total expenses | | <u>(25,613,998)</u> | <u>2,505,371</u> |
| (Loss)/profit before income tax expense | | (25,568,121) | 2,739,709 |
| Income tax expense | | - | - |
| (Loss)/profit after income tax expense for the period | | (25,568,121) | 2,739,709 |
| Other comprehensive income for the period, net of tax | | - | - |
| Total comprehensive income for the period | | <u>(25,568,121)</u> | <u>2,739,709</u> |
| | | (Unaudited) Cents | (Unaudited) Cents |
| Basic earnings per share | 10 | (13.63) | 1.65 |
| Diluted earnings per share | 10 | (13.63) | 1.65 |

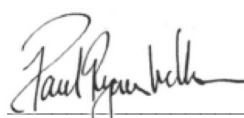
The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

| | Note | Group Dec 31, 2024 (Unaudited) A\$ | Group Mar 31, 2024 A\$ |
|---|------|---|------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 79,114 | 180,637 |
| Trade and other receivables | | 353,386 | 162,695 |
| Financial assets at fair value through profit or loss | 4 | 10,359 | - |
| Other assets | | 154,493 | 74,794 |
| Total current assets | | <u>597,352</u> | <u>418,126</u> |
| Non-current assets | | | |
| Investments accounted for using the equity method | 5 | - | 1,857,892 |
| Property, plant and equipment | | 63,669 | 49,112 |
| Right-of-use assets | | 39,627 | 73,148 |
| Exploration and evaluation | 6 | 52,462,632 | 75,292,100 |
| Total non-current assets | | <u>52,565,928</u> | <u>77,272,252</u> |
| Total assets | | <u>53,163,280</u> | <u>77,690,378</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 921,859 | 786,037 |
| Borrowings | | 285,768 | 838,477 |
| Lease liabilities | | 43,561 | 76,515 |
| Provisions | | 18,509 | 16,350 |
| Total current liabilities | | <u>1,269,697</u> | <u>1,717,379</u> |
| Non-current liabilities | | | |
| Lease liabilities | | - | 4,607 |
| Provisions | | 14,311 | 18,837 |
| Total non-current liabilities | | <u>14,311</u> | <u>23,444</u> |
| Total liabilities | | <u>1,284,008</u> | <u>1,740,823</u> |
| Net assets | | <u>51,879,272</u> | <u>75,949,555</u> |
| Equity | | | |
| Contributed equity | 7 | 129,901,361 | 128,615,069 |
| Reserves | 8 | 12,015,299 | 11,803,753 |
| Accumulated losses | | (90,037,388) | (64,469,267) |
| Total equity | | <u>51,879,272</u> | <u>75,949,555</u> |

Signed on behalf of the Board of Directors:



Cameron McCall
Director



Ryan Welker
Director

February 14, 2025

Macarthur Minerals Limited
Consolidated statement of changes in equity
For the period ended December 31, 2024



| Group (Unaudited) | Contributed equity A\$ | Reserves A\$ | Accumulated losses A\$ | Total equity A\$ |
|--|---------------------------------------|-------------------------|---------------------------------------|-----------------------------|
| Balance at April 1, 2023 | 128,197,540 | 10,586,408 | (58,707,604) | 80,076,344 |
| Profit after income tax expense for the period | - | - | 2,739,709 | 2,739,709 |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive income for the period | - | - | 2,739,709 | 2,739,709 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments (note 11) | - | (5,099,540) | - | (5,099,540) |
| Shares in exchange for services (note 7) | 132,000 | - | - | 132,000 |
| Balance at December 31, 2023 | <u>128,329,540</u> | <u>5,486,868</u> | <u>(55,967,895)</u> | <u>77,848,513</u> |
| Group (Unaudited) | Contributed equity A\$ | Reserves A\$ | Accumulated losses A\$ | Total equity A\$ |
| Balance at April 1, 2024 | 128,615,069 | 11,803,753 | (64,469,267) | 75,949,555 |
| Loss after income tax expense for the period | - | - | (25,568,121) | (25,568,121) |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive income for the period | - | - | (25,568,121) | (25,568,121) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments (note 11) | - | 211,546 | - | 211,546 |
| Private placement (note 7) | 1,282,273 | - | - | 1,282,273 |
| Exercise of options and warrants (note 7) | 175 | - | - | 175 |
| Bonus shares issued (note 7) | 170,495 | - | - | 170,495 |
| Share issue transaction costs (note 7) | (166,651) | - | - | (166,651) |
| Balance at December 31, 2024 | <u>129,901,361</u> | <u>12,015,299</u> | <u>(90,037,388)</u> | <u>51,879,272</u> |

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

Macarthur Minerals Limited
Consolidated statement of cash flows
For the period ended December 31, 2024



| | Group | |
|--|----------------------|-----------------------|
| | Nine months | Nine months |
| | ended Dec | ended Dec |
| Note | 31, 2024 | 31, 2023 |
| | (Unaudited) | (Unaudited) |
| | A\$ | A\$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees (inclusive of GST) | (1,298,846) | (1,694,869) |
| Interest received | 2,841 | 13,588 |
| Other revenue | 43,036 | 49,518 |
| Interest and other finance costs paid | (55,572) | (33,541) |
| | <u>(1,308,541)</u> | <u>(1,665,304)</u> |
| Net cash used in operating activities | | |
| Cash flows from investing activities | | |
| Payments for investments | - | (80,240) |
| Payments for property, plant and equipment | (19,615) | (1,000) |
| Payments for exploration and evaluation | 6 (220,847) | (730,549) |
| Proceeds from sale of Hematite Project | 6 750,000 | - |
| Proceeds from release of security deposits | 1,458 | - |
| | <u>510,996</u> | <u>(811,789)</u> |
| Net cash from/(used in) investing activities | | |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 7 170,495 | - |
| Proceeds from exercise of options and warrants | 7 175 | - |
| Proceeds from private placement | 7 1,282,273 | - |
| Share issue transaction costs | 7 (166,651) | - |
| Proceeds from borrowings | - | 1,000,000 |
| Repayment of borrowings | (552,709) | - |
| Repayment of lease liabilities | (37,561) | (56,383) |
| | <u>696,022</u> | <u>943,617</u> |
| Net cash from financing activities | | |
| Net decrease in cash and cash equivalents | (101,523) | (1,533,476) |
| Cash and cash equivalents at the beginning of the financial period | <u>180,637</u> | <u>1,944,332</u> |
| Cash and cash equivalents at the end of the financial period | <u><u>79,114</u></u> | <u><u>410,856</u></u> |

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

Note 1. Nature and continuance of operations

Macarthur Minerals Limited is an Australian public company listed in Canada on the TSX Venture Exchange ('TSX-V') (symbol: MMS), Australian Securities Exchange ('ASX') (symbol: MIO) and OTCQB Venture Market ('OTCQB') (symbol: MMSDF). The Company has three iron ore projects in the Yilgarn region of Western Australia. The Company also has two exploration project areas in the Pilbara, Western Australia targeting iron ore. In addition, Macarthur Minerals has lithium brine interests in the Railroad Valley, Nevada, USA.

As at December 31, 2024, the Company has the following subsidiaries (collectively referred to as the 'Group'):

- 100% of Macarthur Australia Limited, which holds the following 100% subsidiaries:
- 100% of Macarthur Iron Ore Pty Ltd ('Macarthur Iron Ore' or 'MIO') which owns the Iron Ore Projects
- 100% of Macarthur Lithium Nevada Limited (incorporated in Nevada)
- 100% of Esperance Iron Ore Export Company Pty Ltd (previously Macarthur Midway Pty Ltd)
- 100% of Macarthur Marble Bar Lithium Pty Ltd (previously Bachelor Project Pty Ltd) (a dormant subsidiary); and
- 100% of Macarthur Minerals NT Pty Ltd ('MMNT') and MMNT's 100% subsidiary, Macarthur Tulshyan Pty Ltd.

There was no change in the nature of the Company's principal activities during the period.

Note 2. Material accounting policy information

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

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended Mar 31, 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, except for the policies stated below.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Exploration and evaluation assets

The ultimate recoupment of the carrying value of exploration and evaluation assets is dependent on the successful development, commercial exploitation and financing of the areas of interest, or alternatively through sale. At 30 September 2024, the Company held 100% of the outstanding and issued share capital of Macarthur Australia. Macarthur Australia's wholly owned subsidiaries MIO holds assets which include the Iron Ore Projects.

Note 2. Material accounting policy information (continued)

Macarthur Minerals, through its 100% owned subsidiary Macarthur Lithium Nevada Limited ('MLiNV') relinquished the tenements related to its lithium claims in Nevada during the period ended December 31, 2024. As a result of this, deferred exploration and evaluation expenditure related to this project has been fully impaired.

Derecognition and disposal

An item of exploration and evaluation is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the item is derecognised.

Carrying value

The carrying value of the exploration and evaluation assets relates to the Iron Ore Projects.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a net loss after tax of \$25,568,121 and had cash outflows from operating activities of \$1,308,541 for the period ended December 31, 2024.

The Directors believe the going concern assumption is valid, reaching such a conclusion after having regard to the factors set out below. Should these factors not eventuate, there is a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial statements after consideration of the following factors:

- The Directors believe that future funding will be available to meet the Group's objectives of expanding key strategic assets and continuing to pay its debts as and when they fall due, through raising additional capital through equity placements to existing or new investors. The Group has a demonstrated history of success in this regard including having raised A\$5,718,602 (after costs) via a private placement in April 2022, and a Rights Issue in March 2024 for A\$580,760 and a further A\$1,282,273 (after costs) via a private placement in July 2024. The Directors are confident in their ability to continue to raise additional funds on a timely basis, as and when required;
- The Group's cash holdings at December 31, 2024 was A\$79,114. The Group's commitment to exploration and maintenance cost expenditure in relation to the hematite project has been eliminated following the agreement with GVV. The Company continues to be reimbursed by GVV for tenement outgoings by GVV on a timely basis. Exploration expenditure in relation to other projects can be reduced as required, subject to minimum spend requirements;
- Subsequent to the period end, the Group has sold its remaining stake in Infinity Mining Limited (ASX: IMI) worth A\$10,359 which has been utilised to reduce various debts; and
- The agreement with Gold Valley Yilgarn ('GVV') provided A\$250,000 on October 3, 2024, with a further and final payment of A\$250,000 on December 21, 2024. Once the Extraction of Iron Ore commences future royalties will be paid on the basis of A\$5,000,000 for the first 1,000,000 dry metric tonnes ('DMT') extracted and sold, another A\$5,000,000 for the second 1,000,000 DMT extracted and sold, and A\$1 per DMT thereafter.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Note 3. Operating segments

The Chief Operating Decision Makers ('CODM') has been identified as the Chief Executive Officer ('CEO') of the Company. The Group has identified one reportable segment, being the exploration of mineral resources. All such operations and substantially all the capital assets of the Group are situated in Australia as at the reporting date.

Major customers

During the period ended December 31, 2024, there were no major customers that derived more than 10% of revenue.

Note 4. Financial assets at fair value through profit or loss

The Company's investment in Infinity Mining Limited ('Infinity') was previously classified as an investment in an associated entity and accounted for using the equity method (note 5), based on a shareholding of 20.52% as of March 31, 2024 and Board representation which constituted significant influence under AASB 128 'Investments in Associates'.

Following a reduction in the shareholding to 17.32% as of December 31, 2024, along with Cameron McCall's resignation from Infinity's Board, the Company no longer accounts for the investment as an associated entity. The investment is now accounted for as a financial asset at fair value through profit or loss under AASB 9 'Financial Instruments'.

As of December 31, 2024, the Company holds 23,504,212 shares in Infinity, valued at the closing market price on that date.

| | Group | |
|--|---------------------|---------------------|
| | Dec 31, 2024 | Mar 31, 2024 |
| | (Unaudited) | |
| | A\$ | A\$ |
| <i>Current assets</i> | | |
| Ordinary shares - designated at fair value through profit or loss | 10,359 | - |
| <i>Reconciliation</i> | | |
| Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below: | | |
| Opening fair value | - | - |
| Transferred from investments accounted for using the equity method (note 5) | 1,770,080 | - |
| Revaluation through profit or loss | (773,707) | - |
| Disposals | (833,728) | - |
| Write off of assets | (152,286) | - |
| Closing fair value | 10,359 | - |

Note 5. Investments accounted for using the equity method

| | Group | |
|---|---------------------|---------------------|
| | Dec 31, 2024 | Mar 31, 2024 |
| | (Unaudited) | |
| | A\$ | A\$ |
| <i>Non-current assets</i> | | |
| Investment in associate - Infinity Mining Limited | - | 1,857,892 |
| | <u>-</u> | <u>1,857,892</u> |
| <i>Reconciliation</i> | | |
| Reconciliation of the carrying amounts at the beginning and end of the current and previous financial period are set out below: | | |
| Opening carrying amount | 1,857,892 | 4,048,112 |
| Loss after income tax | - | (1,778,431) |
| Additions | - | 80,240 |
| Disposals | (87,812) | - |
| Revaluation | - | 152,286 |
| Impairment of assets | - | (644,315) |
| Transferred to financial assets at fair value through profit or loss (note 4) | (1,770,080) | - |
| | <u>(1,770,080)</u> | <u>-</u> |
| Closing carrying amount | - | 1,857,892 |
| | <u>-</u> | <u>1,857,892</u> |

Note 6. Exploration and evaluation

| | Group | |
|-----------------------------------|---------------------|---------------------|
| | Dec 31, 2024 | Mar 31, 2024 |
| | (Unaudited) | |
| | A\$ | A\$ |
| <i>Non-current assets</i> | | |
| Exploration and evaluation assets | 52,462,632 | 75,292,100 |
| | <u>52,462,632</u> | <u>75,292,100</u> |

The ultimate recoupment of the carrying value of exploration and evaluation assets is dependent on the successful development, commercial exploitation and financing of the areas of interest, or alternatively through sale. At Mar 31, 2024, the Company held 100% of the outstanding and issued share capital of Macarthur Australia. Macarthur Australia's wholly owned subsidiaries, Macarthur Iron Ore Pty Ltd holds assets which include the Iron Ore Projects. Macarthur Minerals also holds 100% of Macarthur Lithium Nevada Limited ('MLiNV'), which holds a Lithium Exploration Project in Nevada.

Note 6. Exploration and evaluation (continued)

Exploration expenditure of \$220,847 was capitalised during the period ended December 31, 2024, as per table below:

| | <i>Acquisition costs A\$</i> | <i>Capitalised exploration costs A\$</i> | <i>Total A\$</i> |
|------------------------------------|--------------------------------------|--|----------------------|
| Balance at April 1, 2024 | 4,010,636 | 71,281,464 | 75,292,100 |
| <i>Incurred during the period:</i> | | | |
| Accommodation and camp maintenance | - | 37,278 | 37,278 |
| Surveys | - | 117,942 | 117,942 |
| Other | - | 6,046 | 6,046 |
| Personnel and contractors | - | 15,543 | 15,543 |
| Tenement management and outlays | - | 20,497 | 20,497 |
| Travel | - | 4,161 | 4,161 |
| Vehicle hire | - | 19,380 | 19,380 |
| Impairment of Nevada | - | (309,524) | (309,524) |
| Balance before transfer | 4,010,636 | 71,192,787 | 75,203,423 |
| Sale of Hematite Project | - | (22,740,791) | (22,740,791) |
| Balance at December 31, 2024 | <u>4,010,636</u> | <u>48,451,996</u> | <u>52,462,632</u> |

All capitalised exploration costs represent costs incurred during the exploration and evaluation phase.

Commitments

In order to maintain its current rights of tenure for exploration and/or mining activities, the Company is required to perform minimum annual expenditure requirements specified in the tenement documents. The expenditure obligations are subject to renegotiation when an application for a mining lease and/or renewal of exploration permits are made or at other times and are subject to whether the Company decides to continue a tenement's rights until its expiry. Due to the nature of the Company's activities, it is difficult to accurately forecast the amount of future expenditure that will be necessary to incur in order to maintain present interests.

The following obligations are not provided for in the financial statements and are payable at future dates as follows:

| | Group | |
|---|---------------------|---------------------|
| | Dec 31, 2024 | Mar 31, 2024 |
| | A\$ | A\$ |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 1,035,595 | 515,697 |
| One to five years | 4,111,558 | 4,018,370 |
| | <u>5,147,153</u> | <u>4,534,067</u> |

No expenditure exemptions have been granted or are expected to be granted within the next period.

Sale of Hematite Project

On June 13, 2024, Macarthur Minerals Limited ('MML') announced the execution of a Binding Term Sheet ('Term Sheet') to sell the right to mine hematite at the Ularring site ('Hematite Project') to Gold Valley Yilgarn ('GVY').

Note 6. Exploration and evaluation (continued)

MML will sell or assign various assets (including tenements, mining information and contracts) comprising the Hematite project and its rights and interests in the following assets to GYV (the "sale"): Tenement numbers; M30/213, M30/214, M30/216, M30/217, M30/227, M30/228, M30/229, M30/248, M30/249, M30/251, M30/252, L30/90 (pending), L30/91 (pending), L30/93, E30/569 (pending), G30/12 (pending). As well as the following optional tenements L15/409 (pending), L16/133 (pending), L30/71, L30/89 (pending), L30/92, E77/3186 (pending).

The consideration for the sale comprises:

- \$750,000 in cash, payable in three equal instalments of \$250,000 on each of June 30, 2024 (received July 2, 2024), September 30, 2024 (received October 2, 2024) and December 31, 2024;
- A royalty of \$5,000,000 upon the first 1,000,000 Dry Metric Tonne ('DMT') of product extracted and sold;
- A royalty of \$5,000,000 upon a further 1,000,000 DMT of product extracted and sold; and
- A royalty of \$1 per DMT of product extracted and sold ongoing, from the tenements listed, above the first 2,000,000 DMT of product exported or otherwise sold or disposed of.

As a result of the sale of the Hematite Project, the income, expenditure and cash flows associated with the Hematite Project in the statement of profit or loss and other comprehensive income and statement of cash flows, respectively, for the period ended December 31, 2024 have been included in sale of Hematite Project.

The net loss from the sale of Hematite Project is as follows:

| | Dec 31, 2024 |
|---|---------------------|
| | A\$ |
| <i>Exploration expenditure</i> | |
| Loss on sale of Hematite Project (per below) | (21,990,791) |
| Finance costs | - |
| | <hr/> |
| Loss before tax from sale of Hematite Project | (21,990,791) |
| Income tax expense | - |
| | <hr/> |
| Loss after tax from sale of Hematite Project | <u>-</u> |
| <i>Reconciliation</i> | |
| Cash consideration | 750,000 |
| Less: Write-off of net assets of Hematite Project | <u>(22,740,791)</u> |
| Loss on sale of Hematite Project | <u>(21,990,791)</u> |

Note 7. Contributed equity

| | Group | | | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Dec 31, 2024 | Mar 31, 2024 | Dec 31, 2024 | Mar 31, 2024 |
| | (Unaudited) | | (Unaudited) | |
| | Shares | Shares | A\$ | A\$ |
| Ordinary shares - fully paid | <u>199,665,510</u> | <u>172,061,088</u> | <u>129,901,361</u> | <u>128,615,069</u> |

Note 7. Contributed equity (continued)

Movements in ordinary share capital

| Details | Date | (Unaudited) Shares | Issue price | (Unaudited) A\$ |
|---|-------------------|-----------------------|-------------|--------------------|
| Balance | April 1, 2024 | 172,061,088 | | 128,615,069 |
| Issue of shares on exercise of Right offering options | April 22, 2024 | 700 | A\$0.250 | 175 |
| Issue of shares in Private Placement | July 29, 2024 | 24,193,831 | A\$0.050 | 1,282,273 |
| Issue of bonus shares | August 5, 2024 | 3,409,891 | A\$0.050 | 170,495 |
| Share issue transaction costs, net of tax | | | | (166,651) |
| Balance | December 31, 2024 | <u>199,665,510</u> | | <u>129,901,361</u> |

(1) 600,000 shares were issued to Karlsson Group Ltd, who was appointed for a period of six months, to provide certain business development and marketing services on an incentivised basis through the issuance of 800,000 shares with each share having a deemed value equal to the market price as of 16 June 2023. The shares were payable over four instalments subject to agreed performance criteria with the first instalment of 200,000 shares issued on 19 June 2023.

Ordinary shares

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

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

Share buy-back

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

Note 8. Reserves

| | Group | |
|---|------------------------------------|---------------------|
| | Dec 31, 2024 (Unaudited) A\$ | Mar 31, 2024 A\$ |
| Financial assets at fair value through other comprehensive income reserve | 788,333 | 788,333 |
| Share capital reserve | 254,901 | 254,901 |
| Share-based payments reserve | 10,972,065 | 10,760,519 |
| | <u>12,015,299</u> | <u>11,803,753</u> |

Financial assets at fair value through other comprehensive income ('OCI') reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share capital reserve

The share capital reserve records the residual value of contributed equity after deducting the fair value of the common shares issued.

Share-based payments reserve

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

The Group has issued share options, rights and warrants on specified terms. The cost of these items is measured by reference to their fair value at the date at which they are granted and expensed over the vesting period. The fair value is determined using option valuation models.

Note 8. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

| Group | Financial assets at fair value through OCI reserve (Unaudited) A\$ | Share capital reserve (Unaudited) A\$ | Share-based payments reserve (Unaudited) A\$ | Total (Unaudited) A\$ |
|------------------------------|--|---------------------------------------|--|-----------------------|
| Balance at April 1, 2024 | 788,333 | 254,901 | 10,760,519 | 11,803,753 |
| Share-based payments | - | - | 211,546 | 211,546 |
| Balance at December 31, 2024 | <u>788,333</u> | <u>254,901</u> | <u>10,972,065</u> | <u>12,015,299</u> |

Note 9. Contingent liabilities

The Group has given bank guarantees as at December 31, 2024 of A\$35,397 (March 31, 2024: A\$31,897) for office leasing arrangements in Brisbane and corporate credit cards.

Note 10. Earnings per share

| | Group Nine months ended Dec 31, 2024 (Unaudited) A\$ | Group Nine months ended Dec 31, 2023 (Unaudited) A\$ |
|---|---|---|
| (Loss)/profit after income tax | <u>(25,568,121)</u> | <u>2,739,709</u> |
| | (Unaudited) Number | (Unaudited) Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>187,633,776</u> | <u>165,937,124</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>187,633,776</u> | <u>165,937,124</u> |
| | (Unaudited) Cents | (Unaudited) Cents |
| Basic earnings per share | (13.63) | 1.65 |
| Diluted earnings per share | (13.63) | 1.65 |

The Company's outstanding options, warrants and RSU's that did not have a dilutive effect at December 31, 2024 are set out in note 11.

Note 11. Share-based payments

The Company, in accordance with the Company's Omnibus, Employee and Consultant Share Compensation Plans ("Plans") and the policies of the TSX-V and ASX, is authorised to grant incentive stock options ("Options"), award equity restricted share units ("RSU's"), or bonus shares or issue ordinary shares from treasury pursuant to the Company's share purchase scheme to directors, employees and consultants to acquire in aggregate up to 20% of issued and outstanding ordinary shares as at August 23, 2024, being 199,665,510 Common Shares. The Plans were approved on September 26, 2024 by the shareholders and replace the Company's previous Plans.

Note 11. Share-based payments (continued)

The exercise price of the Options is fixed by the Board at no less than the discounted market price (as defined under the TSX-V Company Manual) of the shares on the grant date, subject to all applicable regulatory requirements. Options under the Plans can be granted for a maximum term of 5 years and may be subject to vesting criteria as determined by the Board.

The fair value of all issued Options is measured and expensed as share-based compensation at the grant date if they are fully vested upon granting, otherwise the fair value is expensed over the vesting period. A corresponding increase is recorded to reserves.

Share Options - Employees and Consultants

Share option transactions issued under the Plans, the number of share options outstanding and their related weighted average exercise prices are summarised below:

| | <i>Number of options (Unaudited)</i> | <i>Weighted average exercise price AUD (Unaudited)</i> | <i>Weighted average exercise price CAD (Unaudited)</i> |
|--|--|--|--|
| <i>Nine months ended Dec 31, 2024</i> | | | |
| Outstanding at the beginning of the financial period | 8,700,000 | A\$0.270 | A\$0.240 |
| Granted | - | A\$0.000 | A\$0.000 |
| Forfeited | - | A\$0.000 | A\$0.000 |
| Exercised | - | A\$0.000 | A\$0.000 |
| Expired | <u>(1,000,000)</u> | A\$0.550 | A\$0.590 |
| Outstanding at the end of the financial period | <u>7,700,000</u> | A\$0.250 | A\$0.220 |
| Exercisable at the end of the financial period | <u>7,700,000</u> | A\$0.250 | A\$0.220 |

Dec 31, 2024

| <i>Grant date</i> | <i>Expiry date</i> | <i>Exercise price</i> | <i>Balance at the start of the period</i> | <i>Granted</i> | <i>Exercised</i> | <i>Expired/ forfeited/ other</i> | <i>Balance at the end of the period</i> |
|-------------------|--------------------|-----------------------|---|----------------|------------------|----------------------------------|---|
| 05/25/2022 | 05/25/2024 | A\$0.650 | 500,000 | - | - | (500,000) | - |
| 10/26/2022 | 10/26/2024 | A\$0.450 | 500,000 | - | - | (500,000) | - |
| 10/26/2022 | 10/26/2025 | A\$0.400 | 500,000 | - | - | - | 500,000 |
| 03/20/2023 | 03/20/2026 | A\$0.200 | 7,200,000 | - | - | - | 7,200,000 |
| | | | <u>8,700,000</u> | - | - | <u>(1,000,000)</u> | <u>7,700,000</u> |

The weighted average remaining contractual life of employee and consultants share options outstanding at the end of the financial period was 1.02 years.

Note 11. Share-based payments (continued)

Share Options - Private Placement

Options transactions with an Australian Dollar exercise price issued under the Rights Offering ('2023 Private Placement') and the number of options outstanding and their related weighted average exercise prices are summarised as follows:

| | <i>Number of options (Unaudited)</i> | <i>Weighted average exercise price AUD (Unaudited)</i> |
|--|--|--|
| <i>Nine months ended Dec 31, 2024</i> | | |
| Outstanding at the beginning of the financial period | 20,483,788 | A\$0.580 |
| Granted | 12,096,915 | A\$0.100 |
| Forfeited | - | A\$0.000 |
| Exercised | (700) | A\$0.250 |
| Expired | <u>(17,000,000)</u> | A\$0.780 |
| Outstanding at the end of the financial period | <u>15,580,003</u> | A\$0.130 |
| Exercisable at the end of the financial period | <u>15,580,003</u> | A\$0.130 |

Dec 31, 2024

| <i>Grant date</i> | <i>Expiry date</i> | <i>Exercise price</i> | <i>Balance at the start of the period</i> | <i>Granted</i> | <i>Exercised</i> | <i>Expired/ forfeited/ other</i> | <i>Balance at the end of the period</i> |
|-------------------|--------------------|-----------------------|---|-------------------|------------------|--|---|
| 04/08/2022 | 04/08/2024 | A\$0.650 | 17,000,000 | - | - | (17,000,000) | - |
| 03/28/2024 | 09/27/2025 | A\$0.250 | 3,483,788 | - | (700) | - | 3,483,088 |
| 07/29/2024 | 07/29/2026 | A\$0.100 | - | 12,096,915 | - | - | 12,096,915 |
| | | | <u>20,483,788</u> | <u>12,096,915</u> | <u>(700)</u> | <u>(17,000,000)</u> | <u>15,580,003</u> |

The weighted average remaining contractual life of private placement share options outstanding at the end of the financial period was 1.16 years.

Restricted share units

Restricted share unit transactions, the number of outstanding and their related weighted average vesting prices are summarised as follows:

| | <i>Number of restricted share units (Unaudited)</i> | <i>Weighted average exercise price AUD (Unaudited)</i> | <i>Weighted average exercise price CAD (Unaudited)</i> |
|--|---|--|--|
| <i>Nine months ended Dec 31, 2024</i> | | | |
| Outstanding at the beginning of the financial period | 7,150,000 | A\$0.720 | A\$0.640 |
| Granted | - | A\$0.000 | A\$0.000 |
| Forfeited | (600,000) | A\$0.240 | A\$0.220 |
| Exercised | - | A\$0.000 | A\$0.000 |
| Expired | <u>(4,350,000)</u> | A\$0.990 | A\$0.900 |
| Outstanding at the end of the financial period | <u>2,200,000</u> | A\$0.240 | A\$0.220 |
| Exercisable at the end of the financial period | <u>2,200,000</u> | A\$0.240 | A\$0.220 |

Note 11. Share-based payments (continued)

Dec 31, 2024

| <i>Grant date</i> | <i>Expiry date</i> | <i>Exercise price</i> | <i>Balance at the start of the period</i> | <i>Granted</i> | <i>Exercised</i> | <i>Expired/ forfeited/ other</i> | <i>Balance at the end of the period</i> |
|-------------------|--------------------|-----------------------|---|----------------|------------------|----------------------------------|---|
| 06/11/2021 | 06/11/2024 | A\$0.900 | 4,350,000 | - | - | (4,350,000) | - |
| 01/24/2024 | 01/24/2027 | A\$0.200 | 2,800,000 | - | - | (600,000) | 2,200,000 |
| | | | <u>7,150,000</u> | <u>-</u> | <u>-</u> | <u>(4,950,000)</u> | <u>2,200,000</u> |

The weighted average remaining contractual life of restricted share units outstanding at the end of the financial period was 2.07 years.

Valuation model inputs

For the private placement share options granted during the current financial period, the Black-Scholes pricing model valuation model inputs used to determine the fair value at the grant date, are as follows:

| <i>Grant date</i> | <i>Expiry date</i> | <i>Share price at grant date</i> | <i>Exercise price</i> | <i>Expected volatility</i> | <i>Dividend yield</i> | <i>Risk-free interest rate</i> | <i>Fair value at grant date</i> |
|-------------------|--------------------|----------------------------------|-----------------------|----------------------------|-----------------------|--------------------------------|---------------------------------|
| 07/29/2024 | 07/29/2026 | A\$0.057 | A\$0.100 | - | - | - | A\$0.020 |

Note 12. Events after the reporting period

On January 15, 2025, the Company sold its remaining shareholding (941,790 shares) in Infinity Mining Limited (ASX: IMI).

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