CYCLONE METALS LTD

CYCLONE METALS LIMITED

ABN 71 095 047 920

AND ITS CONTROLLED ENTITIES

Interim Financial Report
for the Half-Year Ended
31 December 2022

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FORWARD LOOKING STATEMENTS

This Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Group or not currently considered material by the Group.

CORPORATE DIRECTORY

Directors
Mr Terry Donnelly – Non-Executive Chairman
Mr Tony Sage - Executive Director
Mr Tim Turner - Non-Executive Director
Mr Will Scott – Non-Executive Director
Mr Stirling Ross – Non-Executive Director

Company Secretaries
Ms Melissa Chapman
Ms Catherine Grant-Edwards

Stock Exchange Listing
Australian Securities Exchange (ASX code: CLE)
Frankfurt Stock Exchange (FRA: HM5)

Website
www.cyclonemetals.com

Country of Incorporation
Australia

Registered Address
32 Harrogate Street
West Leederville, WA 6007
Australia
Tel: +61 8 9380 9555

Bankers
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100 St George's Terrace
Perth, WA 6000

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Your directors submit the financial report of Cyclone Metals Limited (**Cyclone** or **Company**) and its controlled entities (together the **Consolidated Entity**) for the half-year ended 31 December 2022.

DIRECTORS

The names of directors who held office during or since the end of the half-year are set out below. Directors were in office for this entire period unless otherwise stated.

Terry Donnelly
Tony Sage
Timothy Turner
Will Scott
Stirling Ross

COMPANY SECRETARIES

Melissa Chapman
Catherine Grant-Edwards

REVIEW OF RESULTS AND OPERATIONS

Principal Activity

The principal activity of the Consolidated Entity during the half-year was mineral investment, exploration and evaluation. There were no significant changes in the nature of the principal activity during the half-year.

Review of Operations

Corporate

A summary of the most significant transactions is set out below:

Unmarketable Parcels Sale Facility

On 10 May 2022, the Company announced that it had established an Unmarketable Parcel Sale Facility (**Facility**) for shareholders who hold less than A$500 worth of fully paid ordinary shares (**Unmarketable Parcel**) in the Company. The Company established the Facility to enable shareholders who hold an Unmarketable Parcel to sell their shares without having to act through a broker or pay brokerage or handing fees. Shareholders with an Unmarketable Parcel were instructed to return the Share Retention Form (Retention Form) by the closing date if they wished to retain their shareholding.

On 6 July 2022, the Company confirmed that following receipt of Retention Forms, the final number of shares eligible to be sold under the Facility was 43,064,049 shares from a total of 2,588 shareholdings. During the period, the Company completed the sale of these shares with proceeds from the sale being distributed to participating shareholders.

Shareholder Meetings

On 30 November 2022, the Company held its annual general meeting (**AGM**) of shareholders. All resolutions were carried at the AGM.

Conversion of Debt

On 7 December 2022, the Company advised that it has come to an agreement with the Directors of the Company, with the exception of the Chair, to convert $241,667 of current debt into equity (subject to receipt of shareholder approval at the Company's next general meeting scheduled to be held in late March 2023).

Borrowings

On 17 August 2022, the Company entered into a loan agreement and was advanced funds of $500,000 from European Lithium Ltd (ASX: EUR). On 14 November 2022, the Company entered into a loan agreement and was advanced funds of $750,000 from EUR. On the same day, the Company entered into a deed of variation in respect to the short-term loans entered into with EUR on 14 December 2021, 20 June 2022 and 17 August 2022 to extend the repayment date to 31 March 2023. All loans are repayable on 31 March 2023 and accrued interest of 5% per annum.

Placement

On 28 July 2022, the Company announced that it would be undertaking a placement at an issue price of $0.004 per fully paid ordinary share (**Placement Shares**) with one free unlisted free attaching option for every two shares at an exercise price of $0.005 expiring 30 June 2024 (**Placement Options**). On 28 July 2022, the Company issued 12,500,000 Placement Shares and 6,250,000 Placement Options.

Other Security Movements

On 30 November 2022, a total of 170,000,000 performance rights lapsed.

On 16 December 2022, a total of 12,222,223 unlisted options with an exercise price of $0.005 each lapsed.

On 18 December 2022, a total of 5,000,000 unlisted options with an exercise price of $0.005 each lapsed.

On 31 December 2022, a total of 50,000,000 performance rights lapsed.

Projects

Grand Port

Grand Port Limited holds 100% of 6 projects over a diversified portfolio of gold, copper, nickel and PGE assets in New Zealand, with locations show in Figure 1.

South Island – Mareburn and Macraes South

The Mareburn Gold Project (**Mareburn Project**) and Macraes South Gold Project (both granted) (**Macraes Project**) covers 464km2 within the Otago Goldfield of the South Island, which has 10Moz of proven historical gold production. The Mareburn Project sits 8km north of the producing Macraes Gold Mine and processing plant, New Zealand's largest producing gold mine, and ~2km from the Coronation open pit. The Macraes Project is contiguous to the south of the Macraes Gold Mine and processing plant.

As announced on 28 November 2022, a sampling program was started over the Macraes Project. The sampling program was designed to upgrade an extremely anomalous area to potentially define a drilling target with some complementary regional stream sediment samples. The highlights of the program include:

- ~515 samples taken on 50m spacing, on lines 1.6km long, and 200m apart,
- Sampling area surrounded Line 4 (refer ASX announcement 6 July 2022) where extremely anomalous responses were obtained in rockchips up to 8g/t gold,
- The grid area is to the south-east of and on strike of the Nenthorn Mining area, and
- Sampling results now in ALS Perth laboratory and expected in February 2023.

South Island – Drybread and Waikerikeri

The Drybread – Waikerikeri Gold Project (**Drybread Project**) covers ~198km2 and crosses over Santana Minerals Limited's (ASX: SMI) Bendigo-Ophir Project in Central Otago and contains historical alluvial workings contiguous to the Drybread Project. The area has been underexplored for hard rock potential with no primary gold exploration undertaken.

The Company continues to watch the developments of Santana Minerals, with significant primary mineralisation being intersected.

North Island - Muirs

Muirs Reef Gold Project (**Muirs Project**) covers 52.6km2 and is close to Oceania's Hauraki Gold Field with 45Moz proven historical gold production.

During the period the original Muirs Reef underground mine plans were digitised and incorporated into the working 3D model. A maiden JORC 2012 Mineral Resource Estimate (MRE) is now planned for early 2023.

The Muirs Project remains underexplored. The proposed work program on the Muirs Project is as follows:

- Stage 1 – Detailed structural mapping from existing gradient array resistivity survey and high-resolution magnetic survey, and field checking, in association with Ionic LeachTM geochemistry sampling as a first pass. Collection of LiDar (ultra-detailed DEM) may substantially improve understanding of the mineralisation. Petrographic studies on existing diamond core focusing on fluid inclusion temperature studies would assist in defining potential gold deposition levels.
- Stage 2 – Infill and step out drilling is recommended using diamond core drilling at both Massey Reef and Muirs Reef (Muirs Projects) to expand the resource, and test targets identified in Stage 1 work and convert the non JORC estimate to JORC (2012).

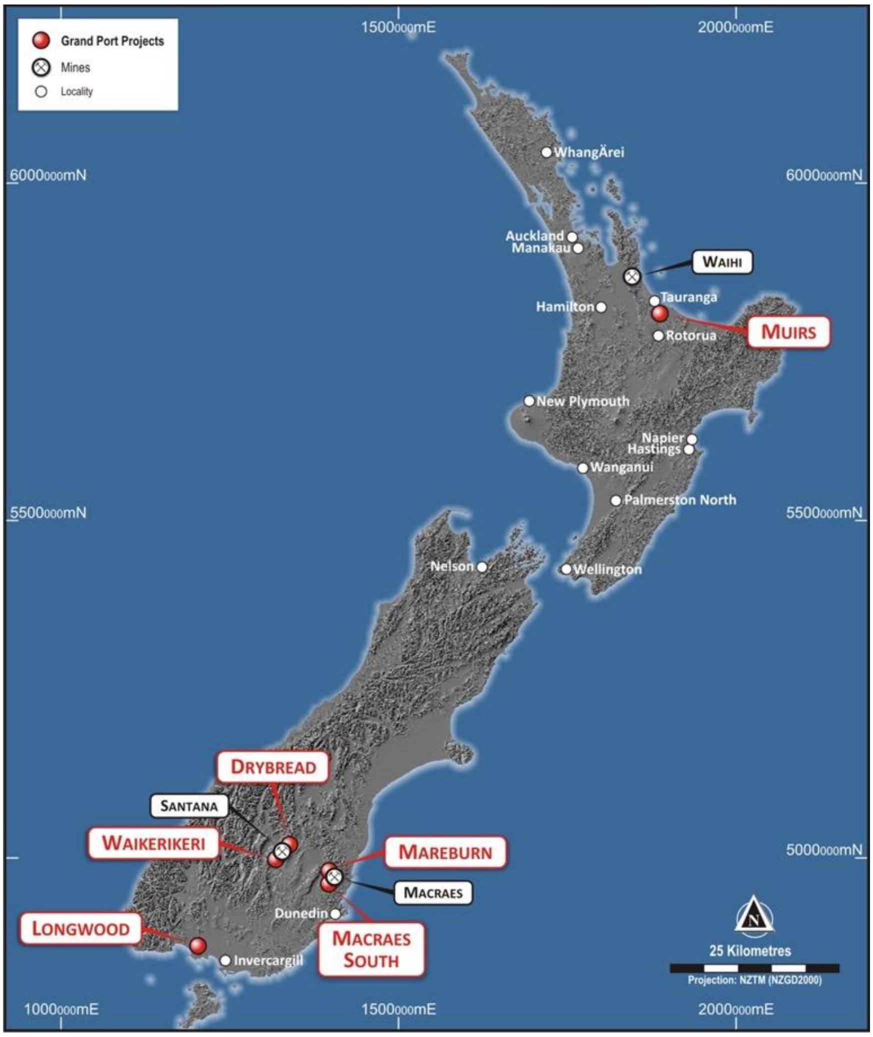

Figure 1: Location of Grand Port Projects

Nickol River Project

The Nickol River Gold Project (**NRP**) comprises seven granted Mining Leases (M47/87, M47/127, M47/401, M47/421, M47/435, M47/455, M47/577), two Prospecting Licences (P47/1524, P47/1812), one Exploration License E47/3176, five Miscellaneous Licences (L47/686, L47/687, L47/688, L47/689, L47/565 (application)) and a Water Licence 177790.

On 28 December 2022, the Company announced the proposed acquisition of P47/1812 thus consolidating the central drilling target area that includes contiguous tenements M47/401, M47/421 and M47/577. The Company will issue 60,000,000 fully paid ordinary shares at a deemed issue price of $0.002 per share and 30,000,000 unlisted options with an exercise price of $0.003 each expiring 2 years from the date of issue to Stonefield Developments Pty Ltd for the acquisition of lease number P47/1812. Completion of the acquisitions is expected to occur during Q1 FY2023.

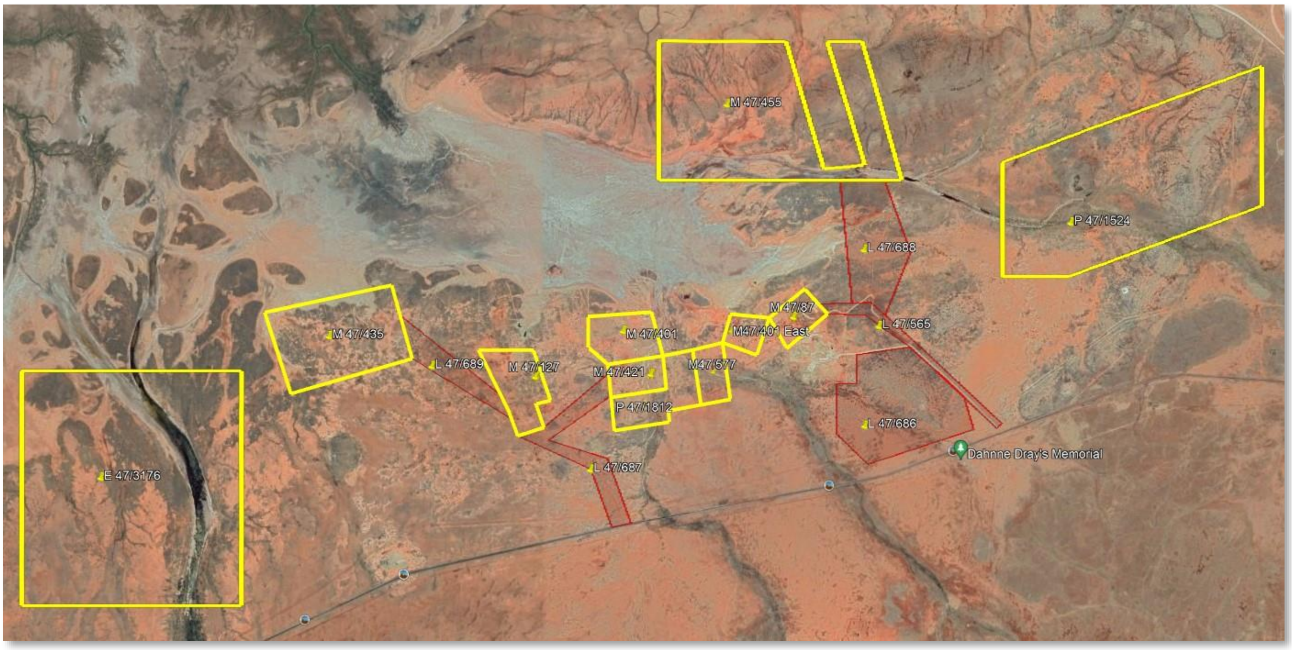

Figure 2 - Nickol River Project location and tenements, located 10km east of Karratha in the West Pilbara of Western Australia

A Program of Work (**PoW**) was approved on 19 January 2022, for the NRP for 18 test pits 20m x 10m by 1m deep over tenements M47/87, M47/401, M47/127, M47/421 and M47/577.

Specimen gold within quartz veins has been recovered from the test pit within M47/127, up to 712 grams in weight. The vein gold indicates that primary gold is the potential source of the eluvial gold mined from the area over the past 140 years. In addition, gold nuggets were recovered from every pit in the pit program. It should be noted that all the test pits were over previously worked ground and is only a small indication of the eluvial gold found over 140 years. The most pleasing aspect of the pit program was the extensive reef structures that were uncovered. Only a few reef systems are visible from the surface and we now know that a drilling program will have to take this information into account in the planning stage.

Photo 1: Nickol River Project, gold nuggets recovered and owned by Cyclone (refer to Table 1 in the ASX release 10 October 2022 for locations).

Wee MacGregor Project

Mining International Pty Ltd, a wholly owned subsidiary of Cyclone Metals, holds tenure to 4 mining leases located 40 km southeast of Mt Isa in Queensland (**Wee MacGregor Project**).

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier. The tenements are located in the Mary Kathleen Zone/Wonga Subprovince. This area is prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits. Cohiba Minerals Limited (Cohiba), through wholly owned subsidiary Cobalt X Pty Ltd, has earnt an 80% interest in mining licences ML 2504, ML 2773 and ML 90098 under a Farm-in agreement with Cyclone Metals. The Company retains a 20% interest in the mining licences and a pre-emptive right over the remaining 80%.

The Lady Ethleen tenement (ML 2771) has been 100% retained by Cyclone Metals (**Lady Ethleen**).

The Lady Ethleen tenement is currently being utilized for a trial mining and processing exercise using a newly developed green leach process known as GlyLeach TM, (refer ASX announcement 4 October 2020). A successful trial will mean a significant shift in future processing technology and will in turn facilitate possible development of the part owned, nearby Wee Macgregor Project as well as many other potential small assets in the district, that may be economic with access to appropriate processing technology.

The process to be used, known as GlyLeachTM, was originally developed and patented by Curtin University and is being commercialised globally by Perth based Mining and Process Solutions (MPS).

The GlyLeachTM process involves the use of Glycine as a lixiviant under alkaline conditions. This process has a number of significant benefits over traditional acid leaching including its environmentally friendly state which is non-toxic to humans and wildlife, the ability to selectively leach valuable metals whilst leaving gangue minerals such as iron, manganese, silicates and carbonates in the leach residue, the ability to leach ores of different oxidation states (depending on process type, temperature, residence time, particle size, etc) and all the while being recyclable as the glycine is not chemically consumed in the overall process.

Results are expected to demonstrate the best process to use for material types found in the Mount Isa / Cloncurry district. A positive project outcome could unlock the possibility for development of Lady Ethleen and a centralised processing hub in the district.

Within a 10 km radius of Lady Ethleen, there are numerous stranded projects that may all be suitable candidates to supply feed to a future operation including Lady Jenny (1 km), Wee MacGregor (3 km), Rosebud (10 km) and Inkerman (7.5 km) as well as several more in the wider district.

A final report on the testwork was received during the quarter. Conclusions are as listed below:

- The use of acid while effective in recovery of base metals, GlyLeachTM extracted more value.
- The amount of acid required would make acid leaching cost prohibitive.
- Grinding and the method of leaching greatly affects the leaching performance across all three composites.
- The oxide composite proved to yield the highest metal recovered of the three composite tested.
- Accountability between the tests were acceptable and shown in the close agreement between the two techniques used to determine the extraction reported.
- There were some difficulties with filtration and adsorption where a hot wash was shown to significantly improve leaching.
- The use of an acid pre-treatment in liberating metals particularly Cu proved necessary.
- The tests demonstrated that the GlyCatTM technology can extract the base and precious metals in a single stage.
- The tests show that the GlyLeachTM process followed by the GlyCatTM process can be utilised in a heap leach situation.
- If left in "as received" sizing, the oxide composite should be treated in agitated leach tanks while the transition and sulphide composite would leach best in a column although would need to evaluate if percolation is an issue on uncrushed material.
- Overall grinding and leaching in the presence of resin would yield the most metal recovered from all three composites.

A series of recommendations were also provided involving additional testwork using larger scale equipment. The Company continues to consider the results and its next steps.

Yalardy

The Yalardy tenements (E 09/2441 and E 09/2442) cover a combined 297 graticular blocks or a total of 914.5 square kilometers starting approximately 33km east of the Overlander roadhouse near the turnoff to Shark Bay.

No exploration was undertaken during the period, with the company assessing the best way to advance the project.

Cameroon

On 3 June 2022, Cyclone announced that it entered into a binding exclusivity agreement with Ewaah Cameroon Ltd (**Ewaah**) to secure the right to purchase 100% of the issued capital of Camdu Corporation Ltd (**Camdu**) (a company incorporated in Cameroon), which in turn has applied for the mining permit that covers the area of a world class cobalt deposit in southeastern Cameroon, the Nkamouna-Mada Project (**Project**).

The exclusivity agreement has been entered into between Cyclone and Ewaah to secure Cyclone's exclusive right to acquire the mining permit once it is granted to Camdu by the relevant mining authority in Cameroon. The mining permit covers an area of 1,645km2 and the Nkamouna and Mada deposits are located within that area.

During the period, the Non-Executive Chairman of the Company was in Cameroon meeting with various parties in the hope of advancing the granting of the licenses to Camdu. Subsequent to the period end, the Company announced that it had terminated the contract with Ewaah, however the Company is continuing to pursue the advancement of the Project through other avenues. The market will continue to be kept up to date with developments.

Marampa Project

Marampa is an iron ore project at the development stage, and is located 90 km northeast of Freetown, Sierra Leone, West Africa (**Marampa** or **Marampa Project**). The Marampa Project comprised one mining licence (ML05/2014) comprising 97.40km2 and one exploration licence (EL46A/2011) comprising 145.86km2. The status of these tenements is as follows:

ML05/2014

In 2014, Marampa Iron Ore (SL) Limited (**Marampa SL**), a wholly owned subsidiary of Cyclone Metals was granted the mining and environmental licences for ML05/2014 (together the **Mining Licence**). The Company has spent circa US$62.7m on exploration and development to date on the Marampa Project.

In September 2018, Marampa SL received a letter from the Sierra Leone Ministry of Mines (**SLMOM**) cancelling the Mining Licence. In 2018, Marampa SL commenced legal action in Sierra Leone to challenge SLMOM's decision to cancel the Mining Licence, however, the Board has agreed to place legal action against the SLMOM on hold.

The Company confirms that it does not currently have tenure over ML05/2014. Whilst no formal application has been made to date, the Company has started in Q1/2021, and will continue to be, engaged in dialogue with the relevant Sierra Leonean authorities to have the Mining Licence reinstated or reissued by mutual agreement.

However, since Q3/2021 management continued to actively engage with relevant stakeholders at the SL government to fast-track the process for reissuance of the Mining Licence. In January 2021 the Company met with high level company and public officials from Sierra Leone at the Minister of Mines office in Freetown to discuss and propose an investment case for the Marampa Project supported by the attractive iron ore market price and outlook. A formal response regarding the proposal lodged on 14 January 2021 is still pending. Some ongoing political turmoil makes it difficult to predict when the government will assign the licence.

Whilst there can be no guarantee that the SLMOM will agree to reinstate or reissue a Mining Licence, if Marampa SL were to successfully recover the Mining Licence, the Board is committed to working with the relevant parties to secure access to the necessary plant and equipment and infrastructure to enable the ramp up of the Marampa Project upon the reissuance of the Mining Licence for the benefit of our shareholders as well as, importantly, the Government and People of Sierra Leone.

EL46A/2011

In 2014, Marampa SL was granted exploration license EL46A/2011. In June 2014 the SLMOM extended EL46A/2011 for a further 2-year term from 31 July 2015 until 31 July 2017. Marampa SL has not paid renewal fees to the SLMOM in respect of EL46A/2011 since 31 July 2017. However, Marampa SL has not received any termination documentation or request for information from the SLMOM, therefore is of the view that EL46A/2011 remains a valid license. Marampa SL has contacted the SLMOM asking them to confirm the status of EL46A/2011 however no response has been received to date therefore tenure over EL46A/2011 remains uncertain. Marampa SL will continue to follow up with the SLMOM to determine the status of EL46A/2011. The management of Marampa SL has continued to be active in discussions with SLMOM to fast-track the process getting the EL46A/2011 to be issued again.

The Board confirms that given the inherent uncertainties relating to the future of the Marampa Project, the carrying value of the Marampa Project in Cyclone Metal's audited accounts was fully impaired as at 30 June 2016 and remains fully impaired.

The Company is currently committing minimum expenditure on the Marampa Project and no exploration activities are currently underway at the Marampa Project.

Kukuna Project

The Kukuna Project (**Kukuna**) is located 120 km northeast of Freetown in the northwest of Sierra Leone and comprises one exploration licence covering 68km2. The licence area is located approximately 70km due north of Marampa.

The Kukuna Project remains under care and maintenance.

The board intends to continue to follow its strategy of acquiring and investing in undervalued and/or distressed mineral assets and companies (**Projects**) and improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development and retaining a long-term exposure to these Projects through a production royalty and/or equity interest. Cyclone aims to deliver shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

Competent Persons Statement

The information in this report that relates to Wee MacGregor is compiled and collected by Mr Olaf Frederickson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson has sufficient experience that is relevant to the style of mineralisation, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Frederickson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The Information in this report that relates to Nickol River Project for exploration results, mineral resources or ore reserves is based on information compiled by Mr Edward Mead, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mead is a consultant to the company and employed by Doraleda Pty Ltd. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the `Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Mead consents to the inclusion of this information in the form and context in which it appears in this report.

The Information in this report that relates to the Grand Port, New Zealand exploration results, mineral resources or ore reserves is based on information compiled by Mr Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is an employee of the company. Mr Younger has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the `Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Younger consents to the inclusion of this information in the form and context in which it appears in this report.

Result

The Consolidated Entity made a loss after income tax for the half-year ended 31 December 2022 of $162,280 (31 December 2021: profit of $4,608,727). Included in this amount is $867,632 gain (31 December 2021: $4,780,566 gain) on fair value of financial assets through profit and loss.

EVENTS SUBSEQUENT TO BALANCE DATE

On 4 January 2023, the Company announced the proposed acquisition of Labrador Iron Pty Ltd (**Labrador**), 100% owner of the Block 103 Magnetite Iron Ore Project, located 30km northwest of Schefferville, Quebec, Canada. The Company will issue the shareholders of Labrador (or their nominees) a total of 2,160,000,000 CLE shares at the deemed price of $0.0025 per share (**Consideration Shares**) subject to receipt of shareholder approval at the Company's next general meeting scheduled to be held in late March 2023. Completion of the transaction is condition upon the Company receiving all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to lawfully complete the matters set out in the acquisition agreement, the Company being satisfied that the issue of the Consideration Shares will also satisfy Labrador's outstanding payment obligations to M3 Metals Corp, and the Company completing a capital raising of no less than $1,000,000 and up to $2,000,000 (refer below) and any other conditions customary for a transaction of this nature.

On 19 January 2023, the Company confirmed that it had received firm commitments from institutional and sophisticated investors to raise $1,350,000 (before expenses) through a placement of fully paid ordinary shares at an issue price of $0.0025 per share (**Placement Shares**). On 27 January 2023, the Company issued 60,000,000 Placement Shares and is expecting to issue the remainder of the Placement Shares on or around 16 February 2023.

On 4 February 2023, a total of 151,111,110 unlisted options with an exercise price of $0.005 expired.

There are no other matters or circumstances that have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial periods.

DIVIDEND

No dividend was declared or paid during the half year ended 31 December 2022.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under *section 307C* of the *Corporations Act 2001* is set out on page 11 for the half-year ended 31 December 2022.

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

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Tony Sage
Executive Director

Dated this 15th day of February 2023

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Australia

DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF CYCLONE METALS LIMITED

As lead auditor of Cyclone Metals Limited for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cyclone Metals Limited and the entities it controlled during the period.

Melissa Reid

Director

BDO Audit (WA) Pty Ltd

Perth

15 February 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMEBER 2022

	Note	For the six months ended 31 December 2022 $	31 December 2021 $
Revenue	3a	**13**	**141**
Other income		**126,816**	**(760)**
Share-based payments expense	10c	**(261,473)**	**(219,583)**
Directors' remuneration and employee benefits expenses		**(372,501)**	**(341,266)**
Consulting and professional services expenses		**(132,780)**	**(338,858)**
Occupancy expenses		**(28,062)**	**(25,822)**
Compliance and regulatory expenses		**(76,489)**	**(102,112)**
Travel and accommodation		**(4,080)**	**(54,893)**
Depreciation and amortisation expense		**752**	**(1,742)**
Gain on fair value of financial assets through profit and loss	5a	**867,632**	**4,780,566**
Exploration and evaluation expenditure	6	**(108,972)**	**(164,323)**
Other expenses		**(42,417)**	**(95,588)**
Exploration expenditure expensed		**(58,299)**	**-**
Finance income/(expenses)	3b	**(72,420)**	**65,848**
Gain on reclassification from associated account to fair value through P&L		**-**	**1,107,119**
Profit/(Loss) before income tax		**(162,280)**	**4,608,727**
Income tax benefit / (expense)		**-**	**-**
Profit/(Loss) after income tax		**(162,280)**	**4,608,727**
Other comprehensive income/(expenditure) net of tax			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences arising on translation of foreign operations		**3,643**	**(5,551)**
Total comprehensive income / (loss) for the period		**(158,637)**	**4,603,176**
Profit/(Loss) after income tax attributable to:			
Members of Cyclone Metals Limited		**(162,280)**	**4,608,727**
		(162,280)	**4,608,727**
Total comprehensive income / (loss) attributable to:			
Members of Cyclone Metals Limited		**(158,637)**	**4,603,176**
		(158,637)	**4,603,176**
Profit/(Loss) per share attributable to members of Cyclone Metals Limited			
Basic profit/(loss) per share (cents per share)		**(0.0027)**	**0.097**
Diluted profit/(loss) per share (cents per share)		**(0.0027)**	**0.093**

The accompanying notes form part of this financial report.

CYCLONE METALS LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMEBER 2022

	Note	As at 31 December 2022 $	As at 30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents		**119,227**	314,373
Restricted cash and cash equivalents		**17,500**	17,500
Trade and other receivables	4	**381,556**	280,486
Financial assets at fair value through profit or loss	5a	**7,237,211**	6,369,579
TOTAL CURRENT ASSETS		**7,755,494**	6,981,938
NON-CURRENT ASSETS			
Financial assets at fair value through profit and loss	5b	**30,000**	-
Plant and equipment		**75,965**	75,056
Exploration and evaluation expenditure	6	**5,910,836**	5,700,632
TOTAL NON-CURRENT ASSETS		**6,016,801**	5,775,688
TOTAL ASSETS		**13,772,295**	12,757,626
CURRENT LIABILITIES			
Trade and other payables	7	**826,738**	716,537
Provisions		**114,211**	114,655
Current tax liabilities	8	**712,902**	1,200,004
Short-term loan payable	9	**2,303,356**	1,014,178
TOTAL CURRENT LIABILITIES		**3,957,207**	3,045,374
TOTAL LIABILITIES		**3,957,207**	3,045,374
NET ASSETS		**9,815,088**	9,712,252
EQUITY			
Issued capital	10	**227,796,301**	227,796,301
Reserves		**24,806,725**	24,541,609
Accumulated losses		**(242,787,938)**	(242,625,658)
TOTAL EQUITY IN EQUITY		**9,815,088**	9,712,252

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF- YEAR ENDED 31 DECEMBER 2022

	Note	Issued Capital $	Unissued Capital Reserve $	Accumulated Losses $	Share-based Payment Reserve $	Foreign Currency Translation Reserve $	Business Combination Reserve $	Total Equity $
Balance at 1 July 2022		**227,746,301**	**50,000**	**(242,625,658)**	**3,412,964**	**22,219,146**	**(1,090,501)**	**9,712,252**
Loss for the period		-	-	(162,280)	-	-	-	(162,280)
Other comprehensive income								
Foreign exchange differences arising on translation of foreign operations		-	-	-	-	3,643	-	3,643
Total comprehensive income/(loss) for the half-year		-	-	(162,280)	-	3,643	-	(158,637)
Transactions with owners in their capacity as owners								
Share-based payments		-	-	-	261,473	-	-	261,473
Shares issued during the period – Placement	10	50,000	(50,000)	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders		50,000	(50,000)	-	261,473	-	-	261,473
Balance at 31 December 2022		**227,796,301**	**-**	**(242,787,938)**	**3,674,437**	**22,222,789**	**(1,090,501)**	**9,815,088**

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF- YEAR ENDED 31 DECEMBER 2021

	Note	Issued Capital $	Accumulated Losses $	Share-based Payment Reserve $	Foreign Currency Translation Reserve $	Business Combination Reserve $	Total Equity $
Balance at 1 July 2021		**220,115,531**	**(237,005,658)**	**3,239,438**	**22,237,177**	**(1,090,501)**	**7,495,987**
Gain for the period		-	4,608,727	-	-	-	4,608,727
Other comprehensive income							
Foreign exchange differences arising on translation of foreign operations		-	-	-	(5,551)	-	(5,551)
Total comprehensive income/(loss) for the half-year		-	4,608,727	-	(5,551)	-	4,603,176
Transactions with owners in their capacity as owners							
Share-based payments		-	-	19,582	-	-	19,582
Shares issued during the period – Winance conversion		10,000	-	-	-	-	10,000
Shares issued during the period – Placement		1,280,000	-	-	-	-	1,280,000
Shares issued during the period – Nickol River		500,000	-	-	-	-	500,000
Shares issued during the period – Kay Trinder		70,000	-	-	-	-	70,000
Shares issued during the period – Director shares		200,000	-	-	-	-	200,000
Capital raising costs (cash)		(64,346)	-	-	-	-	(64,346)
Transactions with equity holders in their capacity as equity holders		1,995,654	-	19,582	-	-	2,015,236
Balance at 31 December 2021		**222,111,185**	**(232,396,931)**	**3,259,020**	**22,231,626**	**(1,090,501)**	**14,114,399**

The accompanying notes form part of this financial report

CYCLONE METALS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	For the six months ended 31 December 2022 $	31 December 2021 $
CASHFLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(502,776)	(1,055,014)
Interest received		13	141
Income tax paid	8	(520,344)	(568,849)
Transfer of funds from non-restricted to restricted		-	-
Net cash used in operating activities		(1,023,107)	(1,623,722)
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(289)	(3,105)
Payments for exploration and evaluation		(338,203)	(304,400)
Purchase of equity investments		(30,000)	-
Proceeds on sale of equity investments		-	380,985
Payment for other investments		(53,547)	(261,501)
Net cash used in investing activities		(422,039)	(188,021)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing loan note	9	1,250,000	500,000
Transaction costs related to issue of shares, convertible notes or options		-	(64,346)
Proceeds from share issue		-	1,280,000
Net cash provided by financing activities		1,250,000	1,715,654
Net (decrease) in cash and cash equivalents		(195,149)	(96,089)
Cash and cash equivalents at beginning of period		314,373	280,749
Cash and cash equivalents at end of period		119,227	184,660

The accompanying notes form part of this financial report.

1. BASIS OF PREPARATION

General Information

This general purpose condensed financial report for the half-year ended 31 December 2022 has been prepared in accordance with Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Act 2001* and was authorised for issue in accordance with a resolution of Directors on 15 February 2023.

Cyclone Metals Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded in the ASX. The principal activity of the Consolidated Entity during the half-year was mineral investment, exploration and evaluation.

This half-year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Cyclone and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

Going Concern

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

For the half-year ended 31 December 2022 the Consolidated Entity incurred a loss after income tax of $162,280 (31 December 2021: $4,608,727 profit), net cash outflows from operating activities of $1,023,107 (31 December 2021: $1,623,722), a working capital surplus of $3,798,287 (30 June 2022: $3,936,564 surplus) and at that date had cash on hand of $119,227 (30 June 2022: $314,373).

The Group's ability to continue as a going concern and to continue to fund its planned expanded activities is dependent on raising further capital, continued support from creditors and related parties, successful extension or renegotiation of borrowing facilities and reducing operational costs.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that it is reasonably foreseeable 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 financial report after consideration of the following factors:

- The Company continues to seek funding options required to undertake its next phase of exploration activities;
- The Group has a small amount outstanding to the ATO;
- Directors of the Company, with the exception of the Chair, have agreed to convert a portion of their outstanding fees into equity; and
- Ability to realise certain of the Group's financial assets through the sale of its listed shares.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2022

In the half-year ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2022. As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 July 2022 with no material impact on the amounts or disclosures included in the financial report.

Significant accounting judgments and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

2. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker (**CODM**) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. In the case of the Consolidated Entity the CODM are the executive management team and all information reported to the CODM is based on the consolidated results of the Consolidated Entity as one operating segment, as the Consolidated Entity's activities relate to mineral exploration.

Accordingly, the Consolidated Entity has only one reportable segment and the results are the same as the Consolidated Entity's results.

Information by geographical region

The analysis of the location of non-current assets other than financial instruments is as follows:

	31 December 2022 $	**30 June 2022 $**
Australia	1,195,188	1,127,411
West Africa	73,703	72,922
New Zealand	4,717,911	4,575,355
	5,986,801	5,775,688

Revenue by geographical region

	31 December 2022 $	**30 June 2022 $**
Australia	13	193
West Africa	-	-
New Zealand	-	-
	13	193

3. PROFIT/(LOSS) FROM OPERATIONS	31 December 2022 $	31 December 2021 $
(a) Revenue		
Interest	13	141
	13	141
(b) Finance income/(expenses)		
Interest on European Lithium loan (note 9)	(39,178)	(1,164)
Accrued interest on ATO debt (note 8)	(33,242)	(59,207)
Recognise the fair value of shares through settlement of liabilities	-	126,219
	(72,420)	65,848

4. TRADE AND OTHER RECEIVABLES	31 December 2022 $	30 June 2022 $
Trade debtors	3,849,142	3,784,064
GST recoverable and other debtors	55,536	52,708
Prepayments	70,657	37,493
Deferred consideration receivable (a)	2,500,000	2,500,000
Allowance for expected credit loss	(6,093,779)	(6,093,779)
	381,556	280,486

(a) Deferred consideration receivable payable on the achievement of a production milestone. This receivable has been previously provided for in full.

(b) Current loans receivable at balance date are made up as follows:

	Interest rate	Carrying value of loans 31 December 2022 $	30 June 2022 $
Current			
Convertible loan note of $250,250	15.0%	159,250	159,250
Loan of USD$8,000,000	Libor + 6%	10,447,200	10,447,200
Carrying value of loans		10,606,450	10,606,450
Impairment of receivables		(10,606,450)	(10,606,450)
Current carrying value at amortised cost at reporting date		-	-

5. OTHER FINANCIAL ASSETS	Note	31 December 2022 $	30 June 2022 $
Financial Assets at Fair value through Profit or Loss			
Shares in listed entities	(a)	7,237,211	6,369,579
Shares in unlisted entities	(b)	30,000	-
Total Financial Assets		7,267,211	6,369,579

(a) Movements in the carrying amount of the shares in listed entities	31 December 2022 $	30 June 2022 $
Carrying value at beginning of the period	6,369,579	4,863,742
Purchase of equity investments	-	-
Realised loss on sale of equity	-	(1,244,137)
Reclassification from Investments accounted for using the equity method	-	5,992,094
Disposal of equity investments	-	(385,978)
Gain/(loss) on fair value of financial assets through profit or loss	867,632	(2,856,142)
	7,237,211	6,369,579

(b) Movements in the carrying amount of the shares in unlisted entities	**31 December 2022 $**	**30 June 2022 $**
Movements:		
Carrying value at beginning of year	-	17,435
Purchase of equity investments	30,000	-
Disposal of equity investments	-	(17,435)
	30,000	-

6. EXPLORATION AND EVALUATION EXPENDITURE	**31 December 2022 $**	**30 June 2022 $**
Exploration and evaluation phases	5,910,836	5,700,632
Movement in carrying amounts		
Carrying value at beginning of the year	5,700,632	-
Exploration and evaluation expenditure capitalised during the year (a)	319,176	947,750
Exploration expenditure impaired during the year (b)	(108,972)	(422,507)
Acquisition of Kay Trinder tenements	-	100,000
Acquisition of Nickol River tenements	-	700,000
Acquisition of Grand Port tenements	-	4,375,389
Total exploration and evaluation phases	5,910,836	5,700,632

(a) Exploration and evaluation expenditure
The value of the exploration expenditure is dependent upon the continuance of the rights to tenure of the areas of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

(b) Impairment
During the half year ended 31 December 2022, the Company recognised impairment losses in respect of capitalised exploration and evaluation to the extent of $108,972 (30 June 2022: $422,507). The impairment made during the period was recognised on areas of interest where sufficient data existed at balance date to indicate that the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or by sale.

7. TRADE AND OTHER PAYABLES	**31 December 2022 $**	**30 June 2022 $**
Trade payables	736,366	589,967
Other creditors and accruals	85,489	121,738
Withholding tax	4,883	4,832
	826,738	716,537

8. TAX LIABILITY	**31 December 2022 $**	**30 June 2022 $**
Current	712,902	1,200,004
Non-current	-	-
	712,902	**1,200,004**

	31 December 2022 $	**30 June 2022 $**
Balance at beginning of period	1,200,004	2,267,889
Accrued interest	33,242	118,498
Repayments of income tax	(520,344)	(1,186,383)
Balance at end of period	712,902	1,200,004

9. LOAN PAYABLE	31 December 2022 $	30 June 2022 $
Current	2,303,356	1,014,178
	2,303,356	1,014,178

(a) Movements in the carrying amount of loan payable	31 December 2022 $	30 June 2022 $
Balance at beginning of period	1,014,178	-
Proceeds from borrowings (a)	1,250,000	1,000,000
Accrued interest	39,178	14,178
	2,303,356	1,014,178

(a) On 14 December 2021, the Company entered into a loan agreement and received funds of $500,000 from European Lithium Ltd (ASX: EUR). The loan is secured over 25,000,000 unencumbered shares held by the Company in CuFe Limited (ASX: CUF). On 29 June 2022, the Company entered into a second loan agreement and was advanced funds of $500,000 from EUR. On 17 August 2022, the Company entered into a third loan agreement and was advanced funds of $500,000 from EUR. On 14 November 2022, the Company entered into a fourth loan agreement and was advanced funds of $750,000 from EUR. All loans are repayable on 31 March 2023 and accrued interest of 5% per annum.

10. ISSUED CAPITAL

(a) Ordinary shares	31 December 2022 $	30 June 2022 $
6,116,736,982 fully paid ordinary shares (30 June 2022: 6,104,236,982)	227,796,301	227,746,301
Unissued share capital	-	50,000
	227,796,301	227,796,301

	Ordinary fully paid shares Number	$
Shares on issue at 1 July 2022	6,104,236,982	227,796,301
Shares issued during the period – Placement (i)	12,500,000	-
	6,116,736,982	227,796,301

(i) Placements

The following shares were issued via share placement during the half year ended 31 December 2022:

- On 28 July 2022, the Company issued 12,500,000 shares at an issue price of $0.004 per share. The Company recognised the issue of these shares during the year ended 30 June 2022 with the movement reflect through the unissued share capital account.

(b) Options

At 31 December 2022, the unissued ordinary shares of the Company under option are as follows:

Date of Expiry	Status	Exercise Price	Number of Options
04/02/2023	Unlisted	$0.005	151,111,110
30/06/2023	Unlisted	$0.006	11,200,000
31/03/2024	Unlisted	$0.006	25,000,000
30/06/2024	Unlisted	$0.005	6,250,000
			193,561,110

(c) Share based payment Share Based Payment Reserve	31 December 2022 $	30 June 2022 $
Share-Based Payment Expense		
Options issued to employees and consultants	-	-
Director shares	-	200,000
Performance rights issued to directors (refer 10d)	261,473	173,527
Total Expense Recognised in Profit & Loss	261,473	373,527

(d) Performance Rights

On 16 December 2021, the Company issued 50,000,000 performance rights to Will Scott in respect to his appointment as Director of the Company. The performance rights were issued following receipt of shareholder approval at the AGM held on 30 November 2021. The total fair value of the performance rights granted to Will Scott was $135,000 with $56,250 (30 June 2022: $78,750) being recognised in the HYE 31 December 2022.

On 16 October 2020, the Company issued 120,000,000 performance rights to Terry Donnelly upon his appointment as Non-Executive Chairman of the Company (Initial Performance Rights) following receipt of shareholder approval at the GM held 6 October 2020. As a result of the Company's shares being suspended from 16 October 2020 to 3 August 2021, Terry Donnelly did not have the opportunity to meet the milestones associated with the Initial Performance Rights prior to their lapse on 6 October 2021. As such, the Company issued 120,000,000 new performance rights, with the same milestones as the Initial Performance Rights on 16 December 2021 following receipt of shareholder approval at the AGM held on 30 November 2021. The total fair value of all performance rights granted to Terry Donnelly was $100,000 with $41,667 (30 June 2022: $58,333) being recognised in the HYE 31 December 2022.

On 23 May 2022, the Company issued 50,000,000 incentive performance rights to Mr Tony Sage, Executive Director. The shares were issued following receipt of shareholder approval at the GM on 20 May 2022. The total fair value of the performance rights granted to Tony Sage was $200,000 with $163,556 (30 June 2022: $36,444) being recognised in the HYE 31 December 2022.

At 31 December 2022, all performance rights had expired unvested.

11. CONTINGENT ASSETS AND LIABILITIES

On 28 December 2022, the Company announced the proposed acquisition of P47/1812. The Company will issue 60,000,000 fully paid ordinary shares at a deemed issue price of $0.002 per share and 30,000,000 unlisted options with an exercise price of $0.003 each expiring 2 years from the date of issue to Stonefield Developments Pty Ltd for the acquisition of lease number P47/1812. Completion of the acquisitions is expected to occur during Q1 FY2023.

The Company had no other movements in contingent liabilities as at 31 December 2022 from those disclosed at 30 June 2022.

12. RELATED PARTY TRANSACTIONS

On 17 August 2022, the Company entered into a loan agreement and was advanced funds of $500,000 from European Lithium Ltd (ASX: EUR). On 14 November 2022, the Company entered into a loan agreement and was advanced funds of $750,000 from EUR. On the same day, the Company entered into a deed of variation in respect to the short-term loans entered into with EUR on 14 December 2021, 20 June 2022 and 17 August 2022 to extend the repayment date to 31 March 2023. All loans are repayable on 31 March 2023 and accrued interest of 5% per annum. Mr Antony Sage is a director of EUR.

There are no significant changes to the nature of related party relationships and transactions from those disclosed in the 30 June 2022 annual financial report.

13. EVENTS SUBSEQUENT TO REPORTING DATE

On 4 January 2023, the Company announced the acquisition of Labrador Iron Pty Ltd (**Labrador**), 100% owner of the Block 103 Magnetite Iron Ore Project, located 30km northwest of Schefferville, Quebec, Canada. The Company will issue the shareholders of Labrador (or their nominees) a total of 2,160,000,000 CLE shares at the deemed price of $0.0025 per share (**Consideration Shares**) subject to receipt of shareholder approval at the Company's next general meeting scheduled to be held in late March 2023.. Completion of the transaction is condition upon the Company receiving all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to lawfully complete the matters set out in the acquisition agreement, the Company being satisfied that the issue of the Consideration Shares will also satisfy Labrador's outstanding payment obligations to M3 Metals Corp, and the Company completing a capital raising of no less than $1,000,000 and up to $2,000,000 (refer below) and any other conditions customary for a transaction of this nature.

On 19 January 2023, the Company confirmed that it had received firm commitments from institutional and sophisticated investors to raise $1,350,000 (before expenses) through a placement of fully paid ordinary shares at an issue price of $0.0025 per share (**Placement Shares**). On 27 January 2023, the Company issued 60,000,000 Placement Shares and is expecting to issue the remainder of the Placement Shares on or around 16 February 2023.

On 4 February 2023, a total of 151,111,110 unlisted options with an exercise price of $0.005 expired.

There are no other matters or circumstances that have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial periods.

14. FINANCIAL INSTRUMENTS

Fair value measurement

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

31 December 2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets:				
Investments in listed shares	7,237,211	-	-	7,237,211
Investments in unlisted shares	-	-	30,000	30,000

30 June 2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets:				
Investments in listed shares	6,369,579	-	-	6,369,579
Investments in unlisted shares	-	-	-	-

CYCLONE METALS LTD

DIRECTORS' DECLARATION

In the opinion of the directors:

(a) The financial statements and notes of the Consolidated Entity for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements.

(b) Subject to the matters set out in Note 1, 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 Board of Directors.

____

Tony Sage
Executive Director

Dated this 15th day of February 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cyclone Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cyclone Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant 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:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 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.

BDO Audit (WA) Pty Ltd

BDO

Melissa Reid

Director

Perth

15 February 2023