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BUBALUS RESOURCES LIMITED
ACN 654 970 751
AND CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2022



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CORPORATE DIRECTORY

DIRECTORS

Mr Alec Pismiris	Executive Chairman
Mr William Oliver	Non-Executive Director
Mr Scott Deakin	Non-Executive Director

COMPANY SECRETARY

Ms Melanie Ross

REGISTERED OFFICE, PRINCIPAL PLACE OF BUSINESS & CONTACTS

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PERTH WA 6000

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ABN: 17 654 970 751

SOLICITORS

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Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

AUDITORS

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

SHARE REGISTRY

Automic Group
Level 5, 191 St Georges Terrace
PERTH WA 6000
Ph: 1300 288 664
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SECURITIES EXCHANGE LISTING

Australian Securities Exchange (ASX)

BANKERS

Westpac Banking Corporation
Level 4, 123 St Georges Tce
PERTH WA 6000

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DIRECTORS' REPORT

The directors present their report, together with the interim financial statements, on Bubalus Resources Limited (referred to hereafter as the 'Company') and its controlled entities (the 'Group') at the end of, or during the half-year ended 31 December 2022 (the "period").

Directors

The names of directors in office at any time during or since the end of the period are listed below.

NAME OF PERSON	POSITION
Mr Alec Pismiris	Executive Chairman (appointed 1 November 2021)
Mr William Oliver	Non-Executive Director (appointed 1 November 2021)
Mr Scott Deakin	Non-Executive Director (appointed 1 November 2021)

Principal Activities

During the period, the Group's principal activities have been:

- facilitating the Initial Public Offering and subsequent admission to the Official List of the ASX; and
- exploration for critical minerals in the Northern Territory and Western Australia.

Dividends

No dividends were paid or declared during the financial period. No dividend has been recommended.

Review of Operations

The loss for the Group for the half year ended 31 December 2022 was \$490,837 (31 December 2021: \$1,169).

During the half period, the Group primarily undertook work toward an Initial Public Offer (IPO) for an ASX listing. A Prospectus was lodged with ASIC on 24 August 2022 to raise \$5million in order to list on the ASX.

The Prospectus was closed on 23 September 2022 successfully raising \$5.0million before share issue costs. The proceeds from issue of shares were received in full on 7 October 2022.

On the 7 October 2022, 2,000,000 options with an exercise price of \$0.40 and an expiry date of 11 October 2026 were issued to Directors of the Company under the terms of the Prospectus.

On 7 October 2022, the Company issued 1,000,000 shares at a deemed issued price of \$0.20 to vendors as consideration for tenements comprising of four projects, the Amadeus Project (prospective for Manganese and base metals), the Nolans East Project (prospective for Light Rare Earths), the Coomarie Project (prospective for Heavy Rare Earths) and the Pargee Project (prospective for Heavy Rare Earths), which are located in premier geological provinces in the Northern Territory and Western Australia.

The Company commenced trading on the ASX on 11 October 2022.

Exploration

During the period, the following projects were acquired by the Group.

Amadeus Project

The Amadeus Project is located approximately 150km south from Alice Springs along the Stuart highway and then by secondary roads to the east and west. The main Stuart Highway passes through the centre of the Project as does the Ghan railway line from Alice Springs to Adelaide. The regional geology surrounding the Amadeus Project consists of three main tectonostratigraphic subdivisions; a Palaeoproterozoic to Mesoproterozoic Arunta Block in the north; a Neoproterozoic to mid-Palaeozoic Amadeus Basin in the central and south and a veneer of intra-cratonic Permian and Tertiary to Quaternary sediments.

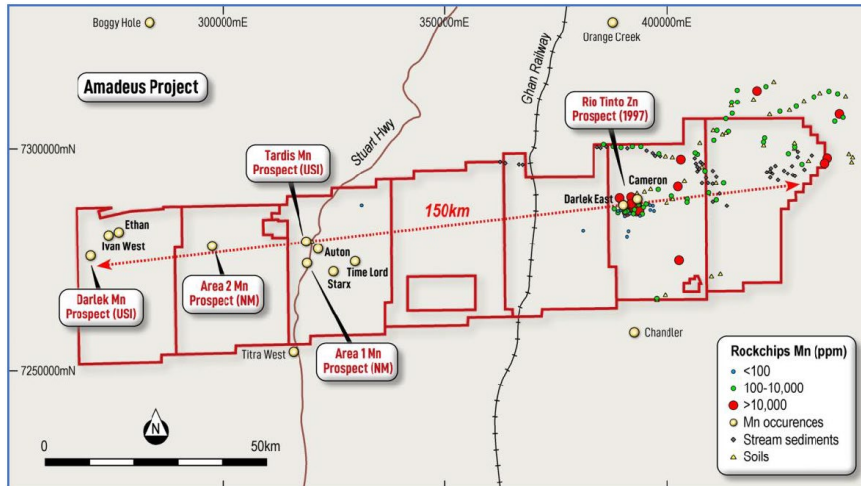


Figure 1: Location of Amadeus Project (Prospects defined to date (Mn >1% highlighted as red dots))

The Arunta Block is divided into three Provinces (Northern, Central and Southern), but only the Central and Southern lie within the Amadeus Project area. The Central and Southern Provinces are separated by the WNW trending Redbank Thrust Zone (RTZ). The RTZ is a high-strain zone of anastomosing shears that separate granulite-facies rocks of the Central Province from amphibolite-facies rocks of the Southern Province.

The Amadeus Basin represents a relic of sediments that covered Central Australia from the Neoproterozoic to the end of the Devonian. It consists of a basal unit of Heavitree Quartzite with an overlying Bitter Springs Formation. Unconformably overlying these basal units are the Areyonga, Pioneer, and Pertatataka Formations. These units are then unconformably overlain by the Arumbera Sandstone. Several units of clastic and carbonate rocks have been deposited from the Cambrian through to the Devonian.

The Amadeus Project geology comprises an intracratonic Proterozoic basin. It overlies the Palaeo-Mesoproterozoic basement of the Musgrave Province to the south and the Arunta Region to the north (Edgoose, 2012) Lindsay (1987) has identified that the Late Proterozoic basin appears to have consisted of two major poorly circulated anoxic sub-basins, which perhaps opened to the ocean in the south. Because of this disconnection to the ocean the salinity of the basin waters was often high and on occasion hypersaline. During at least two periods the salinity was high enough to form thick evaporate units. Both oxygen availability in the sea and salinity has important roles to play the formation of manganese deposits.

The two main potential source rocks for the manganese in the Amadeus come from the Arunta Region (North) and from the Musgrave Province (South). It is considered that the Mn contents in specific lithologies within both these terranes could have provided sufficient material for Mn mineralisation to develop in the Amadeus Basin via sedimentation and reworking.

In addition historical RAB drilling by Rio Tinto Exploration identified zinc and cobalt anomalies within the Amadeus Project area (Figure 2). No further work has been completed to investigate these anomalies.

Exploration during the period comprised a review of historical exploration across the Amadeus Project as well as open file datasets available over the project area. The Group plans to carry out drilling at Amadeus during 2023.

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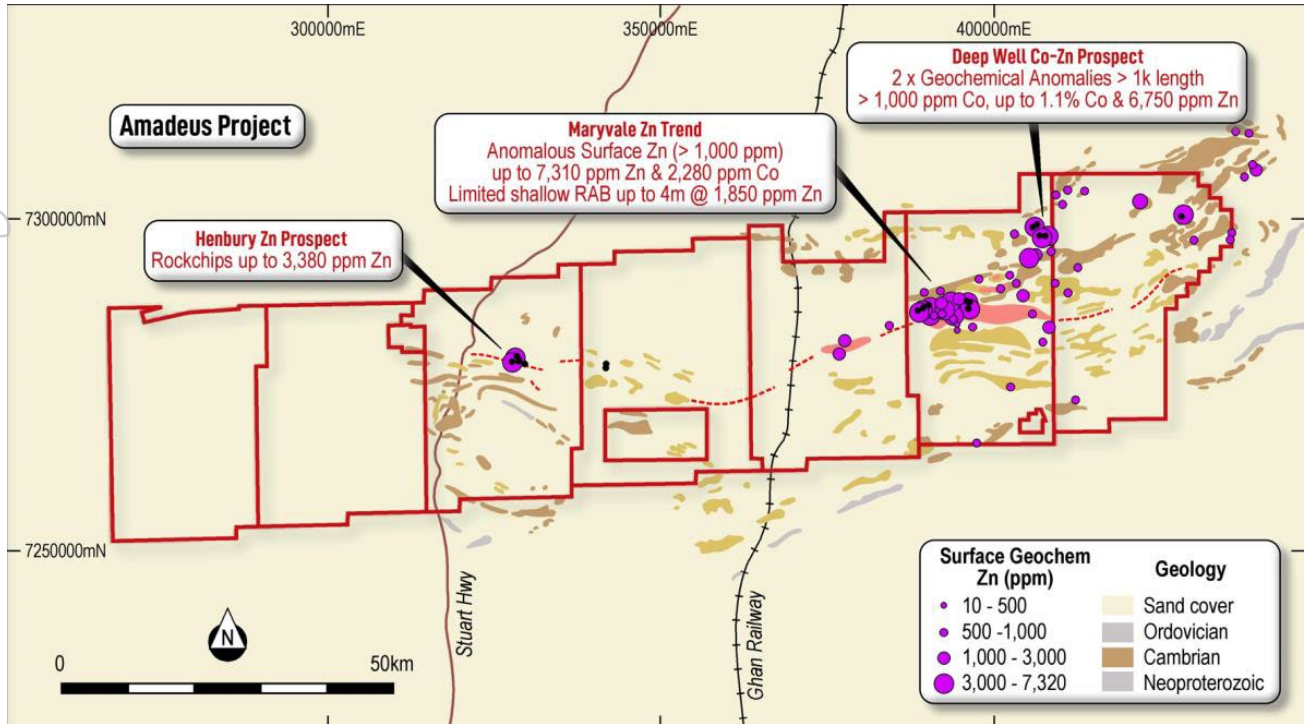


Figure 2: Summary of base metal anomalies identified in historical exploration at Amadeus.

Nolans East Project

The Nolans East Project is located 15km south east of the Nolans Bore deposit owned by Arafura Resources Limited (**Arafura**) (Figure 3). A Mineral Resource of 56 million tonnes at an average grade of 2.6% total rare earth oxides (**TREO**) and 11% phosphate (P_2O_5) has been defined by Arafura at Nolans Bore¹. According to Arafura, neodymium-praesidium oxides ($Nd_2O_3+Pr_2O_3$, **NdPr**) make up 26% of the TREO content at Nolans Bore. Nolans Bore is a complex stockwork vein-style deposit with mineralisation occurring in two stages (1) massive to granular fluorapatite with inclusions of rare earth element (**REE**) silicates, phosphates and (fluoro) carbonates, and (2) calcite-allanite with accessory REE-bearing phosphate and (fluoro) carbonate minerals that vein and brecciate the earlier stage². Nolans Bore was discovered by mapping and sampling of these veins at surface. At Nolans East, the project area is over 90% covered with shallow sand cover with limited outcrop³. During the half-year, the Group completed an initial low impact exploration program which successfully identified anomalous REE content at surface (refer to ASX announcement 24 January 2023).

Assays from surface samples over an initial 2 km by 1 km returned a significant number of anomalous results with 41 of 170 samples returning > 500ppm TREO (refer Figure 2). The anomalous samples define an aggregate strike length of almost 2 kilometres. The anomalies are interpreted to trend WNW – ESE parallel to the regional structural trend (Figure 2).

The Group plans to complete an expanded surface sampling programme over a wider area to better define the anomalism quantitatively and spatially.

¹ <https://www.arultd.com/projects/nolans.html>

Also ARU ASX Announcement 7 June 2017 (Detailed Resource Assessment Completed)

² Refer Huston, D.L., Maas, R., Cross, A. et al. The Nolans Bore rare-earth element-phosphorus-uranium mineral system: geology, origin and post-depositional modifications. *Miner Deposita* 51, 797–822 (2016). Also Independent Geologists Report, ASX Announcement 11 October 2022.

³ Refer Independent Geologists Report, ASX Announcement 11 October 2022.

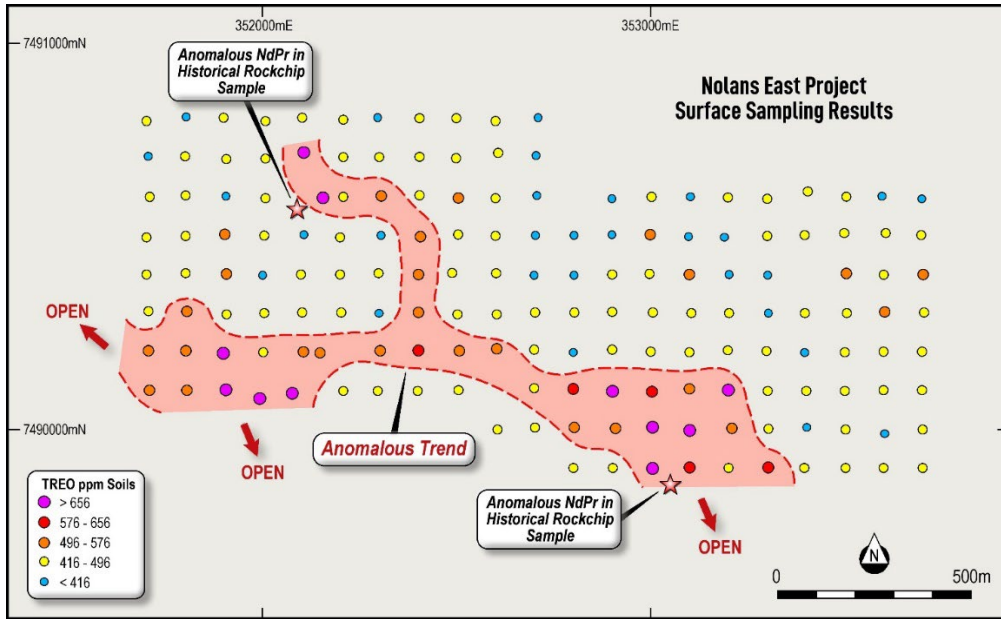


Figure 2: Results from surface sampling at Nolans East Project.

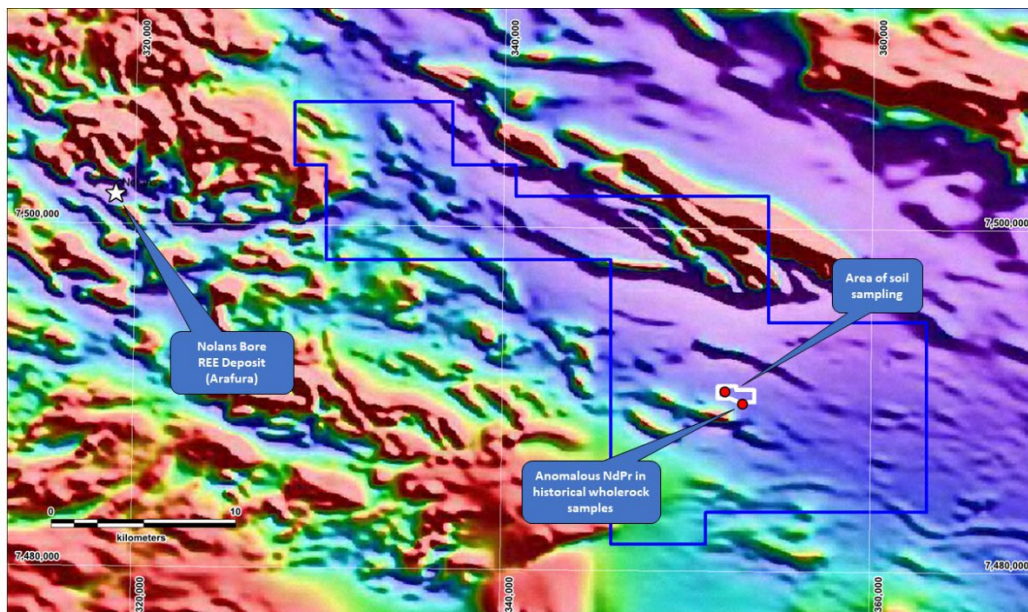


Figure 3: Initial target area at the Nolans East Project over magnetics (TMI - NTGS data).

Coomarie Project

The Coomarie Project is located approximately ~600km from Alice Springs, near the border with Western Australia and Northern Territory. The Project is located in the Tanami Region, which is the one of the most important tectonic units in the North Australian Craton, and has a stratigraphic succession which shows similarities with the Pine Creek and Halls Creek Orogens, other Paleoproterozoic successions in northern Australia. The Tanami Region is emerging as a potentially significant supplier of rare earth elements (REE) for global consumption due to the success of Northern Minerals (ASX:NTU) and PVW Minerals (ASX:PVW). Coomarie Dome is just 30 kilometres from PVW's Watts Rise heavy rare-earth element (**HREE**) discovery.

Within the region, the MacFarlane Peak Group, interpreted to be the basal unit of the Paleoproterozoic sequence, is dominated by volcanic and volcanoclastic rocks, along with clastic and calc-silicate sediments. These are overlain by siltstone, carbonaceous shale, calc silicates and BIF of the Dead Bullock Formation. This in turn is overlain by a thick sequence of turbidites, known as the Killi Formation. Interbedded siltstone, greywacke, and chert west of Tanami are included in the Twigg Formation. The latter three units are grouped together in the Tanami Group.

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REE mineralisation within the Tanami Region is hosted at unconformities between older metamorphic rocks associated with granitic intrusions and younger sediments (for example Browns Ridge (ASX.NTU)⁴, Watts Ridge-Castella (ASX.PVW)⁵ and Mount Mansbridge (ASX.RMX)⁶). Mineralisation is often controlled by faults which cross cut the unconformity and are interpreted to have controlled fluid flow.

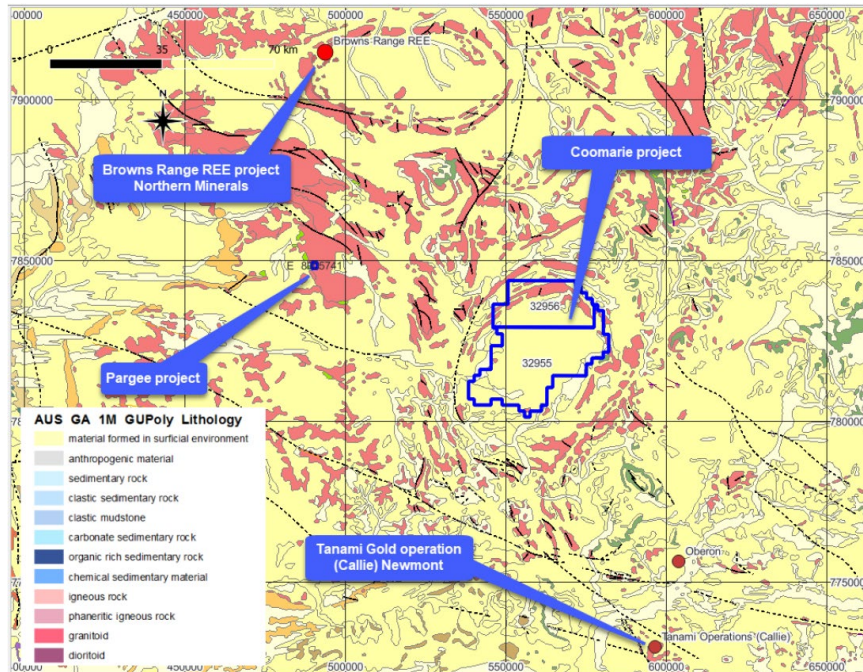


Figure 4: Pargee and Coomarie Projects relative to major resources in region.

The Project is defined by a large negative magnetic anomaly ~50km in diameter known as the Coomarie Dome. This is interpreted by geophysics as a large composite intrusive body. The Coomarie Dome granitoid is only known from limited drillcore, which makes correlation difficult. The Group owns the entire domal structure at Coomarie and is able to pursue a similar exploration strategy to NTU's "Own the Dome" strategy⁴.

During the period, the Group engaged Southern Geoscience to acquire and reprocess available geophysical data across the Coomarie Dome with the aim of delineating targets for initial work. Geophysical data will be used to identify the granite-sediment contact and structures cross-cutting the contact. In addition, imagery of radiometric data using different channels and ratios will be reviewed to enable ranking of magnetic targets as well as generate additional areas of interest. Following generation of targets at Coomarie Dome, the Group will initiate ground activities at which will comprise collected detailed surface geochemical and geophysical data from the areas of interest.

Pargee Project

The Pargee Project is located 70km west of the Coomarie Project along the Tanami Road and then 50km north of the Tanami Road. The Project is located towards the western end of the Granites – Tanami Inlier, which is a highly deformed and metamorphosed, Palaeoproterozoic block of rocks approximately 250km long and 100km wide. Most of the area of the Pargee Project is interpreted to be underlain by lithologies of the Killi to the east and Lower Stubbins Formation to the west as well as the Upper Stubbins Formation and a folded dolerite unite in the centre. An undifferentiated gneiss and to a minor degree a granite underlay the western portion.

There has been no recorded exploration and mineralisation over the Pargee Project.

⁴ NTU.ASX Announcement 9 June 2022 (Corporate Presentation)

⁵ PVW.ASX Announcement 1 November 2022 (Presentation – Australian Rare Earth Conference)

⁶ RMX.ASX Announcement 19 July 2022 (Group Presentation July 2022)

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DIRECTORS' REPORT

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the period, other than those matters described above.

Matters Subsequent to the End of the Financial Period

Exploration

On 24 January 2023, the Group announced assay results from the Nolans East Project surface samples which returned a significant number of anomalous results with 41 of 170 samples returning >500ppm total rare earth oxides.

Corporate

There have been no other matters or circumstances that have arisen since 31 December 2022 to the date of this report 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.

Information on Directors

Alec Pismiris

B.Comm, MAICD, FGIA, FCIS

Executive Chairman

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and/or company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Appointed:	1 November 2021
Other listed board memberships:	Agrimin Limited, Sunshine Gold Limited, The Market Herald Limited, Paxton Gold Inc (TSX-V)
Previous listed board memberships in the last 3 years:	Lanthanein Resources Limited (formerly Frontier Resources Limited), Javelin Minerals Limited (formerly Victory Mines Limited).
Interest in shares at the date of this report:	311,750
Interest in options at the date of this report:	1,136,750

William Oliver

BSc. (Hons), GDipAppFin, MAIG, MAusIMM

Non-Executive Director

Mr Oliver is a geologist with over 20 years of experience in the international resources industry working for both major and junior companies. Mr Oliver has an enviable track record in project evaluation and has been involved with a number of transactions involving assets across a range of commodities. His geological experience ranges across all aspects of exploration, the design, evaluation and implementation of resource definition programmes as well as resource modelling and inputs into all levels of mining and feasibility studies. In addition, Mr Oliver has served as director of a number of ASX listed companies and is familiar with the requirements of the ASX Listing Rules and the JORC Code. He is a member of the Australasian Institute of Mining and Metallurgists and the Australian Institute of Geoscientists and holds an honours degree in Geology from the University of Western Australia as well as a post-graduate diploma in finance and investment from FINSIA.

Appointed:	1 November 2021
Other listed board memberships:	Nil
Previous listed board memberships in the last 3 years:	Aldoro Resources Limited, Celsius Resources Limited, Vulcan Energy Resources Limited (formerly Koppar Resources Limited, and Vandadium Resources Limited (formerly Tando Resources Limited).
Interest in shares at the date of this report:	175,000
Interest in options at the date of this report:	525,000



DIRECTORS' REPORT

Scott Deakin **B.Comm, GAICD, Grad Dip MinExplGeoSc**

Non-Executive Director

Mr Deakin has over 12 years' experience working in the exploration and resources sector. He is a director and general manager of Mining People International, specialising in technical and executive mining consulting across the breadth of industry, spanning junior explorers to international producers. His focus of responsibility includes business development, executive recruitment, commercial and business management, affording him an extensive network within the resources industry. Mr Deakin holds a commerce degree from Curtin University, a Graduate Diploma in Mineral Exploration and Geoscience from Curtin University's West Australian School of Mines and is currently undertaking the Australian Institute of Company Directors program.

Appointed:	1 November 2021
Other listed board memberships:	Nil
Previous listed board memberships in the last 3 years:	Nil in the last three years
Interest in shares at the date of this report:	900,000
Interest in options at the date of this report:	575,000

Company Secretary

Alec Pismiris **B.Comm, MAICD, FGIA, FCIS**

Company Secretary – appointed on incorporation, 1 November 2021, and resigned 13 July 2022

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and/or company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Melanie Ross **CA, B.Comm**

Company Secretary – appointed 13 July 2022

Mrs Ross is an accounting and corporate governance professional with over 18 years' experience in financial accounting and analysis, audit, business and corporate advisory services in public practice, commerce and state government. Ms Ross is currently a director of a corporate advisory company based in Perth that provides corporate and other advisory services to public listed companies.

Rounding of amounts to nearest thousand dollars

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the directors:

Alec Pismiris
Executive Chairman

10 March 2023
Perth

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BUBALUS RESOURCES LIMITED AND ITS
CONTROLLED ENTITIES**

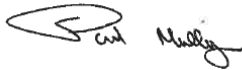
In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:

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

This declaration is in respect of Bubalus Resources Limited and the entities it controlled during the period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



Paul Mulligan
Executive Director
10 March 2023

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	Notes	31 December 2022 \$	For the period 1 November 2021 to 31 December 2021 (Unreviewed) \$
Other income		29,019	-
Legal fees		(55,359)	-
Audit fees		(24,835)	-
Consulting and accounting services		(103,072)	(657)
Other administration expenses		(95,735)	(512)
Director's fees		(31,366)	-
Non-capital exploration expenditure	4	(7,489)	-
Share-based payments	8	(202,000)	-
Loss before income tax		(490,837)	(1,169)
Income tax expense		-	-
Loss for the period		(490,837)	(1,169)
Other comprehensive income		-	-
Total comprehensive loss for the period		(490,837)	(1,169)
Loss per share			
Basic and diluted loss per share (cents)		(2.50)	(11.18)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**



		31 December 2022	30 June 2022
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	2	4,395,844	304,551
Trade and other receivables	3	96,038	622
Total current assets		4,491,882	305,173
Non-current assets			
Exploration and evaluation expenditure	4	376,115	-
Total non-current assets		376,115	-
Total assets		4,867,997	305,173
LIABILITIES			
Current liabilities			
Trade and other payables	6	59,483	75,300
Total current liabilities		59,483	75,300
Total liabilities		59,483	75,300
Net assets		4,808,514	229,873
EQUITY			
Issued capital	7	4,762,799	349,821
Reserves	9	656,500	-
Accumulated losses		(610,785)	(119,948)
Total equity		4,808,514	229,873

The accompanying notes form part of this interim financial report.

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



	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at incorporation 1 November 2021	89,235	-	-	89,235
Loss after income tax for the period	-	-	(1,169)	(1,169)
Total comprehensive loss for the period	-	-	(1,169)	88,066
Transactions with owners in their capacity as owners				
Share issue	-	-	-	-
Share issue costs	-	-	-	-
Share based payments	-	-	-	-
Balance at 31 December 2021 (Unreviewed)	89,235	-	(1,169)	88,066

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	349,821	-	(119,948)	229,873
Loss after income tax for the period	-	-	(490,837)	(490,837)
Total comprehensive loss for the period	-	-	(490,837)	(490,837)
Transactions with owners in their capacity as owners				
Share issue	5,200,000	-	-	5,200,000
Share issue costs	(787,022)	-	-	(787,022)
Share based payments	-	656,500	-	656,500
Balance at 31 December 2022	4,762,799	656,500	(610,785)	4,808,514

The accompanying notes form part of this interim financial report.

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



	Notes	31 December 2022	For the period 1 November 2021 to 31 December 2021 (Unreviewed)
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(338,112)	(1,169)
GST paid		(43,799)	(66)
Net cash outflow from operating activities		(381,911)	(1,235)
Cash flows from investing activities			
Payments for exploration and evaluation		(156,038)	-
Net cash outflow from investing activities		(156,038)	-
Cash flows from financing activities			
Proceeds from issue of shares		5,000,000	89,235
Capital raising costs		(370,758)	-
Net cash inflow from financing activities		4,629,242	89,235
Net increase in cash held		4,091,293	88,000
Cash at the beginning of the financial period		304,551	-
Cash at the end of the financial period		4,395,844	88,000

The accompanying notes form part of this interim financial report.

1. Significant Accounting Policies

Basis of Preparation

The condensed consolidated half-year financial report (the "financial report") is a general purpose financial report that have been prepared in accordance with *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this financial report be read in conjunction with any public announcements made by Bubalus Resources Limited during the period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*, and the annual financial report for the period ended 30 June 2022 (included as an ASX announcement on 11 October 2022).

The principal accounting policies adopted are consistent with those disclosed in the annual financial report for the period ended 30 June 2022, except for those as disclosed below.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Comparative figures

The Company is not required to issue a half-year report for the half-year ended 31 December 2021 and consequently the comparative figures are unreviewed. The amounts included are for the period from 1 November 2021 (date of incorporation) to 31 December 2021, therefore may not be directly comparable.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The Group's significant accounting judgements, estimates and assumptions are consistent with those included within its annual financial report for the period ended 30 June 2022, unless otherwise stated in the notes to this financial report.

Principles of consolidation

The financial report incorporates the assets and liabilities of all subsidiaries of the Group as at 31 December 2022 and the results of all subsidiaries for the period then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the

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1. Significant Accounting Policies (continued)

impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

New and Revised Accounting Standards and Interpretations

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

2. Cash and Cash Equivalents

	31 Dec 2022 \$	30 Jun 2022 \$
<i>Cash and cash equivalents in the statement of financial position and statement of cash flows</i>		
Cash at bank and on hand	395,844	304,551
Short-term deposits	4,000,000	-
	4,395,844	304,551

3. Trade and Other Receivables

	31 Dec 2022 \$	30 Jun 2022 \$
GST receivable	44,421	622
Prepayments	22,598	-
Other debtors	29,019	-
	96,038	622

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4. Exploration and Evaluation

	31 Dec 2022
	\$
Exploration and evaluation – at cost	376,115
	376,115

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period is set out below:

	31 Dec 2022
	\$
Opening balance	-
Acquisition of Tomorrow Minerals Pty Ltd (Note 5)	182,386
Acquisition of Jarrah Nia Exploration Pty Ltd (Note 5)	120,999
Expenditure incurred during the period	80,219
Non-capital exploration expenditure	(7,489)
Closing balance	376,115

The Group currently holds a total of 9 tenements (Amadeus, Coomarie and Nolans East Projects) located in the Northern Territory. During the financial period, the Group acquired 11 tenements (two in application) through the issue of 1,000,000 shares at a deemed issue price of \$0.20 and shareholder loan repayments.

5. Asset Acquisition

On 7 October 2022, Bubalus Resources Limited acquired 100% of the issued shares of Tomorrow Minerals Pty Ltd for a cash consideration of \$82,386 and through the issue of 500,000 shares at a deemed issue price of \$0.20. Tomorrow Minerals Pty Ltd is an unlisted private company that was incorporated in Australia and owns the Amadeus Project (seven tenements) in the Northern Territory.

On 7 October 2022, Bubalus Resources Limited acquired 100% of the issued shares of Jarrah Nia Exploration Pty Ltd for a cash consideration of \$20,999 and through the issue of 500,000 shares at a deemed issue price of \$0.20. Jarrah Nia Exploration Pty Ltd is an unlisted private company that was incorporated in Australia and owns the Coomarie Project (one tenement and one in application) in the Northern Territory, the Pargee Project (one tenement in application) in Western Australia and the Nolans East Project (one tenement) in the Northern Territory.

The transactions outlined above were accounted for asset acquisitions rather than as business combinations, as it was determined that the acquired net assets of Tomorrow Minerals Pty Ltd and Jarrah Nia Exploration Pty Ltd did not constitute a business.

When an asset acquisition does not constitute a business combination, assets and liabilities are assigned a carrying amount based on the relative fair value of the assets acquired and liabilities assumed. No deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

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5. Asset Acquisition (continued)

Details of the transactions outlined above are as follows:

	31 Dec 2022 \$
<i>Purchase Consideration:</i>	
Cash consideration	103,385
1,000,000 Shares issued to vendors (Note 7)	200,000
Total purchase consideration	303,385
<i>Fair Value</i>	
Exploration and evaluation expenditure (Note 4)	303,385
Net assets acquired	303,385

6. Trade and Other Payables

	31 Dec 2022 \$	30 Jun 2022 \$
Trade creditors	43,073	31,202
Accrued expenses	13,900	44,098
Other creditors	2,510	-
	59,483	75,300

7. Issued Capital

	31 Dec 2022 \$	30 Jun 2022 \$
Ordinary shares – issued and fully paid	4,762,799	349,821
<i>Movement in ordinary shares on issue</i>		
On issue at 30 June 2022	7,661,750	349,821
Shares issued under the Initial Public Offer Prospectus – 7 October 2022 (Note 8)	25,000,000	5,000,000
Shares issued to vendors – 7 October 2022 (Note 5)	1,000,000	200,000
Transactions costs	-	(787,022)
On issue at 31 December 2022	33,661,750	4,762,799

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8. Share Based Payment Transactions

	31 Dec 2022 \$	30 Jun 2022 \$
2,000,000 Options – recognised as a Share-based Payment Expense - (a)	202,000	-
4,500,000 Options – recognised in Equity (share issue costs) – (b)	454,500	-
	656,500	-

During the IPO at 24 August 2022, the Company issued the following new options:

- (a) 2,000,000 options to the Directors (and/or their respective nominees) as part of their respective remuneration packages; and
- (b) 4,500,000 options to Inyati Capital Pty Ltd (and/or its nominees), the Lead Manager in consideration for the services provided during the IPO.

Option Pricing Model

Options issued during the current period we valued using a Black-Scholes option pricing model utilising the following valuation model inputs to determine their fair value at grant date:

Grant date	Vesting date	Expiry date	Share price at grant date \$	Exercise price \$	Expected volatility %	Dividend yield %	Risk-free interest rate %	Number of Options	Fair Value at grant date \$	Total Value \$
7/10/2022	Nil	11/10/2026	0.20	0.40	87	-	3.53	6,500,000	0.1010	656,500

The options vested upon issue.

9. Reserves

	31 Dec 2022 \$	30 Jun 2022 \$
<i>Share-based payments reserve consists of:</i>		
Share options	656,500	-
At closing of reporting period	656,500	-

	Number	Number
<i>Movement in options on issue:</i>		
At beginning of reporting period	6,061,750	-
Options issued – seed investors	-	6,061,750
Options issued – brokers	4,500,000	-
Options issued - Directors	2,000,000	-
Balance at end of reporting period	12,561,750	6,061,750

Options and performance rights granted carry no dividend or voting rights.

10. Related Parties

Mr Alec Pismiris, a Director of the Group, is also an officer of Lexcon Services Pty Ltd, a company who provides consulting services to the Group. During the half-year, \$17,671 (31 December 2021: \$nil) was paid to Lexcon Services Pty Ltd for consulting services provided to the Group. All transactions were made on normal commercial terms and conditions, and at market rates.

Mr William Oliver, a Director of the Group, is also an officer of Billandbry Consulting Pty Ltd, a company who provides consulting services to the Group. During the half-year, \$13,304 (31 December 2021: \$nil) was paid to Billandbry Consulting Pty Ltd for consulting services provided to the Group. All transactions were made on normal commercial terms and conditions, and at market rates.

11. Commitments for Expenditure

Exploration and Evaluation

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

The Company has tenement expenditure commitments of:

	31 Dec 2022	30 Jun 2022
	\$	\$
- Not later than 12 months	333,886	-
- Between 12 months and 5 years	2,459,944	-
	2,793,830	-

12. Events After the Reporting Date

Exploration

On 24th January 2023, the Group announced assay results from the Nolans East Project surface samples which returned a significant number of anomalous results with 41 of 170 samples returning >500ppm total rare earth oxides.

Corporate

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Group the results of those operations, or the state of affairs of the Group in future financial years.

13. Contingent Assets and Liabilities

Contingent assets

The Group had no contingent assets as at 31 December 2022.

Contingent liabilities

The Group had no contingent liabilities as at 31 December 2022.

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14. Operating Segments

The Group is organised into one operating segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates as a single segment which is mineral exploration and in a single geographical location which is Australia.

15. Dividends

The Group has not declared nor paid a dividend for the period.

16. Controlled Entities

The ultimate legal parent entity of the Group is Bubalus Resources Limited, incorporated and domiciled in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies.

Controlled Entities	Country of Incorporation	Percentage Owned	
		31 Dec 2022	30 Jun 2022
Tomorrow Minerals Pty Ltd	Australia	100%	-
Jarrah Nia Exploration Pty Ltd	Australia	100%	-

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DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Alec Pismiris
Executive Chairman

10 March 2023

Perth

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BUBALUS RESOURCES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Bubalus Resources Limited, (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed 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:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Matter

We draw attention to the fact that the comparative information for the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of cash flows, and related notes in the half-year financial report is unreviewed.

Our review conclusion is not impacted because of this matter.

Responsibility of the Directors for the Financial Report

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

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BUBALUS RESOURCES LIMITED**

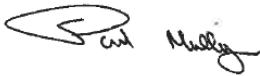
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A PTY LTD

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PAUL MULLIGAN
Executive Director
Perth, 10 March 2023