

Ookami Limited

ABN 67 009 081 770

Condensed Interim Report - 31 December 2022

This report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, finance position and financing and investing activities of Ookami Limited as the full financial report. Accordingly, this report should be read in conjunction with the annual financial report of Ookami Limited for the year ended 30 June 2022. It is also recommended that this financial report be considered together with any public announcement made by Ookami Limited during the half-year ended 31 December 2022, in accordance with the continuous disclosure requirements of the Corporations Act 2001, including its quarterly reports lodged with the Australian Securities Exchange.

Directors	John Ciganek (Non-Executive Chairman) Joseph van den Elsen (Non-Executive Director) Andrew Law (Non-Executive Director)
Company secretary	Justin Mouchacca
Registered office	Level 21, 459 Collins St, Melbourne, Victoria 3000
Share register	Automic Registry Services Level 2, 267 St Georges Terrace Perth, WA 6000
Auditor	Pitcher Partners BA&A Pty Ltd Level 11, 12-14 The Esplanade Perth, WA 6000
Stock exchange listing	Australian Securities Exchange Limited Level 40, Central Park 152-158 St Georges Terrace Perth, WA 6000
ASX Code	(ASX code: OOK and OOKOB)

For personal use only

The Directors' present their report, together with the financial statements of Ookami Limited (**the Company**) and controlled entities (**the Group**) for the half-year ended 31 December 2022 and the auditor's report thereon.

Directors

The names of Directors in office at any time during the half-year and to the date of this report are set out below. Directors were in office for this entire half-year unless otherwise stated.

Name	Position
Joseph van den Elsen	Managing Director and Chief Executive Officer transitioned to Non-Executive Director on 1 January 2023
John Ciganek	Non-Executive Chairman
Andrew Law	Non-Executive Director
Emmanuel Correia	Non-Executive Director (resigned 22 November 2022)

Principal activities

Ookami Limited is a ASX listed Company focused on West African mineral exploration and development. The principal activities of the Company are to acquire potential exploration tenements and for the half-year ended 31 December 2022, the Company has focused on the exploration and assessment of the areas known as the Boulbi Project and the Messok East Project, located in Senegal and Cameroon respectively. Refer to Review of Operations and Significant Changes in State of Affairs for further information on the Group's recent activities.

Review of operations

i. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the half-year of \$1,759,816 (31 December 2021: \$394,429) and had net assets of \$4,914,876 as of 31 December 2022 (30 June 2022: \$7,133,452).

As at 31 December 2022, the Group has cash and cash equivalents of \$4,495,178 and positive working capital of \$4,447,317 (30 June 2022: \$5,166,580).

ii. Operations Review

Boulbi Project

The Boulbi Project is located in the Tambacounda region of eastern Senegal, adjacent to the borders with both Mali and Mauritania, and can be accessed by sealed roads from Dakar, the Senegalese capital.

The Company held a 51% interest in the Boulbi Project as at 30 June 2022 with the ability to increase its interest to 70% by way of an earn-in agreement.

During the half-year, the Boulbi Project work program mobilised and the Company engaged a local Senegalese firm to prepare an environmental assessment in support of ongoing exploration efforts and permit renewal. The Company will not satisfy the minimum expenditure requirement to earn a 70% interest in the Boulbi Project from its current 51%, and as a result, under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Ltd, the Company's interest in the Boulbi Project will formally dilute to 49%. As a consequence, and in conjunction with other factors, management has determined that the Group no longer controls the Boulbi Project and has deconsolidated it for accounting purposes from the 19th December 2022, being the date the Group determined it lost control.

Messok East Project

The Company holds a 100% interest in the Messok East Project, comprised of one exploration permit and three applications for exploration permits prospective for Co-Ni laterite mineralization.

During the half-year, the Group commenced a follow-up work program mapping and sampling the previously identified exploration targets. Following the external consultant review, management has concluded that the assay results indicate low prospectivity for Ni-Co laterite mineralisation and that, at this stage, further exploration of the Messok East Project is not warranted. Consequently, the Group intends to discontinue its interest by not seeking to renew the granted permit when it stands for renewal in April 2023.

Significant changes in the state of affairs

i. Management changes

On 22 November 2022, Mr. Emmanuel Correia resigned as a Non-Executive Director of the Company.

ii. Coronavirus (COVID19)

The Group continues to manage the ongoing COVID-19 situation. There have not been any significant adverse financial or operational impacts to date on the Group.

iii. Acquisition of advanced lithium exploration project

On 3 November 2022, the Company entered into the share sale agreement (**the SSA**) to acquire 100% of the issued share capital of First Lithium Pty Ltd (**First Lithium**) (**Proposed Acquisition**). First Lithium has, in turn, entered into an agreement to acquire the entire issued share capital of Intermin Mali Lithium Holdings (**Intermin**), a Company incorporated in Mauritius, which through its wholly owned subsidiary Intermin Mali SARL (**Intermin Mali**) holds a 100% interest in two lithium mineral bearing permits, Faraba and Gouna (**the Mali Lithium Project**) (**Intermin Acquisition**). The Mali Lithium Project covers a combined area of 175km² in the Sikasso region of Mali, West Africa.

Under the key terms of the SSA, in consideration for the Proposed Acquisition, the Company has agreed to issue First Lithium:

- (a) an aggregate of 43,625,000 Company's ordinary shares at \$0.20 each;
- (b) 15,000,000 performance shares, subject to milestones¹; and
- (c) 30,500,000 options exercisable at \$0.30 each on or before the date which is 3 years from the date of issue.

¹ The performance shares proposed to be issued will vest upon the Company announcing a JORC 2012 compliant Mineral Resource Estimate of inferred level or greater on the Mali Lithium Project of at least:

- (a) 10MT at a minimum cut-off grade of 1.1% Li₂O within 2 years of completion of the Proposed Acquisition; or
- (b) 15 MT at a minimum cut-off grade of 1.1% Li₂O within 3 years of completion of the Proposed Acquisition.

The completion of the Proposed Acquisition is conditional on certain conditions being satisfied as follows:

- (a) The Company and First Lithium having obtained all regulatory consents and approvals which are necessary for the Proposed Acquisition, including all approvals required from the ASX;
- (b) Completion of technical, financial and legal due diligence of all parties on or prior to the date that is 2 months from the date of execution of the SSA;
- (c) Settlement and completion of the Intermin Acquisition occurring immediately prior to settlement and completion of the Proposed Acquisition; and
- (d) The Company lodging a prospectus with ASIC for a public offer of not less than \$2,000,000 through the issue of shares at \$0.20 per share within 4 months of execution of the SSA.

As at 31 December 2022, the conditions noted above had not been satisfied and hence the Proposed Acquisition had not been completed as at that date. The Company anticipates that a General Meeting to approve the Proposed Acquisition will be held in late March 2023 when all conditions have been satisfied.

iv. Dilution of Boulbi Project

The Group will not satisfy the minimum expenditure requirement of at least US\$750,000 on the Boulbi Project within 24 months post re-admission to the ASX and mobilisation of a 5,000-metre drilling campaign within 12 months from the Joint Venture Agreement commencement date (9 July 2021).

Under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Limited, the Group's interest in the Boulbi Project will therefore formally dilute from its current 51%, to 49%. As a consequence, and in conjunction with other factors, management has determined that the Group no longer controls the Boulbi Project and has deconsolidated it for accounting purposes from the 19th December 2022, being the date the Group determined it lost control.

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

Dividends

There were no dividends paid, recommended or declared during the current or previous half-year.

Risk management

There have been no material changes to the descriptions of the Group's risk management framework as outlines in the annual report as at 30 June 2022.

Matters subsequent to the end of the half-year

On 1 January 2023, Mr. Joseph van den Elsen transitioned from Managing Director and CEO to Non-Executive Director.

Subsequent to the half-year, the Group entered into negotiations to sell its 49% interest in the Boulbi Project to the Boulbi Project vendors for nominal consideration of \$1.

On 28 February 2023, the Company announced that a dispute has arisen in respect to its obligation to sole fund the Boulbi Project pursuant to the terms of the applicable earn-in and shareholders agreement (**Earn-in and Shareholders Agreement**) with the other shareholders in the joint venture entity. The Company considers the basis of the claims to be without merit and the formal dispute resolution procedure under the Earn-In and Shareholders Agreement has been invoked.

Other than disclosed elsewhere in the Directors' report, no other matter or circumstance has arisen since 31 December 2022 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.

Auditor's independence declaration

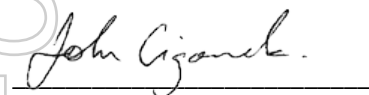
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Rounding of amounts

In accordance with ASIC Corporations (*Rounding in Financial/Director's Reports*) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



John Ciganek
Non-Executive Chairman

14 March 2023

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF OOKAMI 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 Ookami Limited and the entities it controlled during the period.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

Michael Fay

MICHAEL FAY
Executive Director
Perth, 14 March 2023

For personal use only

Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	13
Notes to the consolidated financial statements	14
Directors' declaration	24
Independent auditor's review report to the members of Ookami Limited	25

General information

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

Ookami Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Registered Office

Level 21, 459 Collins St,
Melbourne, Victoria 3000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 14 March 2023.

Ookami Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	31 December 2022 \$	31 December 2021 \$
Interest Income		15,401	3,540
Expenses			
Compliance and regulatory costs		(27,142)	(17,029)
Debt written off		(77,352)	-
Director fees		(66,933)	(45,000)
Exploration expenditure expenses		(264,533)	(184,366)
Impairment of exploration and evaluation assets	8	(493,662)	-
Insurance expense		(22,852)	(20,961)
Professional fees		(88,596)	(65,518)
Share-based payment expense	11	(55,134)	(48,251)
Transaction costs		(194,097)	(6,603)
Other expenses		(17,440)	(31,914)
Operating loss		(1,292,340)	(416,102)
Share of profits/(losses) of associates accounted for using the equity method		-	-
(Loss) before income tax expense from continuing operations		(1,292,340)	(416,102)
Income tax expense		-	-
(Loss) after income tax expense from continuing operations		(1,292,340)	(416,102)
(Loss) after income tax expense from discontinued operations	13	(467,476)	21,673
(Loss) after income tax expense for the half-year		(1,759,816)	(394,429)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss in subsequent half-year (net of tax):</i>			
Exchange differences on translation of foreign operations		-	622
Other comprehensive income for the half-year, net of tax		-	622
Total comprehensive (loss) for the half-year		<u>(1,759,816)</u>	<u>(393,807)</u>
(Loss) for the half-year is attributable to:			
Non-controlling interest		1,912	(240)
Owners of the Company		(1,761,728)	(394,189)
		<u>(1,759,816)</u>	<u>(394,429)</u>

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

Ookami Limited
 Consolidated statement of profit or loss and other comprehensive income
 For the half-year ended 31 December 2022



Note	31 December 2022 \$	31 December 2021 \$
Total comprehensive (loss) for the half-year is attributable to:		
Non-controlling interest	1,912	(177)
Owners of the Company	<u>(1,761,728)</u>	<u>(393,630)</u>
	<u>(1,759,816)</u>	<u>(393,807)</u>
	<u>(1,759,816)</u>	<u>(393,807)</u>
	Cents	Cents
Loss per share from continuing operations attributable to the Owners of the Company		
Basic loss per share	(2.84)	(1.10)
Diluted loss per share	(2.84)	(1.10)
Loss per share from discontinued operations attributable to the Owners of the Company		
Basic (loss)/earnings per share	(1.03)	0.06
Diluted (loss)/earnings per share	(1.03)	0.06
Loss per share attributable to the Owners of the Company		
Basic loss per share	(3.88)	(1.04)
Diluted loss per share	(3.88)	(1.04)

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

	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		4,495,178	5,215,390
Trade and other receivables		23,131	28,550
Other assets		43,118	38,405
		<u>4,561,427</u>	<u>5,282,345</u>
Investment in associates	6	1	-
Total current assets		<u>4,561,428</u>	<u>5,282,345</u>
Non-current assets			
Financial assets at fair value through OCI	7	466,620	466,620
Property, plant and equipment		939	1,715
Exploration and evaluation assets	8	-	1,498,537
Total non-current assets		<u>467,559</u>	<u>1,966,872</u>
Total assets		<u>5,028,987</u>	<u>7,249,217</u>
Liabilities			
Current liabilities			
Trade and other payables		114,111	115,765
Total current liabilities		<u>114,111</u>	<u>115,765</u>
Total liabilities		<u>114,111</u>	<u>115,765</u>
Net assets		<u>4,914,876</u>	<u>7,133,452</u>
Equity			
Issued capital	9	34,715,895	34,724,514
Reserves	10	(295,779)	(350,082)
Accumulated losses		<u>(29,505,240)</u>	<u>(27,712,901)</u>
Equity attributable to the Owners of the Company		4,914,876	6,661,531
Non-controlling interest		-	471,921
Total equity		<u>4,914,876</u>	<u>7,133,452</u>

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

Ookami Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022



	Issued Capital	Financial assets at fair value through OCI reserve	Share Based Payment Reserve	Translation Reserve	Accumulated Losses	Non- controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	27,439,194	(270,697)	48,900	-	(26,773,956)	-	443,441
(Loss) after income tax expense for the half-year	-	-	-	-	(394,189)	(240)	(394,429)
Other comprehensive income for the half-year, net of tax	-	-	-	559	-	63	622
Total comprehensive (loss) for the half-year	-	-	-	559	(394,189)	(177)	(393,807)
Transactions with Owners recognised directly in equity:							
Issue of ordinary shares related to the Capital Raise during the half- year	5,777,788	-	-	-	-	-	5,777,788
Issue of ordinary shares related to the Transaction during the half- year	1,000,000	-	-	-	-	-	1,000,000
Costs related to the Capital Raise during the half-year	(568,128)	-	60,455	-	-	-	(507,673)
Options and management performance rights expensed during the half-year	-	-	48,252	-	-	-	48,252
Non-controlling interest arising from the Transaction during the half-year	-	-	-	-	-	472,254	472,254
Balance at 31 December 2021	<u>33,648,854</u>	<u>(270,697)</u>	<u>157,607</u>	<u>559</u>	<u>(27,168,145)</u>	<u>472,077</u>	<u>6,840,255</u>

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

Ookami Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022



	Issued capital	Financial assets at fair value through OCI reserve	Share based payment reserve	Translation reserve	Accumulated losses	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	34,724,514	(737,317)	386,055	1,063	(27,712,902)	472,039	7,133,452
(Loss)/profit after income tax expense for the half-year	-	-	-	-	(1,761,728)	1,912	(1,759,816)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-	-
Total comprehensive (loss) for the half-year	-	-	-	-	(1,761,728)	1,912	(1,759,816)
<i>Transactions with Owners in their capacity as Owners:</i>							
Cost Related to Capital Raise during the previous year	(8,619)	-	350	-	-	-	(8,269)
Options and management performance rights expensed during the half-year	-	-	55,134	-	-	-	55,134
Loss of control of subsidiary during the half-year	-	-	-	(1,063)	(30,611)	(473,951)	(505,625)
Balance at 31 December 2022	<u>34,715,895</u>	<u>(737,317)</u>	<u>441,539</u>	<u>-</u>	<u>(29,505,241)</u>	<u>-</u>	<u>4,914,876</u>

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

	Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(230,090)	(417,545)
Payments for software platform		-	(11,412)
Payments for integration costs		(182,123)	(179,132)
Payments for exploration evaluation		(284,675)	(199,755)
Interest received		14,799	220
Net cash (used in) operating activities		<u>(682,089)</u>	<u>(807,624)</u>
Cash flows from investing activities			
Net cash acquired on acquisition of assets		-	6,348
Net cash outflow on loss of control of subsidiary		(3,592)	-
Proceeds from sale of discontinued operations, net of cash disposed		-	19,900
Net cash (used in)/from investing activities		<u>(3,592)</u>	<u>26,248</u>
Cash flows from financing activities			
Proceeds from issue of Shares	9	-	5,777,788
Transaction costs on issue of Shares and Options		(17,990)	(491,131)
Prepaid transaction cost on Proposed Acquisition		(16,541)	-
Proceeds from borrowings		-	3,696
Repayment of loan to Director		-	(78,496)
Repayment of interest and establishment fee for the loan from Director		-	(10,945)
Net cash (used in)/from financing activities		<u>(34,531)</u>	<u>5,200,912</u>
Net (decrease)/increase in cash and cash equivalents		(720,212)	4,419,536
Cash and cash equivalents at the beginning of the half-year		5,215,390	-
Cash and cash equivalents at the end of the half-year		<u><u>4,495,178</u></u>	<u><u>4,419,536</u></u>

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

Note 1. Reporting Entity

This condensed consolidated financial report of Ookami Limited (**the Company**) and its subsidiaries (**the Group**) for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 14 March 2023.

Ookami Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

Note 2. Significant accounting policies

This condensed consolidated financial report does not include the 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.

It is recommended that this condensed consolidated financial report is read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Company during and since the end of the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The condensed consolidated financial report is prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting (AASB 134)*. Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

The condensed consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of certain financial assets.

The consolidated financial statements have been prepared using the same accounting policies and methods of computation as disclosed in the Company's annual financial report for the financial year ended 30 June 2022 unless otherwise stated in the notes to the consolidated financial statements. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

The condensed financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Consolidated Statement of Profit and Loss and Other Comprehensive Income that the Group incurred a net loss of \$1,759,816 during the half-year ended 31 December 2022 (31 December 2021: \$394,429). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$4,495,178 (30 June 2022: \$5,215,390) and net assets of \$4,914,876 31 December 2022(30 June 2022: \$7,133,452) as of 31 December 2022.

The condensed consolidated financial report has been prepared on going concern basis. In arriving at this position, the Directors have had regard to the fact that the Company has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure and settle its liabilities as they fall due for a period of at least 12 months from the date of signing this report. In forming this view, the Directors have taken into consideration the following:

- The current level of cash and cash equivalents; and
- The Company intends to undertake the Public Offer to raise \$2,000,000 (before associated costs) through the issue of 10 million shares at an issue price of \$0.20 per share for the Proposed Acquisition. The Company intends to apply existing funds and fund raised as a result of the Public Offer towards exploration expenditure on the Mali Lithium Project, costs of the Proposed Acquisition, expenditure in relation to the Company undertaking due diligence investigations on potential additional complementary project opportunities and general working capital.

The Group's cashflow forecasts for the twelve months ended 30 April 2024 indicate that the Group will have access to sufficient cash to fund administrative and other committed expenditure and be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the financial report.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

The Group has considered the implications of new or amended Accounting Standards and Interpretations which have become applicable for the current annual financial reporting period beginning on or after 1 July 2022. It has been determined by the Group that there is no impact, material or otherwise, of the new or amended Accounting Standards and Interpretations and therefore no changes to Group accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the financial year.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The Australian Accounting Standard Board (**the AASB**) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the following new and amended Accounting Standards and Interpretations:

New Pronouncement	Effective Date	Application
<i>AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023	All entities
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023	All entities
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 January 2024	All entities
<i>AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2025	All entities

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the condensed consolidated financial report have been rounded to the nearest dollar.

Note 3. Dividends

There were no dividends paid, recommended or declared during the current or previous half-year.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The Group's significant accounting judgements, estimates and assumptions are consistent with those included within its annual financial report for the year ended 30 June 2022 unless otherwise stated in the notes to the consolidated financial statements.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Significant judgements, estimates and assumption made by management in the preparation of these consolidated financial statements are found in the following notes:

Note 6 Investment in associates

Note 8 Exploration and evaluation assets

Note 11 Share-based payments

Note 12 Fair value measurement

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (**COVID-19**) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the consolidated financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Note 5. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. During the half-year, the Group only had one segment being the exploration and assessment of the Boulbi and Messok East Projects. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Note 6. Investment in associates

Key judgment

Loss of control over Valhalla Minerals Limited

The Group will not satisfy the minimum expenditure requirement of at least US\$750,000 on the Boulbi Project within 24 months post re-admission to the ASX and to initiate a 5,000-metre drilling campaign within 12 months of the Joint Venture Agreement commencement date (9 July 2021).

Under the terms of the Earn-In and Joint Venture Agreement with Valhalla Minerals Limited, the Group's interest in the Boulbi Project will therefore formally dilute from its current 51%, to 49%. As a consequence, and in conjunction with other factors, management has determined that the Group no longer controls the Boulbi Project and has deconsolidated it for accounting purposes from the 19th December 2022, being the date the Group determined it lost control.

In making the judgement of loss of control, the Directors not only considered the Group's ownership interest in the Boulbi Project, but also the representation of appointees on the Board of Directors of Valhalla Minerals Limited, and resigning as the Boulbi Project Manager on 19 December 2022.

Having concluded that the 49% ownership interest in the Boulbi Project did not provide the Group with control, the Directors assessed whether the Group retains significant influence over the Boulbi Project. The Directors assessed that the Group does have significant influence by virtue of its 49% interest in the Boulbi Project and hence has accounted for its interest in Valhalla Minerals Limited as an associate from 19 December 2022.

	31 December 2022	30 June 2022
	\$	\$
Current assets		
Investment in Valhalla Minerals Limited (Valhalla) ¹	<u>1</u>	<u>-</u>

¹Subsequent to the half-year, the Group entered into negotiations to sell its 49% interest in the Boulbi Project to the Boulbi Project vendors (subject to shareholder approval) for a nominal consideration of \$1. Management has therefore assessed the fair value of the investment in Valhalla as the price that the Group would receive for selling its interest in the Boulbi Project in an orderly transaction to the Boulbi Project vendors.

Note 7. Financial assets at fair value through OCI

	31 December 2022	30 June 2022
	\$	\$
Non-current assets		
Investment in Brontech Pty Ltd (Brontech)	466,620	466,620
Investment in National Currency eXchange Group Limited (NCX)	-	-
	<u>466,620</u>	<u>466,620</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous half-year are set out below:

Opening balance	466,620	933,240
Fair value movements recognised in OCI	-	(466,620)
Closing balance	<u>466,620</u>	<u>466,620</u>

Note 8. Exploration and evaluation assets

Key judgement

Impairment of exploration and evaluation assets

At each reporting period, the Group assesses indicators of impairment. Exploration and evaluation costs are deferred until exploration and evaluation activities reach a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operation are continuing.

The Group intends to allow the Messok East Project exploration permit to lapse following unfavourable exploration results and consequently, the exploration and evaluation assets relating to the Messok East Project have been fully impaired to nil.

	31 December 2022	30 June 2022
	\$	\$
Non-current assets		
Exploration and evaluation assets - The Messok East Project	-	493,662
Exploration and evaluation assets - The Boulbi Project	-	1,004,875
	<u>-</u>	<u>1,498,537</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

	\$	Total \$
Opening balance	1,498,537	1,498,537
Impairment of exploration and evaluation assets during the half-year/year	(493,662)	(493,662)
Loss of control of subsidiary during the half-year	(1,004,875)	(1,004,875)
Closing balance	<u>-</u>	<u>-</u>

Note 9. Issued capital

	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$	30 June 2022 \$
Ordinary shares - fully paid	45,446,467	45,446,467	36,198,675	36,198,675
Capital raising costs	-	-	(1,482,780)	(1,474,161)
	<u>45,446,467</u>	<u>45,446,467</u>	<u>34,715,895</u>	<u>34,724,514</u>

Note 10. Reserves

	31 December 2022 \$	30 June 2022 \$
Financial assets at fair value through OCI	(737,317)	(737,317)
Foreign currency reserve	-	1,181
Share-based payments reserve	<u>441,538</u>	<u>386,054</u>
	<u>(295,779)</u>	<u>(350,082)</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Shared based payment reserve \$	Financial assets at fair value through OCI reserve \$	Foreign currency translation reserve \$	Deconsolidate NCI translation reserve \$	Total \$
Balance at 1 July 2022	386,054	(737,317)	1,063	118	(350,082)
Loss of control of subsidiary during the half-year	-	-	(1,063)	(118)	(1,181)
Expense recognised for the half-year relating to the 2,000,000 management performance options issued to Directors in previous periods ¹	55,134	-	-	-	55,134
Expense recognised for the half-year relating to options issued to Lead Manager during the previous year ²	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
Balance at 31 December 2022	<u>441,538</u>	<u>(737,317)</u>	<u>-</u>	<u>-</u>	<u>(295,779)</u>

¹On 15 July 2021, the Company completed the Transaction A (as detailed in the financial report for the year ended 30 June 2022) and 1,000,000 Class A and 1,000,000 Class B Management Performance Options were issued to the Directors.

On 21 April 2022, 200,000 Class A and 200,000 Class B Management Performance Options were issued to Mr. Andrew Law.

²1,500,000 Options were issued to the Lead Manager of the Transaction A under the Lead Manager Offer. No vesting conditions are attached to these Options. 3,500,000 Options were issued to the Lead Manager of the Transaction B (as detailed in the financial report for the year ended 30 June 2022) under the Lead Manager Offer. No vesting conditions are attached to these Options.

Note 11. Share-based payments

Key judgement

Calculation of fair value of share-based payments

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the Share price at grant date and expected price volatility of the underlying Share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Recipient	Class of SBP	Quantity	Share price at Grant date	Value recognised during the half-year	Value to be recognised in future years
Mr Joseph van den Elsen	Management Performance Rights Class A	600,000	\$0.1243	18,824	19,336
	Management Performance Rights Class B	600,000	\$0.0767	11,615	11,931
Mr John Ciganek	Management Performance Rights Class A	200,000	\$0.1243	6,275	6,445
	Management Performance Rights Class B	200,000	\$0.0767	3,872	3,977
Mr Emmanuel Correia	Management Performance Rights Class A	200,000	\$0.1243	6,275	6,445
	Management Performance Rights Class B	200,000	\$0.0767	3,872	3,977
Mr Andrew Law	Management Performance Rights Class A	200,000	\$0.0464	3,855	3,960
	Management Performance Rights Class B	200,000	\$0.0066	546	561
		<u>2,400,000</u>		<u>55,134</u>	<u>56,632</u>

Class A : Management Performance Options with an exercise price of \$0.001, exercisable before 8 July 2023, vesting upon the Company achieving a volume weighted average market price (as defined in the Listing Rule) of shares for a period of 20 consecutive trading days on which shares are traded (disregarding any intervening days on which no trade occurred, if any) (20 days VWAP) of \$0.40.

Class B : Management Performance Options with an exercise price of \$0.001, exercisable before 8 July 2023, vesting upon the Company achieving a 20 day VWAP \$0.80.

Note 12. Fair value measurement

Fair value hierarchy

Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability that are not based on observable external data.

Note 12. Fair value measurement (continued)

31 December 2022	Date of valuation	Total	Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets measured at fair value through OCI - unquoted equity shares:					
Brontech	31 December 2022	466,620	-	-	466,620
NCX	31 December 2022	-	-	-	-
Total financial assets		<u>466,620</u>	<u>-</u>	<u>-</u>	<u>466,620</u>

Reconciliation of level 3 fair value movements

	31 December 2022	30 June 2022
Assets measured at fair value through OCI - unquoted equity shares		
Opening balance	466,620	933,240
Fair value movements recognised in OCI	-	(466,620)
Closing Balance	<u>466,620</u>	<u>466,620</u>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the half-year.

Key Judgment

Valuation techniques for fair value measurements categorised within level 3

The Group's financial investment in the unquoted equity shares of Brontech and NCX are not traded in an active market. Given the investments are considered level 3 investments, there is a significant level of Director judgment required to determine fair value as at any given reporting date. The investments have been fair valued using significant unobservable inputs for which market data is not available and developed using the best information available about the assumptions that market participants would use when pricing the asset.

The significant unobservable inputs considered by the Directors in the determination of fair value of Brontech and NCX as at 31 December 2022 are as follows:

Brontech

As at 31 December 2022 the Directors reconsidered the internal assessment performed as at 30 June 2022 and concluded that in the absence of any more reliable information to indicate that the fair value of the Group's investment in Brontech has materially changed, the fair value determined at 30 June 2022 remains appropriate.

Matters considered during the internal assessment as at 30 June 2022 included:

- (i) An analysis of similar companies listed on the ASX, and in particular the performance of the S&P/ASX All Technology Index (**ASX Tech Index**). As Brontech is considered to be a technology company, the Directors have concluded that the value of Brontech would be subject to the same market forces as those companies on the ASX Tech Index;
- (ii) Consideration of publicly available information as to the fair value decline of unlisted technology investments held by Australian Superfunds (e.g AirTree Ventures adjusting its valuation of Canva by 36%);
- (iii) No evidence of a capital raised by Brontech in the last year to suggest that its value in contrary to movements in the market generally; and
- (iv) Brontech's financial performance, which although had not declined in the year, had not improved to a degree to justify that its value is contrary to movements in the market generally.

Note 12. Fair value measurement (continued)

NCX

As announced on 20 September 2019, the Group intended to divest its investment in NCX by entering into a binding Sale Share Agreement with Lateral to dispose of the investment on behalf of the Group.

Given the occurrence of COVID-19 resulting in an uncertain economic market, this has impacted Lateral's ability to dispose of the investment. Consequently as at 31 December 2022 the Directors assessed that the Group continued to retain the risks and rewards of ownership of the NCX investment.

On the basis that no reliable information was available to determine an appropriate estimate of fair value and the uncertainty within the external operating environment, the Directors considered it prudent to value the investment at \$nil as at 30 June 2022. The Directors have considered whether any further reliable information is available as at 31 December 2022 to indicate that the value as at that date should be adjusted. On the basis that no additional reliable information is available to determine an appropriate estimate of fair value, the Directors consider it prudent to continue to value the investment at \$nil.

Note 13. Discontinued operations

On 19 December 2022, the Group's interest in the Boulbi Project was diluted from its current 51%, to 49%. As a consequence, the Group no longer controlled the Boulbi Project and deconsolidated it for accounting purposes. As at that date the Group also determined that the Boulbi Project was no longer core to its activities and effectively ceased operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and other comprehensive income. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

The results of the Boulbi Project for the half-year are presented below:

	31 December 2022
	\$
Debt Forgiven	77,352
Professional fees	(3,306)
Exploration expenditure expenses	(64,529)
Other expenses	(5,614)
Total expenses	<u>(73,449)</u>
Profit before income tax expense	3,903
Income tax expense	<u>-</u>
Profit after income tax expense	<u>3,903</u>
Loss on loss of control of discontinued operations	(471,379)
Income tax expense	<u>-</u>
(Loss) on disposal after income tax expense	<u>(471,379)</u>
(Loss) after income tax expense from discontinued operations	<u><u>(467,476)</u></u>

In the year ended 30 June 2022, the Company finalised the disposal of Akela Capital Pty Ltd (**Akela**), a wholly owned subsidiary of the Company. Details of the disposal are disclosed in Note 6 to the financial statements for the year ended 30 June 2022.

Note 14. Contingent liabilities and commitments

The Group has decided to discontinue its interest in both the Boulbi and Messok East Projects and as such will not satisfy the expenditure requirements of the projects.

On 28 February 2023, the Company has a dispute in respect to obligation to sole fund the Boulbi Project pursuant to the terms of earn-in and shareholders agreement (**Earn-in and Shareholders Agreement**) with the other shareholders in the joint venture entity. The Board does not consider these matters material and would continue defend all allegations.

Other than the above, there are no known contingent liabilities and commitments as at the end of the reporting period for the half-year ended 31 December 2022 (30 June 2022: Nil).

Note 15. Related party transactions

Purchases and Services by Key Management Personnel (KMP)

Purchases from and sales to KMP and their related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's KMP.

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered, they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Subsequent to the completion of transaction, the Group has paid off all the outstanding balances that owed to the existing Directors.

Entity	Nature of transaction	KMP	Total Expense Dec 2022	Total Expense Dec 2021	Payable Balance Dec 2022	Payable Balance June 2022
Gotham Corporate Pty Ltd	Managing Director fee	Joseph van den Elsen	90,000	90,000	-	-
Cardona Energy	Non-Executive	Emmanuel Correia	18,933	18,000	-	4,400
	Director fee					
Fusion WA Pty Ltd	Non-Executive	Andrew law	24,000	-	4,400	4,400
	Director fee					
The Ciganek Family Trust	Non-Executive	John Ciganek	24,000	18,000	4,400	4,400
	Director fee					

Parent entity

Ookami Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 16.

Transactions with related parties

Other than noted above, there were no transactions with related parties during the current and previous half-year.

Receivable from and payable to related parties

Other than noted above, there were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 16. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the group's accounting policies.

Name of entity	Principal place of business / Country of incorporation	Principal activities	Ownership interest	Ownership interest	Non-controlling interest	
			31 December 2022	30 June 2022	Ownership interest 31 December 2022	Ownership interest 30 June 2022
			%	%	%	%
Valhalla Minerals Limited	Republic of Senegal, Africa	Mining and exploration	-	57.00%	-	43.00%
Sahel Minerals SARL	Republic of Senegal, Africa	Mining and exploration	-	51.00%	-	49.00%
Cameroon Cobalt Pty Ltd	Republic of Cameroon, Africa	Mining and exploration	100.00%	100.00%	-	-

Note 17. Events after the reporting period

On 1 January 2023, Mr. Joseph van den Elsen transitioned from Managing Director and CEO to Non-Executive Director.

Subsequent to the half-year, the Group entered into negotiations to sell its current 49% interest in the Boulbi Project to the Boulbi Project vendors for a nominal consideration of \$1.

On 28 February 2023, the Company announced that a dispute has arisen in respect to its obligation to sole fund the Boulbi Project pursuant to the terms of earn-in and shareholders agreement (**Earn-in and Shareholders Agreement**) with the other shareholders in the joint venture entity. The Board considers the basis of the claims to be without merit and the formal dispute resolution procedure under the Earn-In and Shareholders Agreement has been invoked.

Other than disclosed elsewhere in the Directors' report, no other matter or circumstance has arisen since 31 December 2022 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.

In the opinion of the Directors of Ookami Limited and its controlled entity ("the Group")

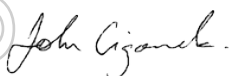
1. The financial statements and notes, as set on pages 7 to 23 are in accordance with the *Corporations Act 2001*, including:

- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*; and
- 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

2. 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 and is signed for and behalf of the Directors by:

On behalf of the Directors



John Ciganek
Non-Executive Chairman

14 March 2023

For personal use only

OOKAMI LIMITED
ABN 67 009 081 770

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

Report on the Half-Year Financial Report

Conclusion

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

Responsibility of the Directors for the Half-Year 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.

Auditor's Responsibility for the Review of the Half-Year 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*.

OOKAMI LIMITED
ABN 67 009 081 770

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

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

Pitcher Partners BA+A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

Michael Fay

MICHAEL FAY
Executive Director
Perth, 14 March 2023

For personal use only