

Australia United Mining Limited

ACN 126 540 547

Half-Year Financial Report

For the Half-Year Ended 31 December 2023

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DIRECTORS' REPORT

The Directors of Australia United Mining Limited ("the Company") submit herewith the financial report of Australia United Mining Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2023.

DIRECTORS

The names of the directors of the company during or since the end of the half-year are:

Mr. Xiaojing Wang (Executive Chairman)

Ms. Jia Yu (Non-Executive Director)

Mr. Tao Wang (Non-Executive Director)

REVIEW OF OPERATIONS

The Group reported a consolidated loss of \$536,181 for the half-year ended 31 December 2023 (2022: \$313,564).

The Group holds 100% registered interest in three granted mineral tenements of Forsayth Project (ML3417, ML3418, and EPM14498) in Queensland, a granted exploration license of Sofala Project in New South Wales (EL7423).

During the period, Regional NSW – Mining, Exploration and Geoscience rejected AYM's application for renewal of EL8402 and the license was cancelled subsequent to the period-end. AYM is considering re-applying for the project area.

Sofala Project (EL7423, Joint Venture with MinRex Resources)

The Sofala Project is located approximately 30km north of Bathurst in the central west of New South Wales and covers a portion of Sofala Volcanics and younger sediments on the eastern side of the Hill End Trough. The area is host to a large number of vein style gold occurrences especially within the central portion of the project and these are likely to be the source area for much of the alluvial gold historically mined about the villages of Sofala and Wattle Flat and along the Turon River. Hard-rock gold workings occur at Surface Hill, the Queenslander mine, Solitary Reef and other locations.

Under a Farm-in Joint Venture Agreement signed in March 2021, MinRex Resources Limited ("MRR"), MRR is currently the Joint Venture Operator and fully responsible for the exploration spending as a condition for them to acquire up to EL7423's 80% interest.

After the execution of the Joint Venture Agreement, MRR conducted various exploration work programs with promising results on its Sofala Gold Project. MRR announced that compilation of all the historical data (geochemical and drilling) had commenced across its Sofala gold projects.

Refer to MRR's ASX announcements during the period for the project update and development details.

Forsayth Project (ML3417, ML3418, and EPM 14498, Joint Venture with Forsayth Resources)

The project is located around and to the south-east of the town of Forsayth in North Queensland within the Forsayth Province of the Georgetown Inlier. The Etheridge goldfield historical production is approximately 600,000 ounces gold in total. The two largest producers around Forsayth, Queenslander (26,000 oz) and Nil Desperandum (14,000 oz) lie within EPM14498 and more than fifty other historical gold mines and prospects occur within the EPM area.

The Company entered into a Cooperation Agreement with Forsayth Resources Pty Ltd in October 2020 to co-develop the Forsayth Project.

During the period, mining continued at the Ropewalk open cut. Due to the increasing difficulties for excavation at the west end, a decision was made to follow the lode east where the ore can be mined without the need for any drilling and blasting. Approximately 1000 tonnes of ore have been stockpiled from mining at the Ropewalk open cut 100 metres further east.

As announced on 22 December 2023, sampling and mapping of gold bearing quartz reefs at selected historical mine workings was conducted with the aim of identifying “open-pittable” gold resources that could supplement the ore being mined at the Ropewalk goldmine (ML3417). Mapping revealed a narrow (<2m wide) zone of quartz veining and shearing could be traced over 500m between the old Pinnacles and Homeward Bound mine workings. Composite rock chip samples were collected from outcrop, subcrop and mullock of quartz veins and lodes from the old workings. High grade and anomalous gold results were received for samples collected from the Cardigan and Pinnacles historical workings.

For EPM14498, three historical gold workings located in the northeast part of the EPM14498 were investigated. Geological notes and samples were collected from the Pinnacles, Homeward Bound and Cardigan prospects. Assay results for the samples collected are expected next quarter.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 14 of these half-year financial statements.

This report is made in accordance with a resolution of the Board of Directors and is signed for on behalf of the Board by:



Xiaojing Wang
Executive Chairman
Beijing China

Dated on 14 March 2024

**CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

		31 December	
	Note	2023 \$	2022 \$
Income			
Interest income		3,957	1,767
Total income		3,957	1,767
Expenses			
Employee benefits expense		(76,078)	(97,485)
Depreciation expense		(3,603)	(4,202)
Travel and accommodation expenses		(4,923)	(7,902)
Legal and corporate fees		(3,901)	(31,062)
Insurance expense		(20,768)	(17,385)
Finance costs		(33,850)	(37,926)
Exploration and evaluation expenses		(34,528)	(7,224)
Fair value gain on financial assets		87,000	29,000
Impairment for exploration and evaluation assets		(300,000)	-
Directors' fee		(70,000)	(70,000)
Other expenses		(79,487)	(71,145)
Total expenses		(540,139)	(315,331)
Loss before income tax expense		(536,181)	(313,564)
Income tax expense		-	-
Loss for the period		(536,181)	(313,564)
Other comprehensive income		-	-
Total comprehensive expense attributable to the members of Australia United Mining Limited		(536,181)	(313,564)
Basic loss per share (cents)	2	(0.029)	(0.017)
Diluted loss per share (cents)	2	(0.029)	(0.017)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		128,683	356,526
Other receivables		3,340	14,165
Financial assets at fair value through profit or loss		493,000	406,000
Other financial assets		120	120
Total current assets		625,143	776,811
Non-current assets			
Environmental bonds with cash-backed deposits		238,726	238,726
Plant & equipment		57,530	61,133
Exploration and evaluation assets	3	4,300,000	4,600,000
Total non-current assets		4,596,256	4,899,859
Total assets		5,221,399	5,676,670
Current Liabilities			
Trade and other payables	4	38,411	45,880
Provisions		769	15,239
Payables due to related parties	5	1,434,264	1,361,415
Total current liabilities		1,473,444	1,422,534
Non-current Liabilities			
Payables due to related parties	5	288,871	258,871
Total non-current liabilities		288,871	258,871
Total liabilities		1,762,315	1,681,405
Net assets		3,459,084	3,995,265
Equity			
Issued capital		40,937,534	40,937,534
Accumulated losses		(37,478,450)	(36,942,269)
Total equity		3,459,084	3,995,265

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	40,937,534	(36,942,269)	3,995,265
Loss for the period	-	(536,181)	(536,181)
Total comprehensive expense for the half-year	-	(536,181)	(536,181)
Balance at 31 December 2023	40,937,534	(37,478,450)	3,459,084
Balance at 1 July 2022	40,937,534	(36,695,512)	4,242,022
Profit for the period	-	(313,564)	(313,564)
Total comprehensive income for the half-year	-	(313,564)	(313,564)
Balance at 31 December 2022	40,937,534	(37,009,076)	3,928,458

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	31 December	
	2023	2022
	\$	\$
Cash flow from operating activities		
Payments to suppliers and employees	(197,272)	(224,669)
Interest received	3,957	1,767
Net cash used in operating activities	(193,315)	(222,902)
Cash flow from investing activities		
Payments for exploration expenditure	(34,528)	(7,224)
Net cash used in investing activities	(34,528)	(7,224)
Cash flow from financing activities		
Repayment of borrowings	-	(200,000)
Net cash used in financing activities	-	(200,000)
Net decrease in cash and cash equivalents	(227,843)	(430,126)
Cash and cash equivalents at the beginning of the period	356,526	894,213
Cash and cash equivalents at the end of the period	128,683	464,087

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES OF HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023.

The accounting policies have been consistently applied by the entities in the group and are consistent with those in the 30 June 2023 annual financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(a) Reporting Basis and Conventions

The half-year report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) New, Revised or Amending Accounting Standards and Interpretations Adopted

At the date of authorization of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective:

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture (as amended), effective for annual reporting periods beginning on or after 1 January 2025;

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants, effective for annual reporting periods beginning on or after 1 January 2024;

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and leaseback, effective for annual reporting periods beginning on or after 1 January 2024;

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements, effective for annual reporting periods beginning on or after 1 January 2024;

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability, effective for annual reporting periods beginning on or after 1 January 2025.

2. Earnings per share

	Consolidated	
	2023	2022
	\$	\$
The following reflects the income and share data used in calculating basic and diluted earnings per share:		
Consolidated net loss	<u>(536,181)</u>	<u>(313,564)</u>
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	<u>1,842,577,485</u>	<u>1,842,577,485</u>
Basic and Diluted earnings per share (cents per share)	<u>(0.029)</u>	<u>(0.017)</u>

3. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of the period	<u>4,600,000</u>	<u>3,800,000</u>
Impairment (loss)/reversal	<u>(300,000)</u>	<u>800,000</u>
Balance at end of the period	<u>4,300,000</u>	<u>4,600,000</u>

During the period, Regional NSW – Mining, Exploration and Geoscience rejected the Group's application for renewal of EL8402 and the license was cancelled subsequent to the period-end. Full impairment provision was provided as at 31 December 2023.

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

4. TRADE AND OTHER PAYABLES

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Other creditors and accrued expenses	<u>38,411</u>	<u>45,880</u>
	<u>38,411</u>	<u>45,880</u>

5. LOAN PAYABLES

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<u>Current</u>		
Loans from W.Y. International (Australia) Pty Ltd (i)	1,435,264	1,361,415
<u>Non-current</u>		
Loans from Xinhua Geng	78,871	78,871
Loans from Tao Wang	210,000	180,000
Subtotal	288,871	258,871
Total	1,724,135	1,620,286

(i)W.Y. International (Australia) Pty Ltd ("W.Y. International") is a related company controlled by two directors, Mr Xiaojing Wang and Ms Jia Yu. The balance due to W.Y. International included unpaid director's fee to Mr Xiaojing Wang and Ms Jia Yu. Total loans from W.Y. International included loan principals \$559,559, loan interest \$351,355 and accumulated unpaid directors' fee \$524,350 as at 31 December 2023. The loans are unsecured with an interest rate of 12% per annum.

6. ISSUED CAPITAL

	31 December 2023		30 June 2023	
	Number	\$	Number	\$
Ordinary Fully Paid Shares	1,842,577,485	40,937,534	1,842,577,485	40,937,534

7. DIVIDENDS PAID

No dividends have been paid or provided for during the half-year ended 31 December 2023.

8. SHARE OPTIONS

No options were exercised during the half-year, and no options expired unexercised during the half-year.

9. SEGMENT INFORMATION

Management has determined that the Group has only one reportable segment being exploration and mining. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on one reportable segment of its business.

	Consolidated			
	Revenue		Result	
	2023	2022	2023	2022
	\$	\$	\$	\$
Exploration and mining	-	-	(337,919)	(11,109)
Unallocated	3,957	1,767	(198,263)	(302,455)
	3,957	1,767	(536,182)	(313,564)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment result represented the profit/(loss) before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
SEGMENT ASSETS		
Exploration and mining	4,359,856	4,659,855
Unallocated	861,543	1,016,815
	<u>5,221,399</u>	<u>5,676,670</u>
Segment Liabilities		
Exploration and mining	-	-
Unallocated	1,762,315	1,681,405
	<u>1,762,315</u>	<u>1,681,405</u>

10. COMMITMENTS FOR EXPENDITURE

The Group must maintain current rights of tenure to tenements, which requires outlays of expenditure 2023/24. 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. Estimated expenditure on mining, exploration and prospecting leases for 2023/24 as at the date of this report:

31 December 2023	30 June 2023
\$	\$
<u>200,000</u>	<u>487,417</u>

11. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2023.

12. RELATED PARTY TRANSACTIONS

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

During the period, the Company incurred \$33,849 interest expense to W.Y. International for the unpaid loan balances. The Group also paid \$6,000 to W.Y. International for commercial rental of car, car space and storage.

13. FAIR VALUE MOVEMENT

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

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.

	Level 1	Level 2	Level 3	Total
31 December 2023				
Ordinary shares at fair value through profit or loss	493,000	-	-	493,000
30 June 2023				
Ordinary shares at fair value through profit or loss	406,000	-	-	406,000

There were no transfers between levels during the financial half-year. The carrying amounts of other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature

14. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Exploration License EL8402 for the Group's Karangi Project was cancelled following NSW department's rejection of the Group's application for renewal.

Apart from the above, there were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group and the results of those operations on the state of the affairs of the Group in the financial period subsequent to 31 December 2023.

15. GOING CONCERN

During the half-year, the Group had a consolidated loss after tax of \$536,181 (31 December 2022: \$313,564). The Group had a net operating cash outflow of \$193,315 (31 December 2022: \$222,902). Prima facie, these matters give rise to a material uncertainty regarding the Group's ability to continue as a going concern.

The financial statements have been approved by the Directors on a going concern basis. The ability of the consolidated entity to continue as a going concern is dependent on the liquidation of its financial assets, the financial support received from the major shareholders and directors, and its ability to secure additional funding through borrowings or capital raisings as and when required to meet its working capital requirements in the future.

In particular, the company has received the financial support through a loan facility W. Y. International, a related company controlled by Mr Wang and Ms Yu, who has committed to provide ongoing financial support to the company in meeting its cash commitments as and when required. The financial statements have been prepared on a going concern basis. In making this assessment, management have considered the following:

- the company had investment in listed shares with a market value of \$493,000 as at 31 December 2023;
- the company had no external debt except for loans from directors;
- continued support by the directors.

On this basis, the Directors believe that the going concern basis of presentation is appropriate.

DIRECTORS' DECLARATION

In the opinion of the Directors of Australia United Mining Limited (the "company"):

1. The half-year financial statements and notes set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows 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.

Signed in accordance with a resolution of the Directors:



Xiaojing Wang
Executive Chairman
Beijing China

Dated on 14 March 2024

14 March 2024

The Board of Directors
Suite 502 Level 5, 7 Railway Street
Chatswood, Sydney NSW 2067

Dear Board Members

Australia United Mining Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Australia United Mining Limited.

As lead auditor for the review of the financial statements of Australia United Mining Limited for the half year-ended 31 December 2023, I declare to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Accentor Audit Services

Accentor Audit Services Pty Limited



Heng Kwang Lim
Director

Sydney: 14th March 2024

Independent Auditor's Review Report to the members of Australia United Mining Limited

Conclusion

We have reviewed the accompanying half-year financial report of Australia United Mining Limited and its Controlled Entities (the consolidated entity), which comprises the Consolidated statement of financial position as at 31 December 2023, 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 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 half-year financial report of Australia United Mining Limited and its Controlled Entities is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated entity financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with Australian 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 Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the review. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty related to Going Concern

Without qualifying our conclusion, we draw attention to Note 15 in the half-year financial report which indicates that the consolidated entity had a consolidated loss after tax of \$536,181. The consolidated loss after tax included fair value movement of financial assets amounting to \$87,000. The consolidated entity had a net operating cash outflow of \$193,315 during the half-year ended 31 December 2023, and the consolidated entity continues to require financial assistance from associated company loans to meet ongoing cash commitments and to support the continued operations of the consolidated entity. These conditions, together with other matters as set in forth in Note 15 indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half-year financial report.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the consolidated entity are responsible for:

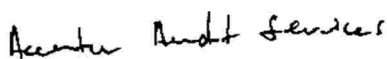
- the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that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

Auditor Responsibility for the Review of the Half-Year Financial Report

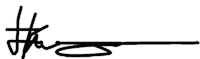
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquires, primarily of persons responsible for the 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.

Yours sincerely



Accentor Audit Services Pty Limited



Heng Kwang Lim
Director

Sydney: 14th March 2024