

Petratherm Limited

ABN 17 106 806 884

Interim Report - 31 December 2024

Petratherm Limited
Corporate directory
For the half-year ended 31 December 2024

Directors	Derek Carter Simon O'Loughlin Donald Stephens Simon Taylor
Company secretary	Katelyn Adams
Registered office	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Principal place of business	22B Beulah Rd NORWOOD SA 5067
Share register	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street ADELAIDE SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street ADELAIDE SA 5000
Solicitors	O'Loughlins Lawyers Level 3 South, 191 Pulteney Street ADELAIDE SA 5000
Bankers	National Australia Bank 22 - 28 King William Street ADELAIDE SA 5000
Stock exchange listing	Petratherm Limited shares are listed on the Australian Securities Exchange (ASX code: PTR)
Website	www.petratherm.com.au

Petratherm Limited
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For the half-year ended 31 December 2024

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Petratherm Limited
Directors' report
For the half-year ended 31 December 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Petratherm Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of Petratherm Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Derek Carter (Non-Executive Chairman)
Simon O'Loughlin (Non-Executive Director)
Donald Stephens (Non-Executive Director)
Simon Taylor (Non-Executive Director)

Review of operations

The loss for the Group after providing for income tax amounted to \$511,362 (31 December 2023: \$416,152).

The Company's primary focus during the reporting period was advancing exploration activities across its portfolio of copper-gold and critical minerals assets located in the Olympic Copper-Gold Domain and the Gawler Craton of South Australia.

Muckanippie Project

The Company announced a high-grade heavy mineral sand (HMS) discovery at its Muckanippie Project area southwest of Coober Pedy in South Australia. The Muckanippie Titanium Project contains both 100% owned Petratherm tenure and the JV tenement EL 6715, owned by Narryer Metals Limited (ASX:NYM)⁽¹⁾.

Reconnaissance mapping and surface sampling along with assaying of historic drill core stored at the South Australian Government's Core Library identified previously unknown high-grade Titanium mineralisation spanning many square kilometres at the Rosewood Prospect site.

A maiden drilling program at the Muckanippie Project Area was successfully completed in October. In total, 100 vertical air-core holes were drilled for a total of 3,392 metres. The program was designed as a regional scale assessment of the Rosewood Prospect to follow up the high-grade titanium rich heavy mineral sands (HMS) mineralisation⁽²⁾. Drilling additionally tested high Titanium-Vanadium bearing source rock horizons for primary Vanadiferous Titanomagnetite (VTM) style mineralisation at Claypan and other early-stage potential VTM targets at Nardoo, Duke, and M1 Prospects.

50 holes were drilled at Rosewood on north-south traverses spaced between 1 kilometre and 2 kilometres apart. Drill traverses varied from 1.6 kilometres to 2.2 kilometres in length, with variable spacing of 200 metres to 400 metres along the traverses. The Company announced after the reporting period that 90% of the holes drilled intersected at least 5 metres of >5% HM and 76% intersected at least 10m @ 5% HM, with multiple spectacular intercepts.

A high grade upper mineralised strandline is evident and a second lower high grade HM zone is also apparent. Mineralisation between holes, whilst showing variability, demonstrates grade continuity between holes, even at this wide hole spacing.

Also after the reporting period, the Company announced that a total of 12 samples of HM concentrates were submitted to Diamantina Laboratories in Perth for mineralogical modal analysis to determine the nature of the heavy minerals present. Samples were selected from high, medium and low grade HM concentrates and from different geological horizons to help characterize the ore zones and identify geological patterns. Results from this work are extremely encouraging, with the majority of samples returning >97.9% Valuable Heavy Minerals (VHM) in the form of titanium oxides with no deleterious minerals present⁽³⁾. Titanium oxides observed included rutile, leucoxene (composed mainly of agglomerations of rutile and anatase) and pseudorutile (a highly altered ilmenite, upgraded in its titanium content).

Mabel Creek Copper-Gold Project

During the reporting period, the Company completed a Gravity Survey program over the Mabel Creek Project. The gravity data identified three priority drill targets, all around the edge of a circular gravity low which is interpreted as potentially being caused by an underlying granite intrusion. On the eastern side of the interpreted deep granite are several drill holes drilled by Alliance Resources between 2003 and 2009 which intersected strong iron-rich (hematite) alteration in Proterozoic metasediments overlying strongly magnetic Banded Iron Formation (BIF) units.⁽⁴⁾

Petratherm Limited
Directors' report
For the half-year ended 31 December 2024

While the strongly magnetic, deep, BIF units are not considered a target, the dense hematite-only zones have the potential to host IOCG-style copper-gold mineralisation, and in the historical drilling this alteration was associated with strongly elevated copper assays (up to 0.32% Cu over 1.1 metres). Combined 3D magnetic and gravity inversion modelling was undertaken over this area and a significant gravity-only target, BCG1, was resolved. This target has the potential to be a significant zone of hematite-alteration.

2D gravity modelling was undertaken on the other gravity features rimming the interpreted deeper granite. To the south the two gravity features modelled as being very dense but deep (>1000 metres below surface), however the two features to the west both produced models of significant density but at depths more amenable to drill testing. For example, the southern of these two features, BCG2, models as a large (450m x 1070m x >4000m) body at 500 metres below surface. The produced model density of 3.4 g/cm³ is consistent with the measured density of known IOCG deposits in the Olympic Domain.

Woomera Copper-Gold Project

No ground activities were undertaken during the reporting period.

Corporate

The Company had exploration and evaluation costs of \$770,852 relating principally to the Comet Project drilling operations during the period. Administration and corporate costs totalled \$522,753. The Company held \$2,521,725 cash at the end of the Period.

Petratherm announced it was conducting a Placement and Share Purchase Plan via the issue of new shares in the Company (Equity Raising) on 24 September 2024. The Company received firm commitments to raise \$1.6M (before costs) through the share placement. The Share Purchase Plan (SPP) closed oversubscribed on 8 October 2024, with approximately \$4.2m received from valid subscriptions, significantly above the original target of \$1m. In accordance with the terms and conditions of the SPP, the Directors elected to accept approximately \$1.3m and undertook a scale back of acceptances of approximately \$2.9m.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

On 7 March 2025 the Company announced it successfully raised \$8,100,000 in a placement to sophisticated and institutional investors. Under the placement 36,818,181 shares will be issued at \$0.22 per share. Directors and management have committed to contribute a total of \$272,000, with Director participation of \$220,000 subject to shareholder approval.

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

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.

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



Derek Carter
Chairman

11 March 2025

- (1) ASX Announcement 18 April 2024 – Farm-in Expands Muckanippie Project
- (2) ASX Announcement 11 September 2024 – High-Grade Titanium Rich Heavy Mineral Sands at Muckanippie
- (3) ASX Announcement 20 January 2025 – Pure High-Value Titanium Mineral Assemblage at Rosewood
- (4) ASX Announcement 14 August 2023 – Significant Copper-Gold Expansion at Mabel Creek

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Petratherm Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Petratherm Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 11 March 2025

www.grantthornton.com.au
ACN-130 913 594

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Petratherm Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Revenue			
Bank interest income		23,243	33,528
Total revenue		<u>23,243</u>	<u>33,528</u>
Expenses			
Employee benefits expense		(282,447)	(188,236)
Employee share-based payment	14	(19,615)	(16,759)
Exploration expenses		(11,852)	(4,190)
Secretarial, professional and consultancy		(56,320)	(54,180)
Other expenses	5	(164,371)	(186,315)
Total expenses		<u>(534,605)</u>	<u>(449,680)</u>
Loss before income tax expense		(511,362)	(416,152)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the Owners of Petratherm Limited		(511,362)	(416,152)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the Owners of Petratherm Limited		<u>(511,362)</u>	<u>(416,152)</u>
		Cents	Cents
Basic earnings/(losses) per share	13	(0.21)	(0.19)
Diluted earnings/(losses) per share	13	(0.21)	(0.19)

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

Petratherm Limited
Statement of financial position
As at 31 December 2024

		Consolidated	
		31 December	
	Note	2024	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,521,725	406,738
Financial assets	6	-	500,000
Receivables		65,107	277,458
Other assets		98,112	16,245
Total current assets		<u>2,684,944</u>	<u>1,200,441</u>
Non-current assets			
Property, plant and equipment		3,300	4,398
Exploration and evaluation assets	7	5,263,403	4,516,121
Other assets		-	48,000
Total non-current assets		<u>5,266,703</u>	<u>4,568,519</u>
Total assets		<u>7,951,647</u>	<u>5,768,960</u>
Liabilities			
Current liabilities			
Trade and other payables		174,675	187,934
Employee benefits		128,260	79,296
Total current liabilities		<u>302,935</u>	<u>267,230</u>
Non-current liabilities			
Employee benefits		2,213	31,257
Total non-current liabilities		<u>2,213</u>	<u>31,257</u>
Total liabilities		<u>305,148</u>	<u>298,487</u>
Net assets		<u>7,646,499</u>	<u>5,470,473</u>
Equity			
Issued capital	8	30,192,726	27,524,953
Reserves	9	57,418	(1,456,361)
Accumulated Losses		<u>(22,603,645)</u>	<u>(20,598,119)</u>
Total equity		<u>7,646,499</u>	<u>5,470,473</u>

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

Petratherm Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	FVOCI Reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	27,489,120	(1,534,664)	71,379	(19,565,751)	6,460,084
Loss after income tax expense for the half-year	-	-	-	(416,152)	(416,152)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(416,152)	(416,152)
<i>Transactions with Owners in their capacity as Owners:</i>					
Share-based payments (options granted)	-	-	16,759	-	16,759
Lapsed options transferred to accumulated losses	-	-	(18,369)	18,369	-
Balance at 31 December 2023	<u>27,489,120</u>	<u>(1,534,664)</u>	<u>69,769</u>	<u>(19,963,534)</u>	<u>6,060,691</u>

Consolidated	Issued capital \$	FVOCI Reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	27,524,953	(1,534,664)	78,303	(20,598,119)	5,470,473
Loss after income tax expense for the half-year	-	-	-	(511,362)	(511,362)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(511,362)	(511,362)
<i>Transactions with Owners in their capacity as Owners:</i>					
Contributions of equity, net of transaction costs (note 8)	2,667,773	-	-	-	2,667,773
Share-based payments (options granted)	-	-	10,901	-	10,901
Share-based payments (performance rights granted)	-	-	8,714	-	8,714
Lapsed options transferred to accumulated losses	-	-	(40,500)	40,500	-
Transfer reserve to accumulated losses (note 9)	-	1,534,664	-	(1,534,664)	-
Balance at 31 December 2024	<u>30,192,726</u>	<u>-</u>	<u>57,418</u>	<u>(22,603,645)</u>	<u>7,646,499</u>

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

Petratherm Limited
Statement of cash flows
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(521,058)	(476,985)
Interest received		32,973	48,173
Payments for exploration activities (expensed)		(9,428)	(4,190)
		<u>(497,513)</u>	<u>(433,002)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Proceeds from term deposit		500,000	-
Payments for property, plant and equipment		(1,500)	-
Payments for exploration activities (capitalised)		(747,282)	(850,825)
Payments for security deposits		(25,000)	(30,000)
Government grants/subsidies received		-	73,150
Research & development tax incentives received		218,509	425,224
		<u>(55,273)</u>	<u>(382,451)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares	8	2,900,686	-
Capital raising costs		(232,913)	-
		<u>2,667,773</u>	<u>-</u>
Net cash from financing activities			
Net increase/(decrease) in cash and cash equivalents		2,114,987	(815,453)
Cash and cash equivalents at the beginning of the financial half-year		406,738	1,239,464
		<u>2,521,725</u>	<u>424,011</u>
Cash and cash equivalents at the end of the financial half-year			

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

Petratherm Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 1. General information

The consolidated financial statements cover Petratherm Limited as a Group consisting of Petratherm 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 Petratherm Limited's functional and presentation currency.

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

Registered office

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

Principal place of business

22B Beulah Rd
NORWOOD SA 5067

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 11 March 2025.

Note 2. Material accounting policy information

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

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Going Concern

The interim financial report has been prepared on the basis of a going concern. During the half-year reporting period ended 31 December 2024 the Group recorded a net cash outflow from operating and investing activities of \$552,786 and an loss before income tax expense of \$511,362. Subsequent to period end the Group has secured firm commitments to raise \$8,100,000 through a placement of new shares. The funds are intended to expedite exploration activities related to the Group's Muckanippie Titanium Project.

This event strengthens the Group's liquidity and financial position, providing the necessary resources for ongoing and planned operations. Based on current forecasts and expected cashflows, including the placement above, management has determined that there is no material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern for the foreseeable future. Therefore, the use of the going concern assumption in preparing the financial statements remains appropriate.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the entity successfully continuing the development of its exploration assets and raising additional funds which may be from a variety of means inclusive of, but not limited to issue of new equity, debt, asset sales or entering into joint venture arrangements on mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because Directors will not commit to expenditure unless sufficient funding has been sourced.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management base their 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 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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Board in allocating resources and has concluded at this time that there are no separately identifiable segments.

Note 5. Other expenses

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
AGM expenses	16,150	9,666
Audit fees	8,337	5,905
Insurance costs	13,615	13,322
Legal fees	15,588	49,253
Listing fees	15,080	20,458
Occupancy Costs	12,885	14,643
Promotion and public relation expenses	47,406	41,535
Share registry expenses	14,749	11,041
Other expenses	20,561	20,492
	164,371	186,315

Petratherm Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 6. Financial assets

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Term deposit	-	500,000

The financial assets included are the term deposits with maturity greater than 3 months.

Note 7. Exploration and evaluation assets

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	5,263,403	4,516,121

Reconciliations

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

Consolidated	Exploration and evaluation \$
Balance at 1 July 2024	4,516,121
Additions through expenditures capitalised	759,407
Research & development offset capitalised	(12,125)
Balance at 31 December 2024	5,263,403

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

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in no impairment charges for the period ended 31 December 2024 (December 2023: \$nil).

Note 8. Issued capital

	Consolidated			
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	309,196,589	226,319,854	30,192,726	27,524,953

Petratherm Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 8. Issued capital (continued)

Details	Date	Shares	\$
Balance	1 July 2024	226,319,854	27,524,953
Shares issued in placement	23 September 2024	40,000,000	1,400,000
Shares issued in Share Purchase Plan	15 October 2024	37,162,450	1,300,686
Shares issued in placement to directors	29 November 2024	5,714,285	200,000
Transaction Costs		-	(232,913)
Balance	31 December 2024	<u>309,196,589</u>	<u>30,192,726</u>

Ordinary shares

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

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

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs. There are no externally imposed capital requirements.

Note 9. Reserves

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Financial assets at fair value through other comprehensive income reserve	-	(1,534,664)
Share-based payments reserve	<u>57,418</u>	<u>78,303</u>
	<u>57,418</u>	<u>(1,456,361)</u>

Financial assets at fair value through other comprehensive income reserve

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

The balance of the reserve at 30 June 2024 of \$1,534,664 was the recognition of a loss on the fair value of the in-specie distribution of Outback Goldfields Corp shares to the Company's shareholders in April 2021.

Share-based payments reserve

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

Petratherm Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 9. Reserves (continued)

Movements in reserves

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

Consolidated	FVOCI reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 July 2024	(1,534,664)	78,303	(1,456,361)
Transfer to accumulated losses	1,534,664	-	1,534,664
Share-based payments (options granted)	-	10,901	10,901
Share-based payments (performance rights granted)	-	8,714	8,714
Lapsed options transferred to accumulated losses	-	(40,500)	(40,500)
Balance at 31 December 2024	-	57,418	57,418

Note 10. Dividends

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

Note 11. Commitments

	Consolidated	
	31 December 2024 \$	30 June 2024 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation commitments*	828,738	1,172,549

* In order to maintain current rights of tenure to exploration tenements, the Company is required to meet minimum expenditure requirements in respect of tenement lease rentals. These obligations are expected to be fulfilled in the normal course of operations.

Note 12. Events after the reporting period

On 7 March 2025 the Company announced it successfully raised \$8,100,000 in a placement to sophisticated and institutional investors. Under the placement 36,818,181 shares will be issued at \$0.22 per share. Directors and management have committed to contribute a total of \$272,000, with Director participation of \$220,000 subject to shareholder approval.

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

Note 13. Earnings per share

	Consolidated	
	31 December 2024 \$	31 December 2023 \$
Loss after income tax attributable to the Owners of Petratherm Limited	(511,362)	(416,152)

Petratherm Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 13. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	243,098,346	224,751,139
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>243,098,346</u>	<u>224,751,139</u>
	Cents	Cents
Basic earnings/(losses) per share	(0.21)	(0.19)
Diluted earnings/(losses) per share	(0.21)	(0.19)

Note 14. Share-based payments

A summary of the options on issue during the period is as follows:

**31 December
2024**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted during the period	Exercised	Lapsed	Balance at the end of the half-year
01/10/2021	01/10/2024	\$0.08	1,000,000	-	-	(1,000,000)	-
12/01/2023	12/01/2026	\$0.09	500,000	-	-	-	500,000
05/05/2023	05/05/2026	\$0.09	75,000	-	-	-	75,000
29/12/2023	29/12/2026	\$0.06	325,000	-	-	-	325,000
07/11/2024	31/10/2027	\$0.08	-	650,000	-	-	650,000
			<u>1,900,000</u>	<u>650,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,550,000</u>

The above options were equity-settled share-based compensation benefits granted to the employees under the employees share option plan. The options are simple time vesting options with a vesting date of one year after the grant date. The expense recognised during the period on a prorata basis was \$10,901 (2023: \$16,759)

On 1 October 2024, 1,000,000 unlisted options with an exercise price of \$0.08 lapsed.

Options issued to new employees vest on the first anniversary of commencement date. The fair value of the options granted during the period were calculated by using a Black-Scholes option pricing model applying the following inputs:

Grant date: 7.11.2024
Vesting date: 31.10.2025
Expiry date: 31.10.2027
Share price at grant date: \$0.047
Exercise price: \$0.076
Expected share price volatility: 137.1%
Risk-free interest rate: 4.31%
Fair value at grant date: \$21,989

The weighted average remaining contractual life of options outstanding at the end of the half financial year was 1.41 years (2023: 1.54 years).

Petratherm Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 14. Share-based payments (continued)

A summary of the performance rights on issue during the period is as follows:

**31 December
2024**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted during the period	Exercised	Lapsed	Balance at the end of the half-year
20/12/2024	31/12/2028	\$0.00	-	1,000,000	-	-	1,000,000
20/12/2024	31/12/2028	\$0.00	-	1,000,000	-	-	1,000,000
20/12/2024	31/12/2028	\$0.00	-	1,000,000	-	-	1,000,000
			-	3,000,000	-	-	3,000,000

Grant date	Vesting Date	Number of performance rights granted	Fair value at grant date	Vesting Criteria
20/12/2024	31/12/2026	1,000,000	\$230,270.00	Based on the results of at least 40 drill holes, the Directors of the Company are sufficiently satisfied that a potentially economic discovery has been made at the Company's Muckanippie Project; and Continued service 2 years from 31 December 2024
20/12/2024	30/06/2027	1,000,000	\$213,434.00	The Company reports a Mineral Resource estimate in accordance with the JORC Code, 2012 Edition of at least 100Mt tonnes of not less than 8% average Heavy Mineral Sands (HMS) in the Inferred Category at the Company's Muckanippie Project with Reasonable Prospects for Eventual Economic Extraction (RPEEE); and Continued service 2.5 years from 31 December 2024
20/12/2024	31/12/2027	1,000,000	\$197,176.00	The Company reports a Mineral Resource estimate in accordance with the JORC Code, 2012 Edition of at least 100Mt tonnes of not less than 8% average HMS in the Indicated Category at the Company's Muckanippie Project with RPEEE; and Continued service 3 years from 31 December 2024

The above performance rights were equity-settled share-based compensation benefits granted to the employees under the employees performance rights plan. The expenses recognised during the period on a prorata basis was \$8,714 (2023: \$nil)

The weighted average remaining contractual life of performance rights outstanding at the end of the half financial year was 4.00 years (2023: 0 years).

Petratherm Limited
Directors' declaration
For the half-year ended 31 December 2024

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 Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- 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 Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Derek Carter
Chairman

11 March 2025

Independent Auditor's Review Report

To the Members of Petratherm Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Petratherm Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or 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, including material accounting policy information, other selected explanatory notes, 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 Petratherm 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 2024 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*. 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.

Directors' responsibility 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 financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2024 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.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 11 March 2025