

# YOUNG AUSTRALIAN MINES LIMITED

ABN: 32 103 295 521

FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
30 JUNE 2022



ABN 32 103 295 521

**Board of Directors**

Nelson Chen  
Dr Guojian Xu  
Bin Zhao  
Lan Xin Zhang  
Yang Zhang

**Position**

Executive Chairman  
Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

**Company Secretary**

Dr Guojian Xu

**Principal & Registered Office**

Level 11, 100 Edward St  
Brisbane, Qld, 4000  
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Brisbane, Qld, 4001  
+61 7 3210 0113

Email:  
Website:

info@yamines.com  
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**Share Register**

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Perth, WA, 6000  
Telephone:

+61 8 9323 2000  
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**Auditor**

BDO Audit Pty Ltd  
Level 10, 12 Creek St  
Brisbane, Qld, 4000  
Telephone:  
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Your directors submit their report for the half-year ended 30 June 2022.

## DIRECTORS

The names of Young Australian Mines Limited (the "Company" or "Young Australian Mines") directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Nelson Chen	Executive Chairman
Dr Guojian Xu	Executive Director
Bin Zhao	Non-Executive Director (appointed 19 January 2022)
Lan Xin Zhang	Non-Executive Director (appointed 19 January 2022)
Yang Zhang	Non-Executive Director (appointed 13 April 2022)
Yao Deng	Non-Executive Director (resigned 21 January 2022)
Xiangtao Wu	Non-Executive Director (resigned 21 January 2022)

## REVIEW AND RESULTS OF OPERATIONS

### Principal Activities

The principal activity of Young Australian Mines and its subsidiaries (the Group) during the half-year was the exploration and development of mineral properties.

### Results from Operations

The net loss after taxation attributable to the members of Young Australian Mines for the half-year to 30 June 2022 was \$410,000 (half-year to 30 June 2021: net loss of \$1,595,000). The basic and diluted loss per share for the Company was 0.11 cents per share (half-year to 30 June 2021: loss of 0.4 cents per share). The Company's financial performance and results have been, and will continue to be, attributable to its exploration, evaluation and development activities on its current tenements or properties that may be acquired in the future.

### Financial Position

As at 30 June 2022, the Company had \$2,440,000 cash on hand (31 Dec 2021: \$873,000). As at 30 June 2022 the Company shows a net current asset surplus of \$23,282,000. This is due to the available for sale assets relating to the remaining interest in Queensland Mining Corporation Ltd valued at \$20,810,000.

### Operations Summary

#### White Range Project – Cloncurry, Queensland

QMC holds the White Range copper project which consists of three main deposits (Greenmount, Kuridala and Young Australian), several smaller deposits (Mt McCabe, Vulcan and Desolation) and numerous advanced exploration prospects (including Copper Canyon, Chopper Ridge and Black Fort). The White Range copper project holds a published JORC 2012 Mineral Resource of 29.2 Mt @ 0.82% copper, 0.18 g/t gold and 0.03% cobalt along with excellent exploration upside.

On 16 February 2022 Young Australian Mines Limited (YAML) entered a binding QMC Sale Implementation Agreement with Fetch Metals Pty Ltd (Fetch) under which YAML agreed to sell to Fetch all of the shares that YAML holds in Queensland Mining Corporation Pty Ltd (QMC) for a total consideration of \$50,187,290 in cash. On 13 May 2022 Fetch has paid YAML a total of \$25,341,123 for the first 55% of QMC and assumed as operator of the White Range project. Fetch must acquire YAML's remaining 41.4% shareholding in QMC within 12 months after the first purchase.

Under Fetch's management of the White Range project, numerous activities have been undertaken to advance the assets in Cloncurry. A new scoping study to reflect the rising copper price has been completed with encouraging outcomes. In addition, access roads throughout the project area have been prepared and upgraded. A five-hole diamond drill program in the Kuridala deposit was completed before Christmas in 2022. Fetch will continue the exploration work and development initiatives for the White Range project in 2023.

### Spinifex Ridge Iron Ore Mine – Pilbara, Western Australia

The Company's Spinifex Ridge molybdenum project is still under care and maintenance. All statutory reports were lodged with the relevant governmental departments and various fees were paid on time. Given the continued increase in molybdenum price since April 2021, the Company has engaged SRK to complete a technical and financial assessment of the Spinifex Ridge project in August 2022. The report will help the Company to increase the value for its shareholders.

### Corporate

During the period the Company has completed the following activities:

- On 16 February 2022 Young Australian Mines Limited ("YAML") entered into a binding QMC Sale Implementation Agreement (the "Implementation Agreement") with Fetch Metals Pty Ltd ("Fetch") under which YAML agreed to sell to Fetch all of the shares that YAML holds in Queensland Mining Corporation Pty Ltd ("QMC"). Under the Implementation Agreement, Fetch has agreed to purchase all of YAML's shares in QMC and to pay a total amount of A\$48,540,350 in cash for those shares and to lend QMC \$1,646,940 on an interest free basis which QMC must immediately use to repay that amount which it owes to YAML.

Key terms of the Implementation Agreement are summarised below:

- 1) A\$4,000,000 deposit will be released to YAML if all of the conditions precedent to the sale by YAML of its shares in QMC are satisfied or waived on or before 6 May 2022. This condition was met and \$4,000,000 was released to YAML on 9 May 2022.
  - 2) Within ten business days after satisfaction or waiver of all of the conditions precedent to the sale by YAML of its shares in QMC, Fetch is to pay YAML A\$23,694,183 (in addition to the deposit amount of A\$4,000,000) for 55% of the shares in QMC, and to lend QMC the amount of \$1,646,940. This took place, and YAML received a total amount of \$25,341,123 on 13 May 2022 (being A\$23,694,183 for the sale of its shares in QMC and \$1,646,940 on account of QMC repaying its loan from YAML).
  - 3) Fetch must acquire YAML's remaining 41.4% shareholding in QMC on the date that is 12 months after the date that it acquires the 55% shareholding in QMC from YAML for A\$20,846,167. Fetch has the right to elect to expedite its acquisition of YAML's remaining 41.4% shareholding in QMC.
  - 4) During the period between Fetch's acquisition of the 55% shareholding in QMC from YAML up to and until Fetch acquires YAML's remaining shareholding in QMC, Fetch will appoint two directors to the board of QMC, and as operator will undertake exploration work and works preparatory to mine development on the QMC tenements (noting that Fetch has committed to spend at least A\$1,000,000 on such activities) on the basis of an Approved Work Program and to also pay for all rents and rates, environmental fees and utility costs which any company in the QMC group is obliged to pay.
- On 18 February 2022, QMC issued 1,919,132 fully paid shares to Gold Valley Copper Pty Ltd in relation to the receipt of \$300,000.
  - On 18 February 2022, the Company and QMC terminated the Share Subscription and Sale Agreement with Gold Valley Copper Pty Ltd ("GVC").
  - On 18 May 2022 the Company repaid the Hanlong Loan in full (principal and interest) of US\$15,123,448.
  - On 18 May 2022 the Company repaid the CSII Loan in full (principal and interest) of US\$2,143,506.

Securities on Issue

	Balance 30 June 2022
Ordinary shares	389,726,146
Total potential ordinary shares	389,726,146

**SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

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

**ROUNDING**

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (when rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the class order applies.

**AUDITORS' INDEPENDENCE DECLARATION**

We have obtained the attached independence declaration from our auditors, BDO Audit Pty Ltd, which forms part of this report.

Signed in accordance with a resolution of directors.



Nelson Chen  
Chairman  
15 March 2023

**YOUNG AUSTRALIAN MINES LTD**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2022**



		Six months ended 30 June 2022 \$'000	30 June 2021 \$'000
	Note		
Interest revenue		-	-
Gain on disposal of mineral properties		-	601
Gain on sale of investment	13	1,690	-
Other income	2	50	-
Expenses:			
Exploration expenses		(315)	(515)
Finance costs		(675)	(641)
Foreign currency losses		(504)	(471)
Share of losses in associate		(36)	-
Other expenses	3	(625)	(557)
<b>Profit / (Loss) before income tax</b>		<b>(415)</b>	<b>(1,583)</b>
Income tax expense		-	-
<b>Profit / (Loss) after income tax</b>		<b>(415)</b>	<b>(1,583)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive Profit / (Loss) for the period</b>		<b>(415)</b>	<b>(1,583)</b>
Profit / (Loss) & total comprehensive profit / (loss) for the period is attributable to:			
Non-controlling interest		(5)	12
Owners of Young Australian Mines Ltd		(410)	(1,595)
		<b>(415)</b>	<b>(1,583)</b>
Earnings / (Loss) per share attributable to the ordinary equity holders of the Company:			
Basic Earnings / (Loss) per share (cents per share)		(0.11)	(0.4)
Diluted Earnings / (Loss) per share (cents per share)		(0.11)	(0.4)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**



		30 June 2022	31 Dec 2021
	Note	\$'000	\$'000
<b>Current Assets</b>			
Cash and cash equivalents		2,440	873
Trade and other receivables	4	138	204
Available for sale assets	14	20,810	-
<b>Total Current Assets</b>		<b>23,388</b>	<b>1,077</b>
<b>Non-Current Assets</b>			
Other receivables	4	50	74
Plant and equipment	5	-	14
Mineral Properties	6	-	48,504
<b>Total Non-Current Assets</b>		<b>50</b>	<b>48,592</b>
<b>Total Assets</b>		<b>23,438</b>	<b>49,669</b>
<b>Current Liabilities</b>			
Trade and other payables	7	45	929
Borrowings	8	-	20,371
Provisions	9	61	26
<b>Total Current Liabilities</b>		<b>106</b>	<b>21,326</b>
<b>Non-Current Liabilities</b>			
Borrowings	8	-	2,759
Provisions	9	1,283	1,613
<b>Total Non-Current Liabilities</b>		<b>1,283</b>	<b>4,372</b>
<b>Total Liabilities</b>		<b>1,389</b>	<b>25,698</b>
<b>Net Assets</b>		<b>22,049</b>	<b>23,971</b>
<b>Equity</b>			
Contributed equity		402,674	402,674
Reserves		9,640	11,095
Accumulated losses		(390,265)	(389,855)
Equity attributed to the owners of Young Australian Mines Ltd		<b>22,049</b>	<b>23,914</b>
Non-controlling interest		-	57
<b>Total Equity</b>		<b>22,049</b>	<b>23,971</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2022**



Note	30 June 2022 \$'000	30 June 2021 \$'000
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(895)	(612)
Payments for exploration and project assessment expenses	(218)	(1,004)
Payments for production royalties	(150)	-
Interest received	-	-
Interest paid	(557)	-
Other receipts	111	-
<b>Net cash flows used in operating activities</b>	<b>(1,709)</b>	<b>(1,616)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and project evaluation expenses	-	(92)
Proceeds from sale of tenements	-	701
Proceeds from repayment of related party loan	1,647	
Proceeds from sale of subsidiary (QMC) – Net of costs	25,694	
<b>Net cash flows provided by investing activities</b>	<b>27,341</b>	<b>609</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares in subsidiaries to non-controlling interests	-	1,080
Repayment of borrowings	(24,065)	
Payment of lease costs	-	(15)
<b>Net cash flows provided by financing activities</b>	<b>(24,065)</b>	<b>1,065</b>
Net increase in cash and cash equivalents	1,567	58
Net foreign exchange difference	-	-
Cash and cash equivalents at beginning of the period	873	694
<b>Cash and cash equivalents at end of the period</b>	<b>2,440</b>	<b>752</b>

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



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2022**



	Contribut ed Equity	Accumulated Losses	Warrants Reserve	Share Based Payments Reserve	Change in Proportio nate Interest Reserve	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2021</b>	<b>402,674</b>	<b>(386,036)</b>	<b>9,390</b>	<b>217</b>	<b>-</b>	<b>-</b>	<b>26,245</b>
Loss for the period	-	(1,595)	-	-	-	12	(1,583)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(1,595)	-	-	-	12	(1,583)
Equity Transactions							
Shares issued to non-controlling interest in Queensland Mining Corporation	-	-	-	-	1,455	45	1,500
Share based payment expense	-	-	-	33	-	-	33
<b>At 30 June 2021</b>	<b>402,674</b>	<b>(387,631)</b>	<b>9,390</b>	<b>250</b>	<b>1,455</b>	<b>57</b>	<b>26,195</b>
<b>At 1 January 2022</b>	<b>402,674</b>	<b>(389,855)</b>	<b>9,390</b>	<b>250</b>	<b>1,455</b>	<b>57</b>	<b>23,971</b>
Loss for the period	-	(410)	-	-	-	(5)	(415)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(410)	-	-	-	(5)	(415)
Equity Transactions							
Shares issued to non-controlling interest in Queensland Mining Corporation	-	-	-	-	289	11	300
Sale of Investment (QMC)	-	-	-	-	(1,744)	(63)	(1,807)
<b>At 30 June 2022</b>	<b>402,674</b>	<b>(390,265)</b>	<b>9,390</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>22,049</b>

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

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

### Basis of Preparation

This general purpose condensed financial report for the half-year ended 30 June 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard, IAS 34 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not contain all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2021 and considered together with any public announcements made by Young Australian Mines Limited during the half-year ended 30 June 2022, in accordance with the continuous disclosure obligations of the Corporations Act 2001 requirements for unlisted disclosing entities.

The half-year financial report has been prepared on a historical cost basis and are presented in Australian currency.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### Going Concern

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

For the half-year ended 30 June 2022, the Group generated a consolidated loss of \$415,000 and incurred operating cash outflows of \$1,709,000. As at 30 June 2022 the Group had cash and cash equivalents of \$2,440,000, net current assets of \$23,282,000 and net assets of \$22,049,000.

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

1. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to continue to explore and develop the mineral properties in which it has an interest and to meet the Group's working capital requirements;
2. Sale of other non-core assets; and
3. Reducing its working capital expenditure.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis after having regard to the following matters:

1. On 13 May 2022 the Company completed the sale of 55% of the issued capital of subsidiary Queensland Mining Corporation Pty Ltd (QMC) to Fetch Metals Pty Ltd (Fetch) for total consideration of \$29,341,123. In addition, Fetch must acquire the Company's remaining 41.4% shareholding in QMC on the date that is 12 months after the date that it acquires the 55% shareholding in QMC from YAML for \$20,846,167.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

### Revenue from contracts with customers

Revenue is recognised when the Company transfers control of goods to the customer at the amount to which the Company expects to be entitled.

## Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Dividends received or receivable from the associates reduce the carrying amount of the investment.

When the Group's shares of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any differences between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## New and amended standards adopted by the Group

New and amended accounting standards and interpretations issued have been adopted in preparing the financial statements for the period ended 30 June 2022. There was no material impact on the financial statements of the group.

## 2. INCOME

### Other income

Settlement of legal proceedings

Six months ended	
30 June 2022 \$'000	30 June 2021 \$'000
50	-
50	-

## 3. EXPENSES

Consultants & Legal fees

Directors' fees

Depreciation

Salaries and wages

Defined contribution superannuation expense

Share based payments

Other expenses

301	123
222	202
3	31
11	83
11	4
-	33
77	81
625	557

**4. TRADE AND OTHER RECEIVABLES**

	30 June 2022 \$'000	31 Dec 2021 \$'000
<b>Current</b>		
Trade receivables	-	177
GST receivables	9	16
Other Debtors	114	3
Prepayments	15	8
	138	204
<b>Non-current</b>		
Security deposits	50	74
	50	74

**5. PLANT AND EQUIPMENT**

	30 June 2022 \$'000	31 Dec 2021 \$'000
<b>Plant and equipment</b>		
At cost	-	139
- accumulated depreciation	-	(125)
<b>Total plant and equipment</b>	-	14

**Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current and previous reporting periods**

Carrying amount at beginning of the period	14	49
Additions	-	-
Disposals	-	-
Depreciation expense	(3)	(35)
Derecognition of plant and equipment on sale of QMC investment	(11)	-
Carrying amount at end of the period	-	14

**6. MINERAL PROPERTIES**

<b>Exploration and evaluation assets</b>	-	48,504
Movements:		
<b>Balance at the beginning of the year</b>	48,504	47,500
Additions	-	1,104
Exploration assets disposed	-	(100)
Exploration assets derecognised on sale of QMC investment	(48,504)	-
<b>Balance at end of the year</b>	-	48,504

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

**7. TRADE AND OTHER PAYABLES**

	30 June 2022 \$'000	31 Dec 2021 \$'000
<b>Current</b>		
Trade and other payables	24	48
Accruals	21	581
Share capital proceeds in advance	-	300
	45	929

**8. BORROWINGS**

	30 Jun 2022 \$'000	31 Dec 2021 \$'000
<b>Current</b>		
Loan – Hanlong	-	20,371
	-	20,371
<b>Non- Current</b>		
Loan – CSII	-	2,759
	-	2,759

Refer to the December 2021 Annual Report for full disclosure of the terms of the Hanlong and CSII loans. During the financial reporting period the Company repaid the balance of both the Hanlong (US\$15,123,000) and CSII (US\$2,144,000) Loans in May 2022.

**9. PROVISIONS**

	30 Jun 2022 \$'000	31 Dec 2021 \$'000
<b>Current</b>		
Annual leave	61	7
Long service leave	-	19
	61	26
<b>Non-current</b>		
Long service leave	8	
Rehabilitation – Spinifex Ridge	1,275	1,413
Rehabilitation – QMC	-	200
	1,283	1,613

Rehabilitation provisions are subject to inherent uncertainty in both timing and amount, and as a result are continuously monitored and revised. Timing is uncertain as the next stage in rehabilitation is dependent on success of previous work after a number of wet seasons, however rehabilitation is not expected to commence in the next year. The provision recognised is aligned with the calculation provided by the Department of Mines and Petroleum for Young Australian tenements.

## 10. SEGMENT INFORMATION

The Group operates predominately in the mineral exploration and development industry in Australia. For management purposes, the Group is organised into one main operating segment which currently involves the development of mineral resources. All of the Group's activities are inter-related and financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

## 11. RELATED PARTY TRANSACTIONS

### (a) Ultimate parent entity

Transactions and outstanding balances with Hanlong were as follows:

	Six months ended	
	30 June 2022 \$'000	30 June 2021 \$'000
Finance costs paid	548	-
Repayment of loan (principal and interest)	21,551	
Capitalised Interest	415	636
	30 June 2022 \$'000	31 Dec 2021 \$'000
Payables – loan interest	-	239
Loan from Hanlong	-	20,371

### (b) Redrock Exploration Services Pty Ltd

The consolidated entity has a services contract with Redrock Exploration Services Pty Ltd, a company of which Young Australian Mines director Mr G. Xu is an employee, for exploration and geological services consultancy. During the reporting period a total of \$135,000 has been paid to Redrock Exploration Services Pty Ltd.

The transactions with related parties are on normal commercial terms.

## 12. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period.

## 13. SALE OF QUEENSLAND MINING CORPORATION LTD

On 16 February 2022 Young Australian Mines Limited ("YAML") entered into a binding QMC Sale Implementation Agreement (the "Implementation Agreement") with Fetch Metals Pty Ltd ("Fetch") under which YAML agreed to sell to Fetch all of the shares that YAML holds in Queensland Mining Corporation Pty Ltd ("QMC"). Under the Implementation Agreement, Fetch has agreed to purchase all of YAML's shares in QMC and to pay a total amount of A\$48,540,350 in cash for those shares and to lend QMC \$1,646,940 on an interest free basis which QMC must immediately use to repay that amount which it owes to YAML.

Key terms of the Implementation Agreement are summarised below:

- A\$4,000,000 deposit will be released to YAML if all of the conditions precedent to the sale by YAML of its shares in QMC are satisfied or waived on or before 6 May 2022. This condition was met and \$4,000,000 was released to YAML on 9 May 2022.
- Within ten business days after satisfaction or waiver of all of the conditions precedent to the sale by YAML of its shares in QMC, Fetch is to pay YAML A\$23,694,183 (in addition to the deposit amount of A\$4,000,000) for 55% of the shares in QMC, and to lend QMC the amount of \$1,646,940. This took place, and YAML received a

## DIRECTORS' DECLARATION

total amount of \$25,341,123 on 13 May 2022 (being A\$23,694,183 for the sale of its shares in QMC and \$1,646,940 on account of QMC repaying its loan from YAML).

- c) Fetch must acquire YAML's remaining 41.4% shareholding in QMC on the date that is 12 months after the date that it acquires the 55% shareholding in QMC from YAML for A\$20,846,167. Fetch has the right to elect to expedite its acquisition of YAML's remaining 41.4% shareholding in QMC.
- d) During the period between Fetch's acquisition of the 55% shareholding in QMC from YAML up to and until Fetch acquires YAML's remaining shareholding in QMC, Fetch will appoint two directors to the board of QMC, and as operator will undertake exploration work and works preparatory to mine development on the QMC tenements (noting that Fetch has committed to spend at least A\$1,000,000 on such activities) on the basis of an Approved Work Program and to also pay for all rents and rates, environmental fees and utility costs which any company in the QMC group is obliged to pay.

From 13 May 2022, following the completion of point b above, YAML deconsolidated QMC and reclassified the Investment as available for sale. The financial position of QMC at that time was as follows:

	13 May 2022 A\$
<b>Current Assets</b>	
Cash and cash equivalents	2,254
Receivables	5,876
<b>Total Current Assets</b>	<b>8,130</b>
<b>Non-Current Assets</b>	
Receivables	23,827
Plant and equipment	10,916
Mineral Properties	48,504,059
<b>Total Non-Current Assets</b>	<b>48,538,802</b>
<b>Total Assets</b>	<b>48,546,932</b>
<b>Current Liabilities</b>	
Trade and other payables	10,025
Provisions	26,879
<b>Total Current Liabilities</b>	<b>36,904</b>
<b>Non-Current Liabilities</b>	
Borrowings	1,646,940
Provisions	200,000
<b>Total Non-Current Liabilities</b>	<b>1,846,940</b>
<b>Total Liabilities</b>	<b>1,883,844</b>
<b>Net Assets</b>	<b>46,663,088</b>
Non-controlling interest	1,812,710
<b>Interest in QMC attributable to owners of Young Australian Mines</b>	<b>44,850,378</b>
Consideration received	27,694,183
Investment in associate	20,846,167
Costs associated with sale	(2,000,000)
<b>Net consideration from sale of QMC</b>	<b>46,540,350</b>
<b>Gain on sale</b>	<b>1,689,972</b>

30 Jun

2022

A\$'000

**14. INVESTMENTS IN ASSOCIATES****Summarised Statement of Financial Position**

Current assets	19
Current liabilities	110
Current net liabilities	(91)
Non-current assets	22,199
Non-current liabilities	3,170
Non-current net assets	19,029
Net Assets	18,938

1 Jun 2022 to  
30 Jun 2022**Statement of Comprehensive Income**

Revenue	-
Expenses	(87)
Depreciation	-
Loss after income tax	(87)
Other comprehensive income	-
Total comprehensive loss	(87)

**Reconciliation of Movement**

Opening balance at 1 June 2022 (when control was lost)	20,846
Share of total comprehensive loss of associate	(36)
Closing balance at 30 June 2022	20,810

**15. SUBSEQUENT EVENTS**

No circumstances or events have arisen subsequent to the end of the period that have had, or are likely to have, a material impact on the operations of the Group or the financial statements.



## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Young Australian Mines Limited in accordance with section 305(5) of the Corporations Act 2001, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Reporting*, International Accounting Standard IAS 34 *Interim Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

On behalf of the Board



Nelson Chen  
Chairman  
15 March 2023



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**DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF YOUNG AUSTRALIAN MINES LIMITED**

As lead auditor for the review of Young Australian Mines Limited for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Young Australian Mines Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R M Swaby', is written over a light blue horizontal line.

**R M Swaby**  
Director

**BDO Audit Pty Ltd**

Brisbane, 15 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Young Australian Mines Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Young Australian Mines Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

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

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

#### Material uncertainty relating to going concern

We draw attention to Note 2(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

### **Responsibility of the directors for the financial report**

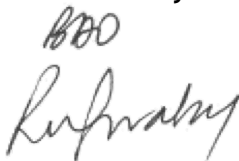
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation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

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

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

**BDO Audit Pty Ltd**



**R M Swaby**  
Director

Brisbane, 15 March 2023